

Business

Al-Roshood: KFH demonstrated the success of its performance and strategy during pandemic

Virtual roundtable discusses Kuwait's banking and finance sector

KUWAIT: Abdulwahab Al-Roshood, Acting Group Chief Executive Officer at Kuwait Finance House (KFH), said that the COVID-19 pandemic was a good opportunity to test the resilience of KFH's performance, business activities, and digital transformation strategy. He added that during the past year, and at a time when many sectors and industries were suffering from the repercussions of the pandemic, KFH maintained its high performance and provided high-quality mobile banking services without interruption along with focusing on health and safety of its employees and customers.

During Global Finance virtual round-table meeting entitled: "Kuwait's Banking and Finance in Kuwait," that brought together senior officials, experts from the banking and financial services sector, prominent economic figures from the public and private sectors and representatives from financial technology compa-

capital and liquidity they accumulated compared to recent crisis episodes and the precautionary provisions they allocated based on the regulatory requirements," He added.

He noted that the outlook for recovery rely on the recovery of the economy and the sentiment of the market which are of course associated with the status of COVID-19. Meanwhile, Al-Roshood sees that the local economy and businesses require the government to keep spending on planned projects and also take aggressive measures to prop up the economy.

He confirmed that the pandemic hasn't treated all sectors equally, as some sectors were hit, while others benefited from it. SMEs, Infrastructure and construction, aviation, hospitality, and transportation are the sectors that were deeply hit but still can revive fast when things come back to normal. However, some sectors like tech companies, e-commerce or even media

has been a crucial concern for banks as they think twice before rolling out innovative services i.e. some digital services are ready to go live but the cybersecurity concern hinder them," he noted.

SMEs

Al-Roshood said: "It is highly important to involve the private sector in the development plan to lift the burden off the government in its commitment to find jobs for the citizens. The private sector including SMEs spur growth that comprises a major factor for creating new jobs and supporting the development plan".

"SME sector is one of the main sectors that are targeted to be supported by the government and subsequently by banks to achieve Kuwait 2035 vision. KFH is considered the first bank and one of the main banks in Kuwait who designated a financing department for SME sector. Moreover, Kuwait government continued to support SME segment through a special program that would encourage entrepreneurs to start their own SME business," he added. He noted that banks with the supervision of the government are taking all supportive measures to sustain all affected SME clients to enable them to withstand and survive COVID 19 pandemic effects through rescheduling their debt or through subsidized finance in addition to the continuity to grant new finance to unaffected clients.

Al-Roshood expressed his hope that after the COVID 19 pandemic, the recovery of the economic sector would be quick to enable SME business to rebound and grow again.

Societal considerations

Al-Roshood confirmed that Kuwait has played a great role in dealing with the crises at the social level as evidenced by the initiative of the CBK in collaboration with government and the banking sector to defer the installments for 6 months for all bank customers. This initiative had great impact on the families and contributed to maintaining their financial level unaffected. He added that the Kuwaiti banks also complied with government precautionary measures of minimizing the number of staff at workplaces to avoid crowding, implemented the COVID-19 protocols in an optimal manner and took part in spreading awareness of how to deal with the pandemic.

Digitization

During the round-table meeting, Al-Rashood reviewed the most advanced digital banking services provided by KFH to its customers, saying that the efficiency of KFH's digital services was evident in 2020 as transactions completed by its customers through KFHonline on the website or the mobile app exceeded 140 million. "Being the first bank in the world to use NCR Hybrid Solution to instantly issue banking cards via tablets, KFH has also launched the digital onboarding service "opening bank account online" for new customers, citizens and residents within minutes without having to visit the branch". He added.

Al-Roshood pointed out some of the innovative

financial solutions provided by KFH such as: the free of charge "SWIFT GPI" service to track local and international banking transfers electronically for individuals and corporates via KFHonline, deposit of cheques via mobile, cardless cash withdrawal by (QR Code, Civil ID & Mobile Number), opening a gold account with options of selling, buying and trading online, instant Cheque Printing and receiving gold biscuits instantly through XTMs available at the smart branches, KFH Go, in addition to many other highly efficient digital services.



Abdulwahab Al-Roshood

Recently, KFH has inaugurated its tenth KFH-GO smart branch that offers customers highly efficient e-services covering over 80 percent of the services and transactions provided by traditional branches, making it the preferred choice for many segments of customers, especially young people.

Developing the talents

During the meeting, Al-Roshood highlighted the interest that KFH attaches to developing and training the human resources and retaining talented employees, adding that having competencies and talents in all departments helps KFH to navigate the pandemic to ensure business continuity and maximum application of digitization in line with the digital transformation strategy of the bank.

He added that despite the pandemic, KFH succeeded over the past year in designing and organizing training programs for its staff covering banking, technical and behavioral aspects. "Also, the development of KFH employees has been high priority on 2020 agenda where they have successfully concluded a series of virtual intensive courses with Harvard Business, INSEAD, and IMD to build staff's capabilities as KFH Group Future Leaders." He mentioned.

Furthermore, KFH granted in-scholarships to a number of employees as part of the scholarship program being offered by the bank since 2013. In terms of Kuwaitization, Al-Roshood confirmed that KFH leads the Kuwaiti banks and the private sector as a top recruiter of Kuwaitis where citizens made up 99 percent of new hires in 2020. As fresh graduates made up 70 percent of new hires in 2020, KFH confirmed its leadership in terms of employing and qualifying national youth talents.

He noted that KFH is the only bank to launch the "Forsah" program for the outstanding new graduates who joined KFH, adding that the bank has been investing in this program since 2009 and during the last years KFH conducted through Forsah program training courses including field visits to Big tech companies like Microsoft and global institutions, in addition to banks of the Group in Turkey, Bahrain, Malaysia and Germany.

- KFH's comprehensive and proactive approach enabled it to manage the crisis effectively
- COVID-19 increases pressure on Kuwait's financial position and economic activity
- The outlook depends on the recovery of the economy and the return of investor confidence associated with the Coronavirus
- Ongoing government spending on projects and supporting the economy is a necessity for recovery
- CBK has made great strides towards developing new financial technology frameworks
- In 2020 KFH continued developing and training its employees
- SMEs are among the main sectors targeted by the government and banks to achieve Kuwait Vision 2035
- Kuwaiti banks have succeeded in absorbing the unprecedented situation thanks to their high levels of capitalization and accumulated liquidity

nies, Al-Rashood said: "while the COVID-19 pandemic represented an unprecedented challenge with severe socio-economic consequences, our comprehensive and proactive strategy enables us to effectively manage the crisis by fully utilizing our digital tools to facilitate customer services".

He explained that during 2020, the Kuwaiti economy was struggling with economic and social pressures such as the decline in oil price, undiversified economy, weak operating environment, fiscal deficit and demographic imbalance.

"The spread of the COVID-19 virus has added stress on Kuwait's financial position and economic activity, limiting its ability to address the inherited socioeconomic issues. However, the pandemic has also prompted vast policy responses and relief measures by the local regulators and the finance sector to swiftly absorb the COVID-19 impacts. For instance, the banks were largely able to accommodate the unprecedented situation thanks to the higher level of

streaming took advantage of the pandemic as the demand exponentially surged on such sectors.

Challenges of technology

Al-Roshood mentioned that the banking industry has seen huge evolution and it is undergoing a process of digital transformation where many processes are being fully automated. He added that Kuwaiti banks are keen to invest in banking and financial technology and digital transformation. This trend would enhance the role of the private sector in the Kuwaiti economy as it is a key part of Kuwait's 2035 vision to become a regional and regional financial and commercial hub.

Al-Roshood confirmed that the CBK's efforts in supporting banks with their digital transformation are recognized, adding that CBK has made great strides in paving the way for applying financial technology by providing sand boxes and the suitable infrastructure. "However, the infrastructure in Kuwait might not be compatible with all digital services. The cybersecurity

Trump's provocative use of social media was a defining feature of his presidency. He often used tweets to slam his critics or to announce personnel changes or significant policy shifts. But Twitter permanently suspended his account after he used it to rile up supporters who stormed the US Capitol on January 6 in a deadly rampage. Trump was also booted from Facebook, Instagram, YouTube and Snapchat after the attack.

"We need to be asking more from big tech companies, not less," Democratic Senator Amy Klobuchar of Minnesota said in a release announcing the Safe Tech Act. "Holding these platforms accountable for ads and content that can lead to real-world harm is critical, and this legislation will do just that."

Meanwhile, political conservatives accuse social media platforms of stifling free speech with moves such as fact-checking or removing accounts that spread debunked and dangerous information. "I am kind of surprised at the timing of all of this," Milanesi said of today's hearing. "Although it is an important topic, I feel there are more important topics like getting people vaccinated and helping them put food on the table." — AFP

Congress to grill US Internet giants over disinformation

SAN FRANCISCO: The heads of Facebook, Google and Twitter will testify before Congress today on disinformation, following a tense US election, Capitol attack and rise of a new administration seemingly intent on doing battle with Big Tech.

The remote video hearing will be the fourth for Facebook's Mark Zuckerberg and Twitter's Jack Dorsey since last July and the third for Google's Sundar Pichai: evidence of how the companies' vast economic and political power has landed them squarely in the crosshairs of Democrats and Republicans alike. "Whether it be falsehoods about the COVID-19 vaccine or debunked claims of election fraud, these online platforms have allowed misinformation to spread, intensifying national crises with real-life, grim consequences for public health and safety," said the heads of the two Congressional subcommittees holding the hearing, in a statement. A recent backlash against the tech behemoths, which dominate key economic sectors, has intensified as their influence has grown during the coronavirus pandemic. "I don't expect more than theater" at the hearing, said analyst Carolina Milanesi of market research firm Creative Strategies.

"It's still politics and you are still going to have the whole Republicans-versus-Democrats and free speech coming into play," US President Joe Biden this week named a prominent advocate of breaking up Big Tech firms, Lina Khan, to head the Federal Trade Commission, in a move suggesting an aggressive posture on antitrust enforcement. Another Big Tech critic, Tim Wu, was recently appointed to an economic advisory post in the White House.

Self-made mess?

Milanesi said she expected the tech executives to play up investments, hiring, and measures put in place to fight abuses such as the spread of disinformation, while "avoiding the elephant in the room" of having enabled the harmful misconduct. "If I have to hire seven people to sweep up the broken glass from the bulls in the china shop, if I let them in in the first place I don't get brownie points for cleaning up the mess," Milanesi said. Stakes for the tech giants are high: Multiple senators back a Safe Tech Act, which would reform legislation favored by the companies which is meant to protect them from being held responsible for the content posted on their platforms. Interest in reforming the legislation, called Section 230 of the Communications Decency Act, has been heightened by former president Donald Trump hinting he may launch his own social media platform.

Banks provide \$4tn to oil since climate deal: NGOs

PARIS: The world's leading banks have provided the fossil fuel industry with \$3.8 trillion in financing in the five years following the signing of the Paris climate accord, a group of non-governmental organizations said Tuesday. While financing dropped last year as oil output plunged thanks to the coronavirus pandemic, the report found that it was still higher than in 2016, the year after the signing of the Paris Agreement where nations agreed to cut back CO2 emissions to limit the rise in global temperatures.

"The overall fossil fuel financing trend of the last five years is still heading definitively in the wrong direction," said the report by NGOs including Rainforest Action Network, BankTrack, Oil Change International and Sierra Club. The report called for "banks to establish policies that lock in the fossil fuel financing declines of 2020, lest they snap back to business-as-usual in 2021."

It found that US banks remained the top bankers to fossil fuel companies last year, with JPMorgan Chase coming in first, followed by Citi and Bank of America.—AFP



MOSCOW: This picture taken on March 16, 2021, shows felled trees stacked ready for transportation to the sawmill at a forestry plot near Vologda, 500 kilometers northeast of the Russian capital Moscow. — AFP

Russia, an oil giant, goes big on timber

VOLOGDA, Russia: In a dense forest northeast of Moscow, logging machines cut down rows of trees as Russia taps foreign demand for its wood as part of efforts to reduce its dependence on oil exports.

Nowhere is this more evident than in Vologda, a region 500 kilometers (310 miles) northeast of the Russian capital, where forests of birch and pine stretch as far as the eye can see. Tracked vehicles equipped with booms that can grab and cut trees are used by the Segezha group, which turns the wood into planks at a nearby factory.

For Segezha vice president Dmitry Rudenko, the scene illustrates a turning point for Russia's timber sector. "What we're seeing today is the rise of the timber construction industry. It is Russia's future without a doubt," he told AFP at the Moscow offices of the Sistema holding firm, of which Segezha is a subsidiary.

Russia is home to one-fifth of the world's forest and further exploiting this resource could help the country cut down its economic reliance on oil and gas. Hydrocarbons account for half of Russian exports by volume while wood and its derived materials represent about three percent.

It could also help Russia improve its environmental image as wood is a much greener construction material than concrete, which releases lots of carbon into the atmosphere during its production. Trees can be replaced, though environmental groups are skeptical about Russia's record on that front.

'Bright future'

Segezha was already a leader at home and abroad in paper-based packaging and various wooden construction products. Now it has launched the first factory in Russia to manufacture cross-laminated timber (CLT) panels, which thanks to the layers of wood being glued at right angles, are rigid enough to build multi-storey buildings. The use of CLT for buildings is increasingly popular in Europe but still niche in Russia, where firms hope it will be approved by regulators in the coming months.

In the meantime, Segezha is busy exporting to Germany, Austria, Italy and Japan. "Biomaterial, including wood, has a bright future. Consumer demand for ecological and natural products is increasing," said Marina Zotova of the WhatWood analysis firm.

"The quality of Russian timber is on par with that of Finland and the United States," she added, describing the texture of some Siberian wood as "breathtakingly beautiful." Andrei Frolov, vice president of the Russian timber industry union, said that the sector has "good prospects, particularly in the foreign market." But he noted that massive investments would be necessary for the timber industry to compete with the oil and gas industries. One way that Russian authorities hope to encourage the development of the industry is to ban the export of certain types of logs from 2022 and instead focus on processing the lumber at home in order to ship wood-based materials that have more value. Russia is a global leader in exports of raw wood. In Vologda, sporting a red beard and bottle-green uniform, site manager Ilya Moskalov told AFP that all felled trees—some of which are seven decades old—are ultimately replaced. "Wood is a renewable building material so long as forests are managed properly." —AFP