



boxing Page 15



soccer Page 16

Kuwait GDP cut 9.9% in pandemic '20

Opinion

When the head of the house is fond of gambling, its leaders become fun lovers despite people's sufferings

By Ahmed Al-Jarallah

Editor-in-Chief, the Arab Times

THE French monarchy, particularly during the period between 1661 and 1789, is considered to present the most important lesson in political history in terms of its rise and fall.

The story of the rise and fall of the empire began during the reign of King Louis XIV, who was called the Sun King.

He came to power at the age of five. A regent was appointed, who at that time was the prime minister Cardinal Mazarin, from 1661 until the king reached the legal age.

He was not keen about having fun and messing around. He learned from a very young age to work hard and struggled.

Versailles Palace was built in 1682, making it a symbol of absolute monarchy.

This glory began to wane with the rule of King Louis XV for a period of 59 years.

In addition, he loved amusement and fun so much that a number of historians wrote, "Wealth was made for years and wasted in one night in Versailles on the gambling tables that abounded in the seat of government."

All this led to the turn of public sentiment against the French crown. The opposition expanded, and hopes were placed on King Louis XVI, who was crowned in 1774.

The condition of King Louis XVI, who ruled for 18 years, was not better than his predecessor. He inherited an empire that was on the path of collapse.

In 1789, these causes came together in the hands of opposition leaders who sought to overthrow the monarchy.

In addition, Maximilian Robespierre, the most important leader to the revolution, defended the poor and controlled the prices of commodities.

Four years after the success of the revolution, i.e., in 1793, Louis XVI tried to flee abroad with his wife Marie Antoinette but they were captured and executed through guillotine in Paris.

Email: ahmed@aljarallah.com

Follow me on:



ahmedaljarallah@gmail.com



The Sheikh Abdullah Al Salem Cultural Centre is seen in this aerial shot. Kuwait's world-class museum, Sheikh Abdullah Al Salem Cultural Centre, is pleased to announce an exciting month of live and virtual events. — See Page 5

NewsWatch

KUWAIT CITY: The Amiri Diwan on Sunday issued the following: On behalf of His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah and the gracious Al-Sabah Family, the Amiri Diwan extends deepest thanks to the citizens and residents for partaking in the extension of condolences on demise of Sheikh Mansour Al-Ahmad Al-Jaber Al-Mubarak Al-Sabah.

"We implore His Almighty to grant them goodness, protect them against any harm and bestow mercy upon soul of the deceased." (KUNA)

KUWAIT CITY: Cultural centers and museums re-opened Sunday and started receiving visitors, in line with a Cabinet's decree stipulating that visitors are obliged to adhere to health precautions.

The centers were completely prepared to receive visitors. However, all guests must wear their face masks, as a protection against the communicable disease, COVID-19.

They will be also subject to checking their fever before entry, and inside the facilities, they are compelled to keep social distancing to ensure safety. (KUNA)

KUWAIT CITY: The Ministry of Health announced shifting Sunday's coronavirus vaccination appointments from Sheikh Jaber Bridge's center to Kuwait International Fairs Ground in Mishref.

The shift was made to ensure people's safety due to the dust storm across the country, the ministry said in a statement.

The ministry called on all citizens and expats who have appointments today to head directly to Mishref center in the set timing for their vaccination. (KUNA)

KUWAIT CITY: There are no proven cases in Kuwait thus far of the coronavirus Delta variant, more commonly known as the Indian variant, the Ministry of Health underlined on Saturday.

The announcement is based on Ministry of Health findings after an ongoing in-depth laboratory review, according to a ministry statement.

An announcement will be made in the event of the presence of any new variants, added the ministry. (KUNA)

KUWAIT CITY: The Interior Minister Sheikh Thamer Al-Ali has issued a decision to extend the period to amend the status for violators of residence law to June 25, 2021, reports Al-Anba daily.

The decision states violators of the residence law has until June 25 to rectify their situation. Those who fail to rectify their situation will be subjected to the legally prescribed penalties, be expelled from the country and not allowed to return again.

EU talks up N-hopes

Debate shows Iran fissures

TEHRAN, June 13, (AP): Iran held a final presidential debate Saturday that showed the fissures within the Islamic Republic's politics, as hard-liners referred to those seeking ties to the West as "infiltrators" and the race's two other candidates brought up the unrest that surrounded Tehran's disputed 2009 election.

Analysts and state-linked polling put hard-line judiciary chief Ebrahim Raisi as the clear front-runner in Friday's upcoming vote, with the public now largely hostile to the relative moderate President Hassan Rouhani after the collapse of Tehran's nuclear deal with world powers.

But that didn't stop Rouhani's former Central Bank chief Abdolnasser Hemmati from harshly criticizing Raisi, at one point getting up from his chair to hand him a list he described as naming individuals who haven't paid back huge loans from state banks. He again tried to link Raisi to former President Donald Trump, whose decision to unilaterally withdraw America from Iran's nuclear deal has seen the country crushed by sanctions.

"Mr. Raisi, you and your friends have played in Trump's ground with your extremist policies," Hemmati said.

For his part, Raisi called Hemmati's move a stunt and said he'd make sure the government returns to the nuclear deal.

The deal "would not be executed by you, it needs a powerful government to do this," Raisi said.

The election Friday will see voters pick a candidate to replace Rouhani, who is term limited from running again. The vote comes amid tensions with the West as negotiations continue to try and resuscitate the nuclear deal, which saw Iran agree to limit its enrichment of uranium in exchange for the lifting of economic

sanctions.

The debate took on the pattern of the previous ones, with hard-liners focusing their criticism on Hemmati as a stand-in for Rouhani. Hard-liner Alireza Zakani went as far as to accuse Hemmati of committing a "huge treason" by sharing financial information to the International Monetary Fund.

Hemmati, who raised eyebrows in recent days after telling The Associated Press in an interview he'd be potentially willing to speak with President Joe Biden, said his government would not view Saudi Arabia and the United Arab Emirates as enemies. He also warned that without deals with the wider world, Iran's economy would see no growth.

"What will happen if the hard-liners have power?" Hemmati asked. "I tell you there is going to be more sanctions with global consensus."

It remains unclear if the debates will affect voters' opinions. The state-linked Iranian Student Polling Agency suggested just 37% of Iranian adults watched the second debate.

European Union negotiators said international talks that resumed Saturday on the Iran nuclear agreement were on track to revive the deal, which crumbled after the United States withdrew in 2018.

Senior diplomats from China, Germany, France, Russia, and Britain concluded a 90-minute meeting with Iranian representatives at a hotel in the Austrian capital.

"We are making progress, but the negotiations are intense and a number of issues (remain), including on how steps are to be implemented," EU representative Alain Matton told reporters in Vienna.

Confidants 2 face sedition

AMMAN, June 13, (AP): The prosecutor of Jordan's state security court on Sunday filed sedition and incitement charges against two confidants of King Abdullah II's half-brother Hamzah, marking the latest step in a rare, intrigue-filled palace drama that has rattled the Western-backed kingdom.

The affair erupted into the open in early April when Hamzah was placed under house arrest and two senior associates — Bassem Awadallah and Sharif Hassan bin Zaid — were arrested, amid allegations that they tried to destabilize Jordan with foreign help.

Bin Zaid is a member of the royal family, and Awadallah, a former head of the royal court, reportedly has close ties to Saudi Arabia's powerful crown prince.

The state news agency Petra said Sunday that the trial of the two will begin next week before the state security court.

Hamzah's fate remains unclear, including whether his movement and ability to communicate remain restricted. Several days after Hamzah's house arrest, Abdullah said he had resolved the matter with his half-brother through mediation within the royal family and that Hamzah was in his own home under the king's protection.

At the time of his initial house arrest, Hamzah alleged that he was being silenced for exposing what he said was incompetence and corruption of the "ruling system."

Patchwork 'prime' for Biden, Erdogan

ANKARA, June 13, (AP): President Joe Biden and Turkish counterpart Recep Tayyip Erdogan have known each other for years, but their meeting Monday will be their first as heads of state. And it comes at a particularly tense moment for relations between their two countries.

The list of disagreements is unusually long for the two NATO allies: There's U.S. support for Kurdish fighters in Syria, as well as Turkey's purchase of a Russian weapons system. And in April, Biden infuriated Ankara by declaring that the Ottoman-era mass killing and deportations of Armenians was "genocide."

CBK report tough

KUWAIT CITY, June 13, (KUNA): Governor of the Central Bank of Kuwait, Dr. Mohammad Y. Al-Hashel announced the publication of the 49th issue of the Economic Report, published annually by the Central Bank of Kuwait (CBK).

The 2020 Economic Report covers key economic developments, including the most recent data and statistics available on various aspects of economic performance in the State of Kuwait during said year. The report addresses these developments in six parts, each covering a major topic in detail.

The global economy suffered an exceptionally tough year due to the COVID-19 pandemic that caused the worst economic shock in a century.

Precautionary and preventative measures went as far as total shut down of many economic activities in the first and second waves of the pandemic, putting a hard stop to a considerable portion of economic activity locally and abroad, shocking supply and demand.

Due to the pandemic and its serious ramifications, the International Monetary Fund (IMF) estimates that the global economy had retracted by 3.3% in 2020 compared to a growth of 2.8% in 2019. As global and regional economies suffered recessions, a retraction in both global demand for oil and in oil prices, directly or indirectly affected aspects of economic activity in the State of Kuwait.

Initial estimates indicate that Gross Domestic Product (GDP) at constant prices for the State of Kuwait has dropped by an average of 9.9% in 2020 compared to an average growth of 0.4% in 2019.

The value of GDP at current prices also dropped by almost 23.2%, mainly driven by a drop in the average price of Kuwait's Export Crude (KEC) per barrel to USD 41.5 in 2020, slipping 35.2%.

The inflation rate measured by the Consumer Price Index (CPI) came up to 2.1% in 2020 compared to an increase of 1.1% in 2019. Available data also indicate a drop in the total population by end of 2020 by 2.2% compared to a growth of 3.3% at end of 2019.

Responded

In terms of monetary and banking developments in 2020, Central Bank of Kuwait (CBK) swiftly and decisively responded through monetary and prudential policies since the onset of the pandemic.

The Bank dedicated its efforts and resources to counteract the negative effects of the pandemic, and did not hesitate to utilize all tools at its disposal without abandoning its goals aimed at maintaining the atmosphere of monetary stability and financial stability. The CBK adopted extraordinary accommodative policies to support sectors of the economy and help them weather the storm, focusing on the need to provide an environment that builds confidence in the national economy and its ability to recover.

The Bank took a swift pre-emptive monetary decision in March 2020 lowering the Discount Rate to a historical low of 1.5%, followed with a reduction in the Repo Rate as well as monetary market intervention price. This resulted in a drop in all indicators of local interest rates for 2020 compared to the year before.

On the supervision and banking regulation front, in support of individuals and of small and medium enterprises and companies negatively affected by the crisis, and to help the banking sector counter shocks experienced in 2020, the CBK adjusted its instructions and its macro-prudential instruments by reducing regulatory ratio requirements in terms of liquidity, capital adequacy, and lending ratios.

This policy relaxation as well as the banks' resilience, capitalization and liquidity, owing to prudent CBK monetary and supervisory policies, enabled them to fulfill their vital role in the economy and encouraged them to extend more loans and financing.

As for the exchange rate, the Kuwaiti Dinar remained relatively stable against main currencies within its peg to a special weighted basket of currencies of Kuwait's main trade and finance partners. Stimulatory monetary policy interventions and CBK prudential policies boosted confidence and warded off credit crises, and also provided sufficient liquidity to support economic recovery. Indicators reflected the banking sector's performance, most especially for the second half of 2020, with the credit awarded to the private sector growing by end of year.

The growth tempo in local liquidity levels for said year increased. Money Supply in the broad sense (M2) went up 3.8% compared to its drop of 1.2% the year before.

Residents' deposits with local banks continued to make faster growth, going up 3.8% compared to 0.3% the year before. And despite slower growth in the balance of local credit in 2020, growth remained positive reaching 3.5% despite the lockdown. The continued positive growth rate of credit facilities is undoubtedly indicative of the efficacy of the CBK accommodative monetary policy measures.

Looking at the Current Account of the State of Kuwait's Balance of Payments, the figures show a realized surplus of KD 6,849.9 million for the first three quarters of 2020, at a drop of KD 390.6 million or 5.4% against the corresponding period of the previous year.