

Kuwait and sustainability economy and public finance

KUWAIT: Judging what is sustainable and what is unsustainable does not require a precise scientific specialization, it is enough to resort to logic. In this report, we shall depend on logic in our assessment of what is unsustainable and conclusion in judging that repair costs of what is unsustainable increase in case the start is delayed and that success chances of the reform diminish over time.

Economy

Starting with the economy, two-thirds of which relate to the public sector, with the highest cost and lowest productivity in the world. Low citizen productivity is a result of the individual being among a crowd exceeding the required workforce in addition to inadequate work space that is controlled by influence or connections no matter how hard the individual works for a promotion. It is impossible for such an economic structure to produce quality and competitive goods and services. As a result, production costs will inflate and goods and services produced cannot compete neither locally nor abroad. Most importantly, the production of such goods and services will be unable to create sustainable job opportunities while the economy is currently required to create 25,000 jobs every year given that this number increases over time.

Public Finance

Secondly, the public deficit is also unsustainable as risks appear in the short term. Politicians use the public deficit as a way to purchase people's loyalties and the permanence of their positions while the vast majority of the people pay the costs and bear the risks. In 2000, total public expenditures were about KD 4 billion and education, health services as well as the infrastructure level were much better than their present level. In the current budget 2021/2022, public expenditures scored KD 23 billion, about 5.75 times that of year 2000, yet the quality of the above services has become worse. Despite the oil market shocks, the corona pandemic and the need for financial reform, public expenditures volume, increased by 26.4% during the past six years, i.e. since 2015. The annual compound growth rate of public expenditures over the past six years is 4.1%. If the same compound annual growth rate continues, which is contrary to the logic of the high number of people coming to the labor market and the requirements of increasing population and housing, the volume of public expenditures in 2030 will score about KD 33 billion. By the time of reaching "New Kuwait" in 2035, the public expenditures will score about KD 38.6 billion, then "New Kuwait" will not necessarily imply a greater quality.

The aforementioned flaws are operational and financial. There is no harm if these flaws continue while the government provides the support for its conviction that they are sustainable or can coexist at endurable costs. But it should know that they are unsustainable as all consultants admitted. It transpired that had the government been aware of the unsustainability risks after the first oil crisis in 2014 fall, it would have reaped the fruits of its decisions today with bearable costs and a promising future. That did not happen, and it does not appear from the current indicators that the public administration is aware of or willing to reduce their risks.

Kuwait & sustainability labor force & population

From both the social and political view, the disorder in the work force is the most dangerous. The blatant unemployment threatens stability which is the cornerstone of investment and reform inflows. The government employs about 80% of the national labor and supports all others, and needs to employ the same by 2035. If its current policies continue to a time when the direct and indirect wages and salaries bill consumes about 73%

of the general budget expenditures, a situation where there is no relationship between wages and productivity, and connections are the dominant factor in appointments and promotions, the demand for the public sector is not justified by the need for the work, but due to the differences in salaries and privileges and the lack of job requirements and its tolerant values. In a blunt example, it is not important to recall how it was a puzzle for the Council of Ministers in 2011 to be convinced by what the minister of oil argued that oil cadres do not cost the significant sums. However, it is important to discuss the consequent impact on the sector as the production costs of the Kuwait barrel increased at a time when all expectations suggest a fall in oil prices and thus the sector's weak productivity despite it being the only source of financing for the state. Therefore, the unsustainability of the labor balance is threatened by the unprecedented numbers of people coming to the labor market, by the weakness of the oil market, the high costs of its production and the increase in its domestic consumption, and by the unsustainability of public finance due to the loss of its flexibility in the structure of its mentioned items.

Demographic Structure

If we look into the impact of both the concentrated office labor in the public sector and the requirements of craft labor in the horizontal expansion in housing, we can see that any talk about adjusting the demographic structure is a mere mirage as there are handicrafts and home services that need to bring huge numbers of expatriate workers. These huge numbers increase pressures on costly and subsidized public services, and the rise in population numbers is a variable dependent on the continuation of the need for different skilled labor. Therefore, controlling the population structure becomes impossible and the continuous rise in the import of expatriate labor makes the population policy unsustainable as well.

That was also the summary of the advice given by all consultants who provided advice to the government. The logic behind the advice is similar, meaning that what is unsustainable must be stopped and treated, and that is what successive governments did not attempt to do.

Education

Education in Kuwait is linked to obtaining a certificate. While its level, specialization and the need of the labor market for it are not important. What is important is the financial and social privileges granted by that certificate, those that created the forged certificates' crisis. The current government admits in its program that public education is lagging by about 4.8 years, and the rating of the only public university is beyond the thousand. This happens despite the high cost of the student in both the public and higher education (among the highest levels in the world). The most important development goal is investment in the human being, as it is the goal and the means to development. Despite a fundamental change in the patterns and specializations of education in most of the world to comply with the completely different requirements of production in the future, the educational system in Kuwait dedicates holders of certificates that are irrelevant to future-making. That is an unsustainable educational system whose failures does not fall on the student but on the public administration who is responsible for its curricula and values and awareness of its importance. With the inability of the economy to create jobs, the future outcomes of this level of educational system will be exposed to a harsh matter.

Health Services

One of the most important criteria for measuring the effi-

eSIM + Long Battery Life: Independent intelligence, as powerful as a smartphone

The Huawei Watch 3/3 Pro support standalone connectivity. By activating the eSIM service on their smartphones, users can share the phone number as well as voice and data plans between their smartphone and smartwatch. Besides that, users can also answer incoming MeeTime calls on either device simply by tapping the notification on the device of their choice.

Huawei Watch 3 Pro feature ultra-long battery life, supporting up-to five-day battery life in smart mode and provides up-to 21 days in ultra-long battery life mode. Longer battery life ensures that users can wear it all day, use it continuously, and use it all the time even during sleep. Whether users are wearing it for workouts, meetings, or sleeping, Huawei Watch 3 is always connected and offers support.

All-day prograde health management

The Huawei Watch 3 Pro comes with a new high-precision temperature sensor that detects skin temperature on the wrist as well as ambient temperature. When worn properly in a still indoor environment at a temperature ranging from 15°C to 35°C, the smartwatch detects the user's wrist's skin temperature and trend.

With Fall Detection and SOS alert enabled, the Huawei Watch 3 Pro will automatically enter SOS mode when a fall is detected. In Help mode, the user can select from three options: "Emergency call", "I fell but I'm fine." or "I didn't fall."

Super Device Smart Experience

Thanks to its Super Device capabilities providing a truly intelligent experience across all types of scenarios, Huawei Watch 3 Pro users can connect directly from the convenience of their smartwatches to several smart applications.

Huawei has collaborated with many local, regional and international entities to release their apps3 into the Huawei Watch 3 Pro such as Emirates, one of the world's leading international airlines, talabat, one of the leading food delivery apps in the region, Jeeny one of the popular ride-hailing apps in Saudi Arabia and Jordan, and Dubai Taxi Corporation (DTC), one of the largest taxi operators in Dubai and subsidiary of the Dubai Government Roads and Transport Authority (RTA). These are the first partners to see their apps running on the new Huawei Watch 3 Pro.

Huawei and Emirates have worked closely to provide Huawei Watch 3 Pro users with a seamless and convenient experience while using the app on the newly launched smartwatch: Users can now retrieve their trip details by simply entering their

booking reference directly on the smartwatch without the need to use their phones. Once their booking is retrieved, they will be able to receive updates related to their Emirates booking and flight status with a simple glance at their wrist.

In addition and when using Dubai Taxi Corporation (DTC) or Jeeny the ride-hailing app, Huawei Watch 3 Pro users will be able to view the status and notifications of their rides while on the move straight from the smartwatch. When ordering from talabat, the smartwatch converts to a smart assistant by tracking and notifying users on the status of their food order.

Now available to download from AppGallery on Huawei Watch 3 series, Petal Maps provides convenient navigation directly in the smartwatch, making it more accessible than ever for users who are walking or cycling to easily access directions by taking a glance at their wrist.

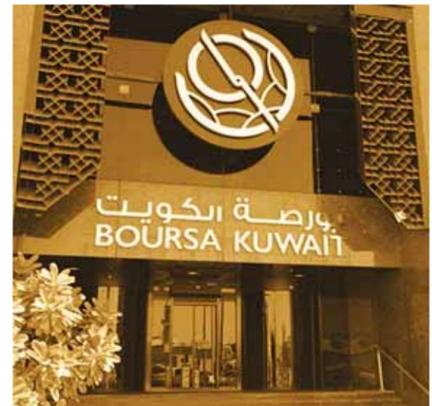
The Huawei Watch 3 Pro also supports Smart Hand Gesture Control*, which intelligently senses various hand gestures. For instance, you can answer an incoming call by releasing a clenched fist with a raised wrist.

Over 100 workout modes

The Huawei Watch 3 Pro can monitor user's workouts and daily activity status throughout the week, including steps, calories, standing time, medium and high-intensity workout time, etc., forming a fitness record ring to encourage users to exercise more often and regularly. It offers upgraded sports monitoring feature, providing over 100 workout modes including 17 professional workout modes, 12 outdoor workouts and 7 indoor workouts. There are also 85 customised workout modes that cover six categories of sports: extreme, leisure, fitness, aquatics, ball games and winter sports.

When starting a workout, the Huawei Watch 3 Pro can automatically detect six workout modes: Outdoor running, outdoor walking, indoor walking, indoor running, elliptical and rower. You just simply need to confirm your workout type on the smartwatch without adjusting any other settings. Once your workout is over, you can tap the End button and the smartwatch will stop tracking and generate a data report for you, making the process nice and simple.

Lastly, the Huawei Watch 3 Pro features high-precision multi-mode GNSS which supports GPS, Beidou, Glonass, Watch 3 Pro and QZSS, so it does not only receive more satellite data for positioning but also make motion recording more reliable and motion trajectory more accurate. After each workout, users can generate a motion trajectory and share via social media with one click.



ating income versus 36.4% in the same period of 2020.

Total assets scored KD 4.437 billion, a rise by 1.5% or by KD 67.4 million versus KD 4.370 billion in the end of 2020, and increased by 0.2% or by KD 10.7 million when compared with total assets in the end of the first half of 2020 when total assets scored KD 4.427 billion. Item of financing receivables rose by KD 58.2 million or by 1.9%, reaching KD 3.172 billion (71.5% of total assets) versus KD 3.114 billion (71.3% of total assets) in the end of 2020. It also increased by KD 72.9 million or by 2.4%, if compared with the same period of 2020 when it scored KD 3.099 billion (70% of total assets). Ratio of total financing receivables to total deposits scored 86.5% compared to 80.8%. While item investment securities decreased by KD 19.6 million or by 5%, down to KD 372.9 million (8.4% of total assets) versus KD 392.5 million (9% of total assets) at the end of 2020. When it is compared to the same period of last year, it also decreased by KD 6.8 million or by 1.8%, dropping from KD 379.6 million (8.6% of total assets).

Figures indicate that the bank's liabilities (excluding total equity) decreased by KD 117 million or by 3%, and scored KD 3.750 billion compared with KD 3.867 billion in the end of 2020. Total liabilities decreased by KD 184.6 million or by 4.7%, if compared with their total in the first half of last year when it scored KD 3.934 billion. Ratio of total liabilities to total assets scored 84.5% versus 88.9%.

Results of analyzing the bank's financial statements on annual basis indicate that profitability ratios showed a mixed performance compared with the same period of 2020. Return on average capital (ROC) declined to 15.9% versus 16.7%. While, return on average equities (ROE) rose to 8.01% versus 7.97%. Likewise, return on average assets (ROA) rose slightly to 0.82% versus 0.81%. Earnings per share (EPS) increased to 7.6 Fils compared with 7.4 Fils. (P/E) scored 19.7 times compared with 17.0 times, due to increase in the share market price by 18.7% against a lower rise in the EPS by 2.7% compared with their level on June 30th 2020. (P/B) scored 1.6 times compared with 1.3 times.

Weekly performance of Boursa Kuwait

The performance of Boursa Kuwait for last week was more active, where the traded value, traded volume and the general index increased, while the number of transactions decreased. AI Shall Index closed at 599.7 points as of last Thursday, showing an increase by 15.7 points or by 2.7% compared with its level last week. It remained higher by 111.9 points or by 22.9% compared with the end of 2020.



BB upgrades its safe deposit box service

KUWAIT: Burgan Bank announced the upgrade of its safe deposit boxes at the Head Office branch with new sizes to offer customers a greater variety of options to store and access their valuables securely at their convenience.

Burgan Bank upgraded this service in the aim of meeting the customers' various needs and insuring their peace of mind. Designed with the best-in-class technology, the Bank's secure safe deposit boxes are ideal for storing and securing valuable items. Now available in eight different sizes with competitive annual charges. The boxes are ultimately protected with exclusive access during the Bank's working hours.

The safe deposit boxes are guarded by the Bank's 24/7 active and advanced security system and can be conveniently accessed by the customer or a delegated representative.

Burgan Bank is dedicated to provide its customers with the finest personalized and professional services. The Bank's great variety of products and services are constantly enhanced to meet the customers' lifestyle and personal banking needs with increased convenience and comfort.