

Local

# Loan sharks in Kuwait exploit cash-strapped expatriates

By Ben Garcia

**KUWAIT:** The closure of thousands of businesses due to the coronavirus pandemic has hit expatriates in Kuwait hard, with hundreds of thousands now out of work with no or partial salaries. To buy food, pay rent and send money to family dependent on their salaries back home, some expatriates are turning to loan sharks. Though illegal, the practice is rampant and traps many in a lifelong cycle of indebtedness.



vive, she borrowed money and accepted relief food packs from the Philippines Embassy. "At least I received food packs from the embassy, otherwise by now I probably would've died," she added.

## Illicit borrowing operations flourish

Angel, 37, has two loans from illicit loan sharks in Kuwait. "I am currently paying two loan sharks here. The first time I borrowed money when my mother died last year, then this March because my company is no longer paying us," she said. Angel is currently living in the locked down area of Hawally. She said the loan was an immediate relief for her family and herself, but she doesn't know now how she will be able to repay the debt, since her company terminated her and eight others due to the shutdown.

"I asked my employer to provide me with a certificate of employment so I could get cash assistance from our embassy. He gave me the certificate plus the termination letter," Angel said. The Philippine Embassy through the Philippines Overseas Labor Office (POLO) has distributed cash assistance of around KD 60 to distressed Filipinos. "I applied for cash assistance from our government because I really need the money. But my boss said he regrets to inform me that I will be terminated because there's no way they can reopen their business soon and that he could no longer provide us a salary," she said, quoting her boss.

"From February, I don't have a salary. I begged for money to buy food, but my boss never responded to my messages - except once time to give us the termination letter," Angel said. To sur-

But her problem is not just to survive in Kuwait. Angel said she also has several mouths to feed back in the Philippines. "Since February, my family is waiting for money, but I could not send any, so at the end of March I borrowed KD 400 from a loan shark - this was my second loan," she admitted.

Angel said she has two children back in the Philippines and a sick husband. "I borrowed money from a loan shark because my family in the Philippines need to survive also, plus my two kids need to be enrolled in school, if I don't get the amount from a loan shark, they will not go to school this school year. So I borrowed money," she explained. But the problem now is how to repay the loan. "They are demanding payment monthly, but how can I give now since I have no work?" she asked.

Under the terms of her illicit KD 400 loan, Angel is required to pay back KD 110 in four consecutive months for a total of KD 440. Failure to pay the KD 110 due each month results in an additional KD 10 in interest plus KD 5 for being overdue. "Since I cannot pay KD 110 every month, I have to raise at least KD 15 every month for the interest. The same is with my other loan, so monthly I need at least KD 30 just to pay the interest," she explained.

### Lucrative operation

Lita is another Filipino who borrowed large amounts from a loan shark. "I borrowed money from a loan shark because I need to buy land from a friend at my place in Bohol," she said. "I took a KD 1,000 loan from a person whose business is related to gold. She was my friend actually. Gold is her front business but behind that gold business is



a lucrative loan sharking operation. She has too many Filipino clients," Lita claimed.

"She lends you cash but also requires you to pay a processing fee of 5 percent of your total loan. I borrowed KD 1,000 - 5 percent of KD 1,000 is KD 50, so minus KD 50. It is a mandatory deduction, so I received KD 950. Not only that, since her business is of gold, you will be required, whether you like the gold or not, to get 15 percent of your cash loan in gold. Plus you are required to pay a minimum of KD 130 every month till you're done paying the KD 1,000. Failure to pay the loan shark will result in an additional fee of KD 20, but you are still required to pay KD 130 the following month," she said.

When you are approved for the loan, you will be required to go to the ministry court of their choice to secure an "authorization letter" for the gold

shop to deduct from your bank the total amount. "In my case I should pay KD 130 per month for 10 months, for a total of KD 1,300. But remember, I only received KD 800 in cash (plus KD 150 in gold) out of the KD 1,000 loan. Yes, the gold is mine, but it is not my priority. I had no choice - I needed cash," Lita said.

The loan shark takes the ATM card along with copies of the borrowers' civil ID and passport. "Agreeing to their terms and conditions means you are allowing them to withdraw the full amount from your bank salary through your ATM. It will be withdrawn by a representative of the loan shark and you will take the remaining amount in cash from them at their shop," she said. Though illegal in Kuwait, there are many such illicit borrowing operations where those in need of quick money take on outsized debts.



**KUWAIT:** Minister of Health Sheikh Dr Basel Al-Sabah inaugurated yesterday the Fintas Health Clinic in Al-Ahmadi.

## Sheikh Salem Al-Ali Award marks 20th anniversary

**KUWAIT:** Today marks the 20th anniversary of launching the Sheikh Salem Al-Ali Al-Sabah Informatics Award, which started in 2001 as the first informatics award in the Arab World.

In this regard, chairperson of the award's board of trustees Sheikha Ayeda Salem Al-Ali Al-Sabah expressed her pride in responding to His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah's call to adapt new methodologies in the post-corona world, which will be far much different, adding that the award would continue its digital transformations to become a modern institution ready for the foreseeable future and capable of effectively managing its administrative and technical business online.

She added that the 20th anniversary is a turning point towards phase-five which would be launched online within the coming

weeks including academic informatics courses, 'Shift Al-Kuwait' competition, informatics award and other activities inspired by HH the Amir's wish to build human-based stable and sustainable economy.

"It gives us great pride this year to see that HH Sheikh Salem Al-Ali's futuristic vision when he launched the award on June 15, 2001 has become so tangible, which makes us launch this year's award on the same date: June 15, 2020 to emphasize the great role the award has played through rapid digital shifts and transformations individuals and institutions have achieved in our region, having positive impacts on education, health, finance and other disciplines during this global pandemic," she added.

Sheikha Ayeda added that the 'Shift Al-Kuwait' platform was launched to boost informatics awareness through social media

networks and that 'Tadween' was launched for Arab bloggers with the aim of preserving the Arabic language in 2013, followed by the 'Sheikh Sabah Al-Ahmed Humanitarian Activities Platform' in 2014. "On realizing the beginning of the fourth industrial revolution, the award renewed its strategy in 2016 to enhance know-how and digital industry economies through supporting technical pioneers", she underlined.



Sheikh Salem Al-Ali

### News in brief

#### 500 plasma donations

**KUWAIT:** Director of the Department of Blood Transfusion Services at the Ministry of Health (MoH) Dr Reem Al-Radwan said that 500 'immune plasma units' were collected from donors who recovered from the novel coronavirus (COVID-19) since the donation started on April 8th.

#### Appointments

**KUWAIT:** The Ministry of Electricity and Water announced that people can book appointments through its website (<https://appointment.mew.gov.kw/mew/>) to process their transactions once work resumes next week.

#### Kuwaiti imams

**KUWAIT:** Minister of Justice and Minister of Awqaf and Islamic Affairs Fahad Al-Afasi announced that Kuwaiti citizens can apply for the position of Imam and muezzin from June 16 to 25.

#### 20 flight

**KUWAIT:** The Directorate General of Civil Aviation announced that 20 flights departed Kuwait International Airport yesterday, carrying a total of 3,501 passengers. They included 11 flights to Egypt, seven flights to India, one flight to Qatar, and one flight to Iran.

#### Curfew violators

**KUWAIT:** Police arrested 13 Kuwaiti nationals on Saturday for violating the curfew, the Interior Ministry said. The arrests came as follows: Four in the Capital governorate, eight in Hawally, and one in Mubarak Al-Kabeer.

Stay safe. Stay home. Stay informed

