



'Resilience in the face of adversity'

CBK details challenges

Opinion

To the Arab leaders ... He who constantly monitors people will worry himself to death

By Ahmed Al-Jarallah Editor-in-Chief, the Arab Times

THE Arab revolutionary regimes lost their way and condemned themselves to failure after they made it their priority to monitor and spy on their own people.

It was narrated that a Libyan man, during the reign of the late Libyan leader Muammar Gaddafi, had a dream in which he was hitting one of the colonels. When he woke up, he told his wife what he had seen in the dream, and she told her neighbor Umm Salem about it.

On the same night, a security patrol team arrived and arrested the man for a week. Following his release, he returned home with wounds of severe beatings and some fractures.

Within an hour of his return, the same patrol team came again, and he said to them, "I repent. I won't have such dreams again."

The patrol officers then said, "Don't worry, we are only here to ask you the identity of the two people who were holding the colonel while you were hitting him in your dream." The man responded, "It was my wife and our neighbor Umm Salem!"

This story is a classic case of the reality of the Arab revolutionary republics. In Egypt, after the success of the Free Officers Movement coup against King Farouk, intelligence was given wide powers such as arresting and kidnapping Egyptians, and spying even on ministers.

It is worth mentioning that one of the ministers of Awqaf (Endowment) during the era of Jamal Abdul Nasser, a graduate of Al-Azhar University, had a mistress named Susu. Every night he talked to her on the phone, but the intelligence recorded these calls and sent them immediately to the president.

One day, the minister violated Abdul Nasser's instructions concerning a ministerial matter due to which Abdul Nasser intended to dismiss him. When the minister arrived at the palace, the president asked him, "How is Susu?" The minister replied, "Susu is well. I would like to submit my resignation, President ... goodbye."

In Yemen, following the coup against Imam Hamid Al-Din, all presidents followed the same trait. Brothers spied on brothers, and wives spied on husbands. The charges were tailored according to the mood of the particular official or officer. This led to the spread of maliciousness, which hindered any attempts to develop the country because fear prevailed among everyone.

Even the ministers were not presenting any development project out of fear that it would not conform to the interests of the ruling party or the Revolutionary Command Council. It therefore fell behind after being at the forefront of the developing countries before the coups.

At that time, those regimes took the worst techniques of espionage and torture, which were used by the Russian intelligence during the reign of Lenin and Stalin against the opponents of the Bolsheviks rule. However, the world today has become a small village thanks to advanced technologies. Therefore, freedom of opinion and expression is no longer confined within the walls of homes; it has become common to all.

Hence, the methods of dealing with opponents have changed. Assassination has become morally unacceptable. Arrest and kidnapping are no longer present except in Iraq where the sectarian militias affiliated with Iran operate in the same manner as the Iranian intelligence, that is physical assassination and disappearance in prison basements resembling medieval caves.

Hezbollah tried to work according to this method in Lebanon, and carried out a series of assassinations between 2005 and 2020.

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Bronze to shooter Al-Rashidi



Bronze medalist Abdullah Al-Rashidi, of Kuwait, celebrates after the men's skeet at the Asaka Shooting Range in the 2020 Summer Olympics, July 26, in Tokyo, Japan. (AP)

'Remarkable'

Newswatch

TOKYO, July 26, (Agencies): Kuwait's shooter Abdullah Turg Al-Rashidi won a bronze medal with a score of 46 in the Olympic men's skeet shooting competition on Monday.

The US' Vincent Hancock took the gold with an Olympic record score of 59 and Denmark's Jesper Hansen won the silver with 55.

Some 30 competitors took part in the over two days from Sunday at the Asaka Shooting range, with the top six advancing to the finals.

Al-Rashidi pulled a Kuwaiti flag from his pocket and draped it over his shoulders, a huge smile beaming beneath his bristly mustache.

The 58-year-old seven-time Olympian wrapped the black, red, green and white cloth around his face, kissed the corner and raised his arms before waving to the crowd.

Olympic protocols forbid athletes from displaying their country's flag before the medal presentation.

Al-Rashidi didn't care. He was not recognized as a Kuwaiti athlete at the Rio de Janeiro Olympics five years ago and he couldn't wait to honor his country after winning a second straight skeet-shooting bronze.

"I am happy too much to see my Kuwaiti flag and second Olympic medal," Al-Rashidi said after Monday's skeet final at the Tokyo Games.

Al-Rashidi was a big hit on the Rio skeet range five years ago, waving his arms and pumping his fists to work up the mostly-Brazilian crowd. Shooting in his first Olympic final, the three-time world champion who trains falcons in his off time thrived on the sport's biggest stage, riding the fans' energy to a bronze medal.

After winning the bronze in Rio, Al-Rashidi raised his arms in the air, dropped to his knees and kissed the ground. He rose and threw his hat in the air as the crowd chanted in Portuguese: "Ole, ole, ole, Mustache!"

The only disappointment: He was considered an independent athlete, not a Kuwaiti.

Kuwait's national Olympic committee was suspended by the IOC for government interference so Al-Rashidi and his compatriots at the Rio Games had to compete as part of an independent team. That meant no team uniform — he wore the jersey of the English soccer club Arsenal — no Kuwaiti flag nor national anthem should anyone win gold.

Some of the shine taken off his first Olympic medal, Al-Rashidi stood on the podium with his head down during the ceremony.

Though Al-Rashidi is no stranger to success, his latest accomplishment was his first "under the national flag," making it even more "remarkable," added the official.

The Kuwaiti shooter has dedicated the feat to the Kuwaiti leadership and people, wishing his compatriot Olympic athletes the best of luck ahead of their remaining outings.

KUWAIT CITY: His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah on Monday received a phone call from King Abdullah II of Jordan, inquiring about His Highness' health.

The Jordanian Monarch wished His Highness the Amir lasting wellbeing and the State of Kuwait further progress and prosperity.

His Highness the Amir and King Abdullah discussed during the contact the solid brotherly relations between the two countries and peoples, means of boosting further these ties at various levels, issues of joint interest and latest developments on the regional and international arenas.

His Highness the Amir expressed deep gratitude to King Abdullah for the gracious gesture and "this brotherly communication that depicts the historic and solid relations between the two countries and peoples." (KUNA)

KUWAIT CITY: His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah sent a cable of condolences on Monday to the Saudi King Salman bin Abdulaziz Al-Saud over the death of the mother of Prince Musab bin Saud bin Abdulaziz Al-Saud.

His Highness the Crown Prince Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah and His Highness the Prime Minister Sheikh Sabah Khaled Al-Hamad Al-Sabah sent similar cables. (KUNA)

KUWAIT CITY: His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah sent on Monday cables of condolences to the UAE Supreme Council member and Ruler of Umm Al-Quwain, Sheikh Saud Bin Rashid Al-Mualla, and Sheikh Rashid bin Saud bin Rashid Al Mualla, the Crown Prince of Umm Al Quwain, on the death of Sheikha Maryam bint Ali bin Rashid Al Mualla.

His Highness the Crown Prince Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah and His Highness the Prime Minister Sheikh Sabah Khaled Al-Hamad Al-Sabah sent similar cables. (KUNA)

KUWAIT CITY: His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah has cabled Her Excellency Mary Simon, Canada's Governor General, expressing deep congratulations on installing her as the nation's governor general.

His Highness the Amir expressed good wishes to her and her nation.

His Highness the Crown Prince Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah and His Highness the Prime Minister Sheikh Sabah Khaled Al-Hamad Al-Sabah addressed cables of identical content to Canada's Governor General. (KUNA)

KUWAIT CITY: The Kuwaiti Cabinet on Monday decided to cancel the decision on the closure of all commercial activities at 8:00 pm as of Tuesday, head of governmental communication center and spokesman for the Cabinet Tareq Al-Mezrem said.

This came in a news videoconference of Al-Mezrem after the weekly Cabinet meeting at Seif Palace led by His Highness the Prime Minister Sheikh Sabah Khaled Al-Hamad Al-Sabah.

The Cabinet decided to open all activities, except for gatherings, conferences, wedding parties, social occasions, and all children actions as of Sept 1, he added.

All vaccinated people are allowed to enter varied activities, and those who are unvaccinated can enter pharmacies, cooperative societies, parallel markets, and food and catering centers, as of Aug 1, he noted.

In addition, the Cabinet decided to resume direct flights to Morocco and the Republic of Maldives as of Aug 1, he made clear. (KUNA)

BEIRUT: Lebanon's newly appointed Prime Minister-designate Najib Mikati on Monday urged unity to begin recovery from a devastating economic and financial meltdown roiling the country. He said he will strive to form a new government but the situation is too dire to overcome alone.

Mikati spoke to reporters shortly after he was appointed to the post by President Michel Aoun, after Saad Hariri earlier this month gave up his monthlong attempts to form a Cabinet. (AP)

The Central Bank of Kuwait (CBK) held a symposium launching the 9th Financial Stability Report for 2020 on Monday, 26 July 2021 at 10:00 a.m. at the CBK headquarters as well as through online channels. The planned event intended to address the major economic developments at both domestic and international levels, and presented an overview on the financial sector in the State of Kuwait.

The event hosted prominent economists as panelists and discussants from locally and globally renowned institutions.

Dr. Mohammad Y. Al-Hashel, Governor of the Central Bank of Kuwait, inaugurated the event stating that the Financial Stability Report 2020 gave both a broad and focused examination of financial stability in Kuwait in a year of unprecedented challenges. The covid-19 pandemic prompted many countries to introduce preventive measures including partial and full lockdowns leading to a halt in economic activity, as constraints materialized on both supply and demand leading to unprecedented impact on both lives and livelihoods.

Dr. Al-Hashel added that given the widespread and accelerated transmission, including multiple waves of the virus and consequent impact on the economy, the economic outlook was clouded to an unprecedented degree, exceeding levels seen during the Global Financial Crisis. This in turn led to frequent revisions of GDP projections by international economic bodies, including the International Monetary Fund. Such uncertainty made it difficult for the fiscal, monetary and economic policymakers to make effective decisions and develop plans to mitigate the crisis-induced repercussions, economic deterioration, and drastic job losses.

Reflected

The contraction in global GDP was unparalleled in scale and speed, estimated to be around 3.3%, five times worse than during the Global Financial Crisis. These effects were also reflected through job loss, with the US unemployment rate dramatically surging to 14.7%.

The Governor added that Kuwait faced a dual crisis, where it needed increased medical and strategic spending to mitigate the lockdown implications and support vulnerable sectors of the economy, while simultaneously grappling with an all-time high estimated budget deficit of KD 10.8 billion for 2020/2021, i.e., 29% of GDP, attributable to the plunge in Kuwaiti crude oil prices. Weakness in oil markets was best demonstrated by WTI future contracts, which fell in April 2020 into negative territory for the first time in history. This highlights Kuwait's heavy dependence on oil revenues and the deep-rooted financial, economic and structural imbalances that need to be addressed immediately.

The Governor also explained the CBK's role and proactive measures taken since March 2020 to counter the fallout of the covid-19 pandemic. Such measures included, but were not limited to, cutting the discount rate to a historic low of 1.5% and releasing the capital conservation buffers. This led to a reduction in financing costs and induced banks to lend more by increasing their maximum lending limits, thus empowering them to continue to fulfill their intermediation role in tighter economic conditions. The exceptional nature of this crisis emphasized the CBK's role as the government's financial advisor, which was showcased when CBK spearheaded efforts in the domestic economic recovery, implementing a slew of relief measures announced under the Council of Ministers Resolution No. 455, forming a Higher Steering Committee for Economic Stimulus chaired by the Governor of the Central Bank of Kuwait. The mandate of said committee, included, among others, the implementation of stimulus for the local economy in the report produced by the economic team comprising various public and private entities, and was entrusted to provide its insights to address the coronavirus-induced economic and social impacts. The Committee presented proposals and measures, including:

- Support of the national workforce in the private sector by doubling the allowance extended to the national labor registered under the Third and Fifth Chapters for six months, i.e. 72,000 employees.
- Drafting a set of labor and rent laws, and

supporting and guaranteeing financing to incentivize the banking sector to lend, based on which the Law No. 2 of 2021 on the Rescue of Small and Medium Enterprises (SMEs) Impacted by the Repercussions of COVID-19 Crisis became issued on 18 April 2021.

To this end, and in line with its sense of social responsibility, the CBK in collaboration with a number of banks took several initiatives, chief among them were the following:

- Return to work protocols for the banking sector in collaboration with an international consultant to ensure the safety of banks' customers and staff.
- KD 10 million fund placed at the disposal of the Cabinet.

The Governor mentioned that these measures build on decade-long efforts by the CBK to reinforce both monetary stability and financial stability by adopting prudential

policies that enhance the resilience of the Kuwaiti banking system, which allowed it to enter the crisis from a position of strength.

Mariam R. Abdulsalam, CBK Deputy Manager of the Financial Stability Office, gave an overview on the development of the banking sector's financial position and key soundness indicators. She explained that the Financial Stability Report analyses the Kuwaiti banks on a consolidated basis. She pointed out that, unlike the previous crises during which banks needed support and sometimes propagated the initial shocks, banks played a vital role during the pandemic towards economic recovery. Thanks to the support by the prudential oversight over the last decade and the pre-emptive measures for liquidity and capital that increased the lending limits, the banking sector was able to continue to fulfill its intermediation role and extend credit to the various economic sectors during the crisis. Despite the pandemic-driven contraction in nominal GDP, the banking sector maintained a positive trajectory with total assets up 2.9% YOY, reaching KD 85.4 billion. Deposits witnessed an increase of 4.1%, even with the historically low discount rate, to reach an all-time high of KD 61.1 billion, of which 78.1% were sourced locally. The increase reflects individuals' confidence in local banks. The banking sector, on a consolidated basis, achieved a net increase of KD 2.5 billion in the credit portfolio at 4.8%, which is considered a good sign given the severe crisis, lack of consumer confidence, and overall material uncertainty.

Abdulsalam mentioned that the banking sector's Non-Performing Loans Ratio remained healthy at 2%. As provisions were utilized for write-offs, and coupled with the slight increase in non-performing loans, the coverage ratio declined, yet remained sturdy at 222%. Moreover, banks remain flush with liquidity as reflected by the Net Stable Funding Ratio and Liquidity Coverage Ratio, at 115% and 184% respectively (against the required minimum of 100%), while the regulatory liquidity levels reached 27.5% against the required minimum of 18%. She concluded her statement by providing assurance that, unlike many countries that faced a liquidity crunch and required central bank intervention, the CBK, being the local monetary authority, opted to absorb rather than to inject surplus liquidity as is customary in times of crises.

Haya B. Al-Humaidi, CBK Manager of the Financial Stability Office, said that despite the unprecedented operating challenges, e.g., partial and total lockdowns, curfews, halt in economic activity and slump in real estate sector, which impacted banking customers and resulted in increased defaults, loan moratoriums and all-time low interest rates, banks still managed to register healthy net income attributable to shareholders, at KD 455 million. In addition, banks collectively maintained a higher capital adequacy ratio of 19% at year-end, and did not need to use their capital conservation buffers. They were able to continually operate and contribute to the domestic economy.

Provisions

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Debt arrest ends

By Jaber Al-Hamoud Al-Seyassah Staff

KUWAIT CITY, July 26: As the executive regulations of the Bankruptcy Law, which was approved by the National Assembly about a year ago, come into effect, about 80,000 people breathed a sigh of relief. This is because it has become obligatory for the General Department for Sentences Enforcement at the Ministry of Justice to refrain from issuing any decisions for the issuance of arrest warrants against the debtors.

This comes after the cancellation of Article 292 of the Procedure Code on which the decisions of arrest, summons and imprisonment of debtors were based, pending the failure to implement all civil judgments issued against them.

Advertisement for Al-Bahar: Banks Are a Bright Spot in the Economy in the Middle of the Crisis. See page No. 8