

“Our Bank or Their Bank?”

The responsibility of nurturing a nation's economy falls entirely on the central banks. Everyone relies on the central banks, but that never stops people from complaining about them. In times of prosperity, the merchants howl and bank owners press on the central bank to relax their policies and procedures. In times of crisis, however, the first one to be blamed is the central bank and it is called upon to save the day no matter what! Being an active banker myself, I had the opportunity to notice two organizations that succeeded in defending their country's economies and waded through the repercussions of the financial crisis in 2008. They are The Bank of Canada and the Central Bank of Kuwait, which not only saved the local banks and economy, but also protected the country with billions of Dinars to restore the system. The efforts of the Central Bank of Kuwait are thus obvious and through strict applications managed to make the banking system flourish.

In this matter we can say that their bank is equal to ours.

The two banks differ in one of the rules related to financing residential properties. The housing market in Canada is superior to its peers. First-time home buyers in Canada have access to a wide range of tax deductions, long-term financing options, and government insured loans which promote an active but stable market. The funding mechanism there works hand in hand to resolve the housing crisis. While the central bank here closely guides banks and citizens; capping loan repayment periods at ten years and setting more restrictive conditions to reduce market speculation and avoid future crises. But the central bank is not to be blamed for this since the development of these financing mechanisms requires the contribution of the government and the assembly.