

Prayer Timings

Fajr	04:31	Asr	14:49
Sunrise ..	05:50	Maghrib ..	17:16
Zohr	11:33	Isha	18:33

Local

VACCINE REGISTRATION WEBSITE: https://cov19vaccine.moh.gov.kw/SPCMS/CVD_19_Vaccine_Registration.aspx

Weather

Expected weather for the next 24 hours:

By Day: Fair with light to moderate north westerly wind with speeds of 10-35 km/h.

By Night: Hot with light to moderate freshening at times north

westerly wind with speeds of 12-45 km/h with a chance for rising dust over open areas.

Station **Max Exp** **Min Rec**

Kuwait City 42 30

Kuwait Airport 43 24

Abdaly 43 22

Jahra	43	26
Salmiyah	38	29
Ahmadi	39	31
Wafra	42	24
Salmiya	41	21
Jal Alyyah	42	23
Managish	-	-

'Uncertainty persists with piecemeal measures'

'Financial deficit, legislative impasse to fuel liquidity risk'

KUWAIT CITY, Oct 16: Moody's, the credit rating agency, reported that the continuous delay, driven by political considerations, in implementing reforms in Kuwait, such as the introduction of value-added tax and the review of public sector wages in particular, has an effect on the effectiveness of fiscal policy in Kuwait, and predicts the fiscal deficit to remain wide open even after the recovery of prices of the barrel of oil, reports Al-Rai daily.

The agency pointed out the tense relationship between the government and MPs included financing issues in recent years, as the continuation of the impasse over the new public debt law and benefiting from the assets of the Future Generations Fund has raised the liquidity crisis and the risks of non-payment of government bonds.

The sources told the daily the possibility of the executive and legislative authorities continuing to provide only piecemeal measures will make uncertainty regarding the medium-term funding situation persist, as long as the government suffers from a financial deficit, explaining that the longer the legislative impasse, the higher the liquidity risks, which may arise from the depletion of available liquid resources and the inability of the General Reserve Fund to collect funds before the maturity dates of Kuwaiti bonds.

Legislation

Moody's pointed out that the government has proposed new legislation to expand financing options, but the bills may continue to face the resistance of the National Assembly, noting that on the positive side, the issuance of legislation that establishes financial reforms and expands government financing options may increase the flexibility of government finances and reduce liquidity risk.

In particular, the introduction of value-added tax and indirect taxes may broaden the government revenue base and lead to a structural improvement in the fiscal balance, while at the same time Kuwait has a huge stockpile of sovereign assets in the Future Generations Fund, which far exceeds GDP and government debt.

The obstacles that Kuwait faces in resolving the liquidity

problem are mainly political, and not related to external factors. The sources indicated that Kuwait's credit position is supported by the exceptional wealth that it enjoys, as the assets of sovereign wealth funds significantly exceed the GDP and government debt.

This is in addition to its huge oil and gas reserves, and very high levels of income, explaining that against these strengths, there is the divided relationship between the executive and legislative branches that impede policy formation, undermine the state's ability to adapt to shocks, and increase liquidity challenges, as well as regional geopolitical tensions.

Wealth

Kuwait's credit strengths are represented by its large oil wealth and very high level of per capita income, Moody's says, but the credit challenges it faces are represented by a very high dependence on the oil and gas sector and the associated macroeconomic fluctuations, and the institutional weakness that is evident from the slow progress in economic and financial reforms, and the ongoing liquidity crunch in the absence of a solid financing strategy, indicating that while liquidity issues are of particular importance in the near term, risks in the medium term are broadly balanced, as evidenced by a stable outlook.

On the other hand, Moody's reported that any evidence of continued improvement in the strength of institutions and governance in Kuwait may raise the country's credit rating, indicating that this may arise if the relationship between the government and the National Assembly becomes more productive, leading to the formation of a smoother and more predictable policy. Given the slow progress in economic diversification that usually precedes this situation, it is likely that such credit-supportive fiscal reforms will come as a result of allowing investment income from the Future Generations Fund to be integrated into the budget revenues.

As for the factors that may lead to a downgrade of Kuwait's rating, Moody's stated that any increase in liquidity risk, especially since the repayment date of international government bonds is approaching, may lead to a rating downgrade, perhaps by more than one degree if there is a

material risk of non-payment, even if investors do not face any losses in the end, given the hedges of the government's large sovereign wealth funds, the agency is also likely to downgrade the rating if the weakness of the government's financial strength in the medium term leads to a sharp increase in government debt.

Strength

Moody's has set Kuwait's economic strength score at "a2", which is higher than the initial degree "baa3", to reflect the very high levels of per capita income in the country, as well as the huge oil wealth.

According to the agency, Kuwait has so far the largest proportion of proven oil reserves to production among the Gulf Cooperation Council countries, which are sufficient to last about 90 years at the current rate of production, in addition to relatively low production costs, allowing the country's hydrocarbon resources to be the long-term engine of income and wealth.

It showed that, however, Kuwait's economy is smaller than the economies of other Gulf oil-exporting countries, as besides its greater dependence on the oil and gas sector, it leads to economic growth and nominal GDP that tends to be more volatile than its peers.

In the same context, the agency determined the assessment of Kuwait's institutions and the strength of governance at a score of "ba2", noting that some aspects of the institutional framework and government effectiveness witnessed weakness, as evidenced by the steady deterioration in Kuwait's ratings on international governance indicators over the past decade, and the inability to implement reforms.

Moody's indicated that its assessment of Kuwait's financial strength at "AAA" takes into account the extremely low government debt burden, and unusually large financial liquidity in the form of assets managed by the Kuwait Investment Authority, and based on its estimates that the transparency ratio is 25 percent.

Sufficient

The assets of the sovereign wealth in Kuwait are sufficient

to cover about 300 percent of the gross domestic product.

Moody's assesses Kuwait's external vulnerability and sensitivity risk at a score of "aa", noting that the huge foreign exchange reserves held by the Central Bank of Kuwait and the very large stock of foreign assets held by the Kuwait Investment Authority contain significant external risks.

The agency expected that Kuwait would achieve large current account surpluses in the foreseeable future under its current assumptions for oil prices, and that the fiscal deficit would shrink to about 15 percent of GDP in the 2021/22 fiscal year, mainly due to the recovery of oil prices since 2020. Hydrocarbon revenues increased by about 65 percent and non-oil revenues rose slightly with the easing of restrictions related to the Corona virus and the continued return of economic activity to normal.

However, high levels of spending still limit the scope for a greater improvement in public finances, and as for the government's goal to reduce spending by at least 10 percent compared to the budgeted amount, (Moody's) believes that the government's ability to achieve this is limited, which will make the financial deficit in Kuwait among the widest financial deficits among the countries classified by the agency.

Policy

Moody's considered that the management of monetary policy in Kuwait is credible and effective, as evidenced by the relatively low and stable levels of inflation since the shift from the dollar peg to linking the dinar to a basket of undervalued currencies, noting that the controls and rules of the Central Bank of Kuwait are generally strong and prudent, and this is reflected in the financial stability of the banking system during periods of macroeconomic volatility.

On the one hand, Kuwait's BAA banking sector risk assessment reflects the limited contagion that the sector poses to the government's balance sheet and credit profile, despite its large size. This is supported by the track record of financial stability, capitalization and high liquidity enjoyed by banks, in addition to the strength of provisions for bad loans.

Parliament

Panel to intensify probe in missing artifacts case

'Need to tighten security'

By Saeed Mahmoud Saleh
Arab Times Staff

KUWAIT CITY, Oct 16: Chairman of the parliamentary Education, Culture and Guidance Affairs Committee MP Hamad Al-Matar disclosed that the panel recently met with Minister of Information and Culture and Minister of State for Youth Affairs Abdulrahman Badah Al-Mutairi to discuss the missing artifacts.

Al-Matar said the minister affirmed cooperation in solving the issue, and that he is deeply concerned about it. He confirmed that Al-Mutairi formed a fact-finding committee and intends to hold a press conference about this committee's report after a couple of weeks.

He added the committee tasked to do an inventory in the rooms allocated for keeping the artifacts presented its report on Sept 9, 2019 stating that some boxes labeled with the numbers of some artifacts were empty.

He went on to say that the parliamentary committee emphasized the need to take this fact into consideration during investigations on the missing artifacts.

He wondered why the Sobia area, which contains artifacts from the Stone Age and dating back to almost 6,000 BC is secured only with a metal fence which can be broken easily.

He urged the government to assign a security company to protect the area and prevent thefts. He asked His Highness the Prime Minister Sheikh Sabah Al-Khalid to help Al-Mutairi in providing proper security in the area.

He also unveiled his plan to call for the formation of a parliamentary fact-finding committee to investigate the issue at the beginning of the next legislative round.



Participants of the program.

Bid to hone skills of employees

NBK, SAS launch 'Data Analytics Academy' program for workers

Al-Ablani: The program comes in line with NBK's consistent efforts to invest heavily in data analytics and processing to understand customers' needs and behaviors.



As part of its continuous efforts to invest in human resources and qualify them with the best training programs that are on par with international standards, National Bank of Kuwait (NBK) announced the launch of "Data Analytics Academy" program, in partnership with SAS, with the aim of imparting its employees with the required skills in Data Analytics.



Al-Ablani

"Data Analytics Academy" program will be held virtually over 6 months through March 2022. It will be attended by 22 trainees from different departments, and will cover 9 modules ranging from beginner to advanced levels.

The program launch was attended by Mr. Sulaiman Al-Marzouq, Deputy CEO of National Bank of Kuwait - Kuwait, Mr. Emad Al-Ablani, GM - Head of Group Human Resources, and Mr. Mohammad Al-Othman, GM- Consumer Banking Group, Mr. Sudhakar Nibhanupudi - Chief Data Officer, in addition to other executive leaders and a group of officials from Training and Development Department at the bank.

This program aims to enable participants to learn SAS programming for data science, machine learning, and artificial intelligence, whilst training them on how to access, explore, prepare, and analyze data, through data manipulation techniques.

The in-depth 9-module program will cover basic statistical concepts that are critical in understanding and using statistical methods, and predictive modeling within the SAS/STAT software, as well as enhancing the skills required to assemble analysis flow diagrams, and how to process SAS data by using Structured Query Language (SQL).

The program will focus on improving the understanding of patterns within the data, and the discovery of values using algorithms, techniques and systems to extract knowledge and insights, thus enabling more innovative decisions and solutions, which contributes to improve and develop the performance of all the bank's units.

On this occasion, Mr. Emad Al-Ablani, GM - Head of Group Human Resources at National Bank of Kuwait Group said: "Through the professional training courses provided to employees, NBK Group Human Resources plays a vital role in driving the bank's journey towards shaping its digital future."

"Our training and development strategy at NBK Group Human Resources is focused on contributing to qualify its human cadres to be both capable of and committed to embracing innovation, which has become a key constituent of the bank's digital culture," he added.

Al-Ablani noted that the program comes in line with NBK's consistent efforts over the past years to invest heavily in data analytics and processing to understand customers' needs and behaviors. In this regard, the bank established a state-of-the-art Data Center in Kuwait back in 2019, for the purpose of analyzing huge amounts of data to study customers' trends and needs to enable it to make quick and well-informed decisions that constantly meet customers' expectations.

It is worth mentioning that SAS is one of the international companies specialized in Data Analytics and Management and Information Technology.

NBK pays paramount attention to developing the capabilities of its employees, harnessing all its resources to progress their career by providing top-notch training and development programs, in cooperation with the most reputable educational institutions around the world, in order to keep pace with the key changes in the banking industry. The bank's human capital development strategy is placed at the heart of its strategic plans, as the efficiency of the work ensures the quality of all types of banking services provided across the different markets in which it operates.

Online study wins

Jail, fine upheld in terror finance case

By Jaber Al-Hamoud
Al-Seyassah Staff

KUWAIT CITY, Oct 16: The Court of Cassation closed the curtain on the "terrorist financing case" filed against a Kuwaiti citizen Shafi Al-Ajmi. It decided to uphold the ruling issued by the Court of Appeals in January to imprison Al-Ajmi and his brother for a period of seven years each and impose a fine of KD 700,000, as well as sentenced another citizen to five-year imprisonment and impose a fine of KD 30,000.

The Court of Appeals had sentenced Al-Ajmi, his brother, and the other citizen to prison and imposed the fine after convicted them of financing the Syrian terrorist group Al-Nusra Front.

Early last year, the Public Prosecution detained Al-Ajmi and his brother for two days based on allegations of illegally collecting donations and financing terrorist and extremist groups in Syria with more than half a million dinars in cash.

Al-Ajmi was accused by Washington in 2014 of financing terrorism by collecting money for armed groups in Syria. He was arrested in Kuwait the same year, and sanctions were imposed on him along with two others including his brother. The authorities then released him shortly after his detention.

In another judicial context, the Court of Cassation issued a final ruling to uphold the verdict of a lower court to imprison the chairperson of a charity organization for a period of five years and impose a fine of KD 120,000 for defrauding donors for charity projects and usurping KD 211,000 from the donors' funds.

The Public Prosecution charged the accused with committing a crime of laundering KD 211,502 by deliberately acquiring, possessing and transferring these funds for the purpose of concealing their illegal source, and under the full knowledge of obtaining them fraudulently.



Online study wins: In a remarkable final verdict in favor of citizens wishing to study via the Internet, the Court of Appeals obligated Ministry of Higher Education to equalize a bachelor's degree certificate for a Kuwaiti citizen who graduated from the University of California in the United States of America after completing his studies via distance learning.

According to the case file, the plaintiff counsel Lawyer Ali Al-Ali explained that his client enrolled to study at the University of California in the United States of America at his own expense and obtained a bachelor's degree in business administration specialized in finance in 2016 through distance learning. When he submitted his certificate to the Ministry of Higher Education along with a request for equivalency, the ministry refused, despite submitting a grievance to it without success.

Since this refusal constituted an illegal and negative administrative decision because the university was accredited and preceded the equivalence of certificates similar to the certificate obtained, his client filed a lawsuit.

The court stated, in the rationale for its ruling, that the evidence obtained from the documents is that the citizen enrolled at the University of California at his own expense and obtained a bachelor's degree in business administration from there.

New round of MoE Kuwaitization

KUWAIT CITY, Oct 16: With the upcoming end of the COVID-19 health crisis and the accompanying exceptional repercussions that hindered the approval of some government files and documents, sources from the educational sector revealed that the Civil Service Commission (CSC) will implement another round of Kuwaitization in the month of November for some administrative jobs occupied by expatriates in the Ministry of Education, reports Al-Rai daily.

They denied any prejudice to educational jobs, which according to government promises, will remain fixed at the same previous rate of 70 percent for Kuwaiti teachers and 30 percent for expatriates.

The sources explained that the administrative sector, during the previous years, had concluded the Kuwaitization process for the largest segment of administrative

jobs in the ministry, both in its headquarters and in other central departments. In some of the departments, the rate of Kuwaitization is 100 percent. There are jobs for which there are no Kuwaitis registered in the central employment system, including social and psychological service jobs, lab technicians and service implementers.

The last batch of jobs covered by Kuwaitization in the Ministry of Education included a number of accounting, legal and engineering jobs. Educational jobs and psychological and social services jobs were excluded. The Ministry of Education has the highest rate of Kuwaitization among government agencies since the time CSC began preparing its study on the application of the Kuwaitization policy in government agencies in accordance with the rules and procedures for Kuwaitization of jobs.

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