Last five days of amnesty for all expats underway

Long queues affected traffic in Farwaniya

KUWAIT: Large crowds gather at a school in Farwaniya turned into a center to receive visa violators wishing to avail the amnesty. — Photos by Fouad Al-Shaikh

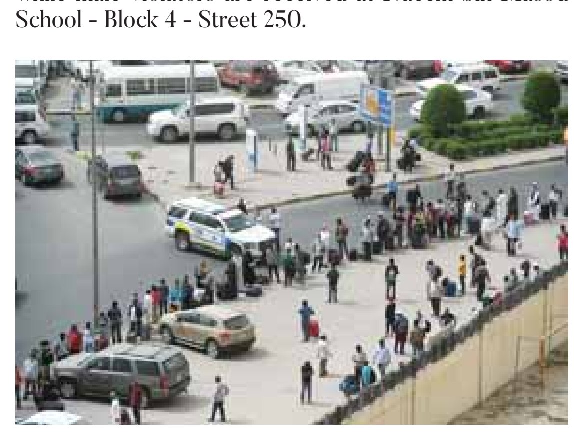
By Ben Garcia

KUWAIT: The first of the last five days of a general amnesty granted to all undocumented expatriates in Kuwait witnessed long queues of people at the processing center in Farwaniya on Sunday wanting to leave Kuwait without paying fines and a chance to return.

The Kuwaiti government granted an amnesty to undocumented expats from April 1-30. To make it more orderly, the interior ministry organized applicants by nationality, starting with Filipinos (April 1-5), Egyptians (April 6-10), Bangladeshis (April 11-15), Indians (April 16-20) and Sri Lankans (April 21-25). The last five days (April 26-30) are for applicants of all nationalities.

The long queue of applicants at both the female and male processing centers in Farwaniya affected the movement of vehicles nearby. They came with their luggage, as approved amnesty applicants will be sent to holding areas until airlines are ready to fly them home. Their airfare will be covered by the Kuwaiti government.

Violators are received from 8:00 am to 2:00 pm at the following locations: Male violators are received at Al-Muthanna primary school for boys, Farwaniya, block 1, street 122, while female violators are received at Farwaniya primary school for girls in Farwaniya, block 1, street 76. Residency violators from all nationalities are also received in two different locations in Jleeb Al-Shuyoukh as follows: Female violators are received at Roufayda Al-Aslameya School - Block 4 - Street 200, while male violators are received at Naeem bin Masod School - Block 4 - Street 250.



KPC to coordinate with clients on slashing oil output

KUWAIT: Kuwait Petroleum Corporation declared on Sunday it would coordinate with clients in international markets to cut its supplies of the Kuwaiti crude oil in line with the State of Kuwait adherence to the recent accord reached between OPEC and the organization partners, effective as of May 1. The KPC affirmed in a statement its full support to the country role as to ensuring success of the deal for serving all stakeholders' interests and for sake of restoring balance to the global oil markets. OPEC member states and non-OPEC partners agreed at a meeting on April 13 on slashing the oil output by 9.7 million barrels per day as of May 1 for a preliminary period extending for two months and ending on June 30. They also agreed on decreasing the production for a six month period from July 1 until December 31 at a rate of 7.7 million bpd. —KUNA

local spotlight

Oil drop

By Muna Al-Fuzai

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Oil prices fell drastically in March and are still falling. This decline is very worrying for most countries of the world, whether industrial or oil countries such as the Gulf states, including Kuwait in particular, which leads to the question about the repercussions of the prices on the economy of the GCC. This matter requires serious action before dealing with the consequences and not the problem.

I am surprised that at a time when thousands of press, media and medical reports circulated on the subject of the coronavirus crisis, both for guidance on the seriousness of the matter and its follow-up, the biggest focus was on ways to provide sufficient resources to support medical studies and research, vaccines, provide food security for people, how to maintain a coherent economy and protect the world from inflation, unemployment rate and poverty, but the issue of falling of oil prices is without many solutions.

This article will not analyze the circumstances or political differences between major countries that led to this decline. What concerns me more as a citizen and an activist from the Gulf or the so-called oil-rich states are the results, because the failure to reach an agreement regarding the levels of output reduction and ensuring commitment from all sides will eventually lead to a price war between oil-producing countries.

Oil prices fell in the European market in conjunction with the world's preoccupation with medical developments to combat the coronavirus, which requires large financial funds to confront it, and the closing of economic activities to reduce the spread of the epidemic. Of course, the turmoil in the global financial markets led to a decline in oil prices, and it is expected to continue in light of the shutting down of economies of major Western countries. So unless a miracle vaccine comes to us that cures everyone and the economic machine returns as it was before, we will need to worry for some time, especially with the suspension of aviation, which increases the severity of the oil market crisis.

I believe that this crisis puts the budgets of the Gulf states in a real predicament that must be faced with swift solutions unless a plan is reached to return oil prices to levels of $50 per barrel, because government expenditures in a country like Kuwait are huge in light of increased spending on coronavirus measures, quarantines, hospitals and the cost of treatment. So keeping a fixed ceiling on spending of each government agency according to its needs is required. Also grants and loans to countries must be reviewed until we pass through this crisis.

I think with the continued decline in crude oil prices in the long run, the implications will lead to depleting financial reserves. The increase in oil revenues in the past led to reliable financial surpluses to mitigate the effects of low oil prices, as sovereign funds can bear the losses of price dropping to less than $10 a barrel, but this will not be sufficient to prevent an economic downturn in the long run.

The challenges that are facing Gulf governments, including Kuwait now, are more difficult. Although economic growth created a significant improvement in the standard of living and infrastructure, it has not generated enough job opportunities, especially for young Kuwaiti graduates, so the problem of citizen unemployment is something that will have negative impacts. Setting a ceiling for expatriate labor with the required skills, combating marginal labor and returning non-compliant expatriates to their homeland should not be a matter of dispute.

On April 1, the Kuwaiti government approved an economic package worth $5 billion as a first stage that included a set of recommendations related to addressing the economic repercussions resulting from the coronavirus crisis. The approval of this economic package aims to ensure the continuation of economic activities and ensure social protection of citizens and the preservation of Kuwaiti national employment conditions in the private sector. That is indeed a very wise and correct decision.

The package also aims to cover the cost of the vacation granted by the state to workers in the government and private sectors due to the outbreak of the coronavirus, which amounts to $5.1 billion per month, while the value of wages of workers in the public sector, both citizens and residents, is 3.5 billion per month, keeping in mind that the salary item constitutes more than 50 percent of the budget. For 2020, I believe this is a large bill paid by the government, especially since all the Gulf countries set the price of a barrel of oil at $50 in their budgets for 2020.

Kuwait has always had a wise financial policy despite huge spending, but peaceful economic treatment now will protect us from the unknown.