



Investing in Kuwait:

A guide for
Investment Opportunities in Kuwait





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PREFACE

This is the first edition of Investment Opportunities Guide in the State of Kuwait that highlights the unique value proposition of Kuwait, its economy and business climate. The main purpose of the Guide is to provide a profile on a host of potential investment opportunities in various sectors in Kuwait available to both the local and global investor community.

Kuwait is a country that is embarking towards the future with strong resolve to attain H.H. the Emir's vision for transforming it into a leading financial and commercial centre. This vision is based on a tradition of openness with extensive commercial relations that Kuwait has always enjoyed further amplified by its strategic location at the Northern part of the Gulf, with easy access to dynamic neighboring markets. Besides its richness in natural resources of oil and gas, the real wealth lies in its human capital of young and well educated population, with a remarkably rising entrepreneurial class that compliments the well established business and commercial class, with all serving as true partners with the public sector in realizing and achieving the country's economic and social development agenda.

Despite the global adverse repercussions of the last financial crisis and the volatility of oil and commodities prices, Kuwait has maintained a low risk classification and a stable outlook, with strong macroeconomic fundamentals, a transparent legal system, high quality of life, democracy, and a commitment to attain and support the international development agenda.

Kuwait offers several benefits under its new direct investment law which allows for foreign investors to obtain up to 100% equity ownership in any sector (except those specified in a negative list), benefiting from up to 10 years exemption from income tax and other taxes, partial or full customs duties exemptions, allocation of land, employment of foreign labour, and guarantees including protection against nationalization or expropriation without compensation.

We wish to acknowledge the support provided by KPMG Advisory W.L.L., Kuwait in relation to studying the potential investment opportunities in the State of Kuwait on behalf of the Kuwait Direct Investment Promotion Authority (KDIPA) and in the preparation of Kuwait Investment Guide.

Sheikh Dr. Meshaal Jaber Al Ahmad Al Sabah
Director General
Kuwait Direct Investment Promotion Authority



Kuwait at a glance

Official Name of Country

State of Kuwait

Capital City

Kuwait City

Governorates (Administrative Units)

Hawally, Ahmadi, Al Asimah, Jahra, Farwaniya, Mubarak Al Kabeer

Government

Constitutional Hereditary Emirate with a democratically elected Parliament

Head of State (Amir)

His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah

Population

4.18 Mn (June 2015)

Official Language

Arabic; English is also widely used, particularly as a business language

Area

17,818 km²

Climate

Temperatures can go below 0°C in winters and above 50°C in summers. Mean temperatures range between 11°C to 29°C in winters and 25°C to 39°C in summers.

Currency

Kuwaiti Dinar (KWD or KD), sub-divided into 1,000 Fils. (1 USD equals approximately 301 Fils as per the average exchange rate in 2015)

GDP

USD 155 billion (2014)

GDP Per Capita

USD 40,447 (2014)
(Nominal GDP over mid-year population)

Value of Total Exports

USD 98 billion (2014)

Value of Total Imports

USD 30 billion (2014)

Annual Inflation Rate

2.94% (Consumer Price Index, 2014)

Time Zone

GMT +3 hours

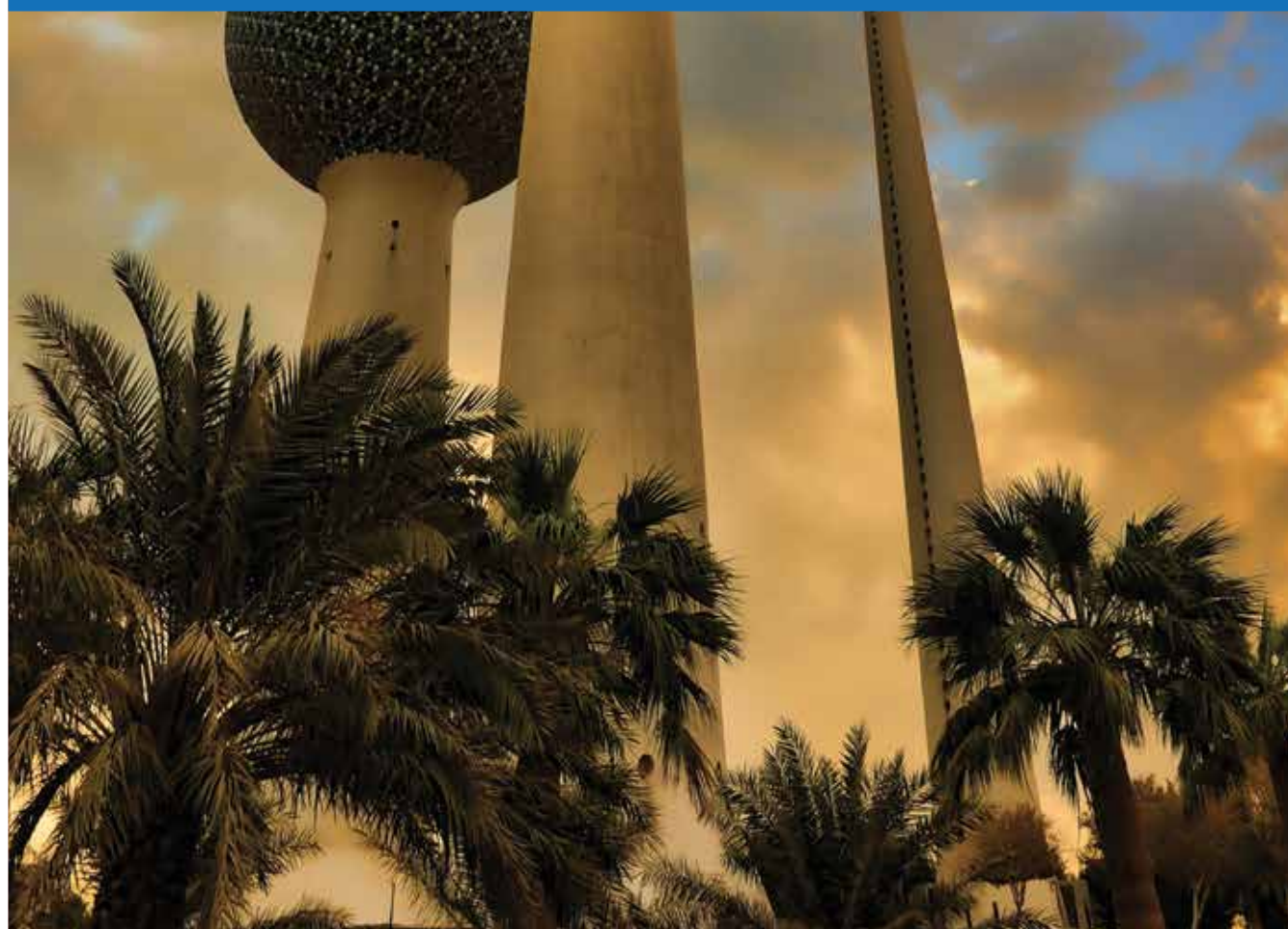
Country Code

+965



WHY

KUWAIT?



1. Substantial government resources

Kuwait is a founding member of the Gulf Cooperation Council and the Organization of Petroleum Exporting Countries. It has the 6th largest oil reserves globally, estimated at around 101.5 Bn barrels.

Kuwait's economy benefited from record budget surplus over the past several years which is expected to help it tide over the present low oil prices scenario. Therefore, Government of Kuwait will continue to spend heavily on infrastructure development in coming years to realize its long term 2035 vision.

The Kuwait Investment Authority, Kuwait's sovereign wealth fund, manages assets currently estimated at USD 592 Bn. Kuwait enjoys a strong investment grade sovereign ratings (AA/AA2) and low political risk ratings from major credit rating agencies globally. The Government's strong financial position gives it the ability to underwrite large scale projects and drive development efforts in the country despite lower oil prices.

KSA

266.6 bn barrels

IRAN

157.5 bn barrels

KUWAIT

101.5 bn barrels

UAE

97.8 bn barrels

QATAR

25.2 bn barrels

2. Significant infrastructure development

Kuwait is promoting unprecedented levels of infrastructure development activity aimed at realizing its long term vision of diversifying the economy and transforming Kuwait into one of the leading hubs for financial trade and logistics in the Middle East.

The Third Kuwait Master Plan focuses on improvement of the country's infrastructure with the Kuwait development plans prioritizing infrastructure needs of the country with an earmarked budget of USD 103 Bn for projects across different sectors, such as roads, ports and airport infrastructure, water, power and social infrastructure, a metro and national rail network, etc. These initiatives are expected to provide opportunities for foreign investment in Kuwait.



3. Private sector involvement

Increasing the involvement of the private sector is a key priority for the Government under its diversification program.

The Government's initiatives such as the PPP program, privatization law, establishment of the Kuwait National Fund for SMEs Development and the Kuwait Direct Investment Promotion Authority are aimed at increasing the share of private sector in GDP.



4. Enabling 100% foreign ownership in businesses

The Kuwait Government is making concerted efforts towards facilitating both local and foreign investment in Kuwait.

The Kuwait Direct Investment Promotion Authority (KDIPA) was established in 2013 under the Law for the Promotion of Direct Investment in the State of Kuwait (Law No. 116 of 2013) to drive and coordinate Kuwait's local and foreign direct investment agenda. KDIPA is the successor to the erstwhile Kuwait Foreign Investment Bureau (KFIB), a division under the Ministry of Commerce & Industry that was established in accordance with the Law No. 8 for 2001 Regarding the Regulation of Direct Investment of Foreign Capital in the State of Kuwait, which was repealed by Law No. 116 of 2013.

Law No. 116 of 2013 gives an exception to the basic principle in the Commercial Code that limits foreign ownership to 49% by allowing foreigners to own up to 100% of business entities in all sectors except a specified negative list of direct investments that are excluded from the scope of this law.

5. Encouraging macroeconomic environment

Ranked 3rd for macroeconomic environment

WEF's Global Competitiveness Report 2015-16 ranks Kuwait at 3rd position among 140 countries in terms of overall macroeconomic environment and 1st position for Government budget balance as a percentage of GDP. This is largely attributable to Kuwait's low government debt and budget surpluses over the years.

Ranked 2nd in Gross National Savings

The WEF report also ranked Kuwait 2nd in terms of Gross National Savings globally, indicating its robust financial position and ability to deploy public funds for investment projects.

One of the highest per capita income

Kuwait also has a rising per capita income which is among the highest globally (USD 40,447 in 2014).

3rd most tax friendly country globally

WEF ranks Kuwait as the world's 3rd most attractive tax regime with benefits including no personal income tax, low corporate tax for foreign companies (15%), limited restrictions on imports and exports, unrestricted movement of funds, including repatriation, a strong and stable currency supported by an independent monetary policy.

Stable legal framework

Kuwait's macroeconomic environment is supported by a stable legal framework. The legal framework follows leading international standards and bodies of law governing business and commercial activities including intellectual property protection and environmental regulations.



6. Cost competitiveness

Kuwait is cost competitive in terms of power, water, land and labor. Power tariffs are subsidized by up to 86% by the Government with tariffs as low as US 1 cent/KWh for residential users and farms and US 0.5 cent/KWh for industrial users. Potable water is subsidized and offered at nearly US 3 cents/ imperial gallon.

The Government provides industrial land at a subsidized rent of approximately USD 90 cent per sq.m while commercial land is also provided by the Government at substantial discounts.

Average rate of power tariff subsidization %, 2010

KUWAIT

86%

KSA

76%

QATAR

75%

UAE

68%

7. Strategically located

Kuwait is located in the northern Arabian Gulf bordering three major markets of KSA, Iraq and facing Iran across the Gulf. A location which allows for an extended access to markets in various directions including Eastern Asia, Commonwealth of Independent States, Turkey, and into Eastern and Central Europe.

The country also has a coastline spanning 290 km on the Arabian Gulf with a well developed port infrastructure.

Kuwait has also planned a number of transport infrastructure projects such as a new port (Mubarak Al Kabir port on Bubiyan island), a new airport terminal and a new national railway network to improve access within the country and to serve strategic markets.



8. Evolved Financial Services sector

Kuwait's banking system is characterized by a robust financial profile and strong regulatory support, making it one of the most stable and resilient banking markets in the Middle East and North Africa (MENA) region.

The Kuwait banking sector has a vibrant mix of 22 banks including 9 local commercial banks (4 Islamic and 5 conventional), 1 specialized local bank and 12 foreign commercial banks (1 Islamic) currently operating in the country. Kuwait is home to some of the largest banks in the region including the 2nd largest Islamic bank in the world.

The Central Bank of Kuwait (CBK) is widely respected as one of the most proactive and sophisticated regulators in the region.

The Capital Markets Authority (CMA) is expected to bolster Kuwait's strength in the financial services industry.

Established in 1983, the Kuwait Stock Exchange (KSE) was the first stock exchange in the GCC region. KSE permits foreigners to participate in trading activities.

KSE is now promoting a wider range of products and services, through the introduction of Exchange Traded Funds (ETFs), futures and options, market-makers for appropriate products, and fixed income instruments, including sukuk (Islamic financial certificates) and new indices.



KSE permits foreigners to participate in trading activities.

9. Entrepreneurial nature of Kuwaiti citizens

Kuwait is home to some of the leading businesses in the region in sectors such as telecom, retail, logistics, financial services, aviation designing, animation, art etc, demonstrating the strong business acumen and commercial mindset of Kuwaiti businessmen in establishing and growing scalable businesses.

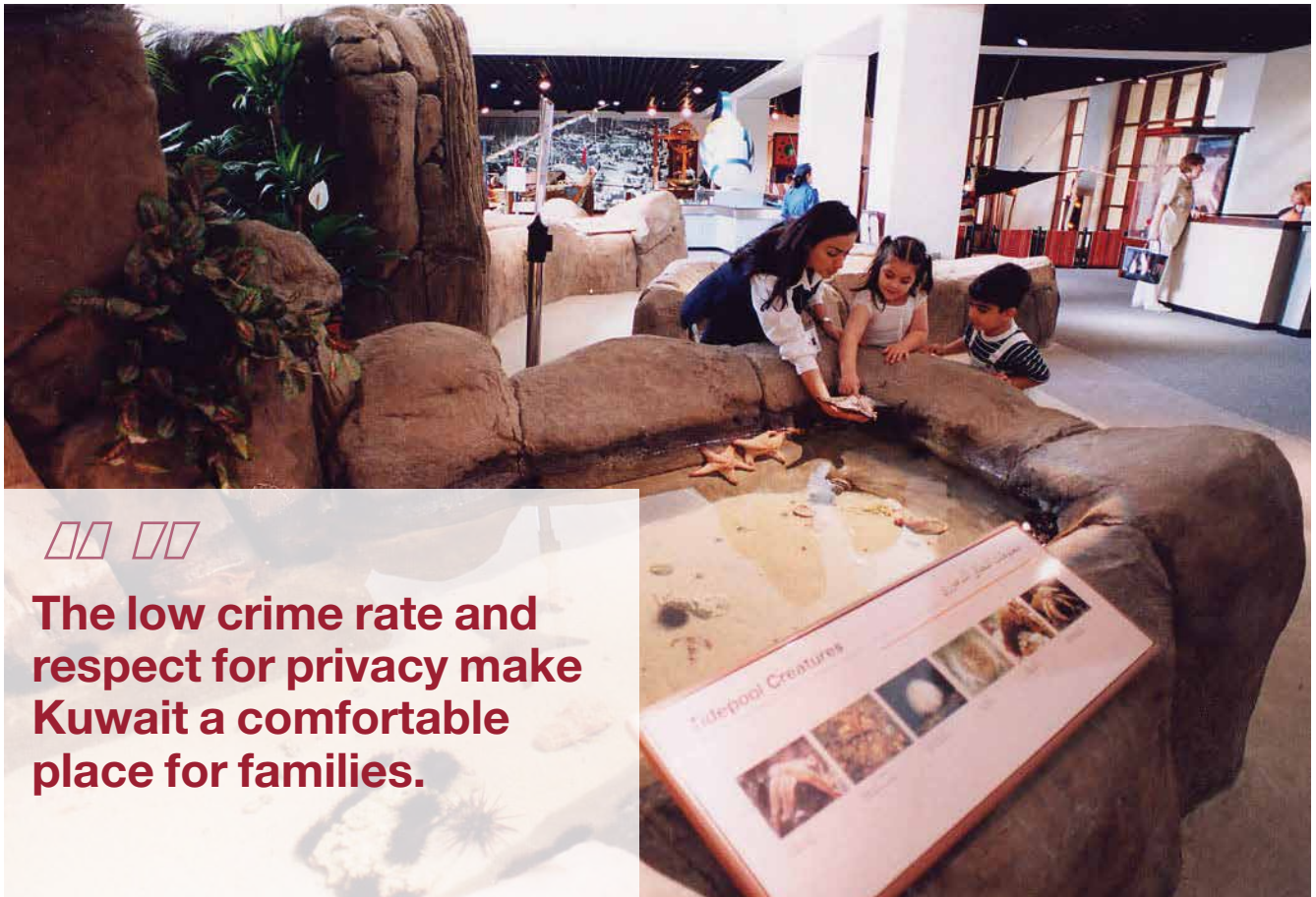
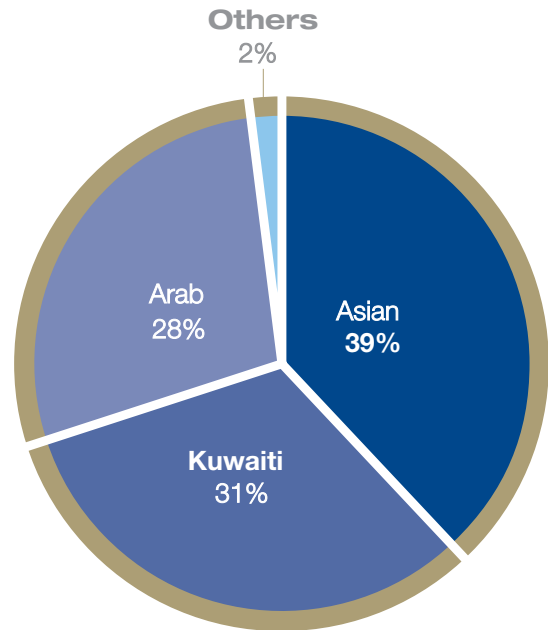


10. A hospitable culture

Kuwait offers a balanced mix of a moderately conservative society built upon traditional Islamic customs and practices combined with a progressive outlook and acceptance of new concepts.

The low rate of crime and respect for privacy make Kuwait a comfortable place for families. Expatriates are respected for the skills and value they bring to the country. Though Arabic is the official language, English is widely used as a business language.

Population by ethnic groups (June 2015)





KEY SECTORS FOR OPPORTUNITIES

2.1 Infrastructure

- 2.1.1 Power plant- Fuel based
- 2.1.2 Power plant – Renewable
- 2.1.3 Desalination plan
- 2.1.4 Funding – Project finance
- 2.1.5 Marine transport infrastructure
- 2.1.6 Rail transport infrastructure

2.2 Environmental services

- 2.2.1 Solid waste management
- 2.2.2 Primary sewage treatment
- 2.2.3 Oil and effluent sludge treatment
- 2.2.4 Waste recycling

2.3 Industrial oil and gas downstream chemical

2.4 Education and training

- 2.4.1 Tertiary education
- 2.4.2 Institutes and training centers

2.5 Healthcare

- 2.5.1 Specialty hospitals
- 2.5.2 Lifestyle medical clinics

2.6 Integrated housing projects and urban development

- 2.6.1 Development planning for integrated housing projects
- 2.6.2 Property management
- 2.6.3 Facilities management

2.6.4 Construction contracting

2.7 Storage and logistics services

- 2.7.1 Logistics
- 2.7.2 Warehousing

2.8 Banking, financial services and insurance

- 2.8.1 Private equity
- 2.8.2 Asset management
- 2.8.3 Direct sales agent

2.9 Air, maritime and rail passenger transport

- 2.9.1 Airport facilities management
- 2.9.2 Rail facilities management

2.10 Tourism, hotel and entertainment

- 2.10.1 Branded theme park
- 2.10.2 Budget hotels

2.11 IT and software development

- 2.11.1 Web and application development

2.12 Culture, media and marketing

- 2.12.1 Digital media marketing
- 2.12.2 Digital content creation
- 2.12.3 Application stores and online portals

Attractive investment opportunities across diverse sectors



1. INFRASTRUCTURE

Kuwait has earmarked more than USD 103 Bn in the second Kuwait Development Plan (2015/16 - 2019/20) and has earmarked a similar amount for the new five year development plan for infrastructure development in sectors such as power, water, transport infrastructure (ports, aviation and rail) providing opportunities for international investors. Kuwait is the first country in the region to adopt a Public Private Partnership (PPP) framework to attract foreign developers.

2. ENVIRONMENTAL SERVICES

A number of projects have been initiated to address the current and future capacity constraints in critical environmental segments such as sanitation and waste management with the Government seeking active private sector participation.

3. DOWNSTREAM - CHEMICAL MANUFACTURING

Kuwait plans to double its chemical production capacity for ethylene and polyethylene providing room for international investors to forge partnerships/ strategic alliances with leading local players.

4. EDUCATION & TRAINING

Kuwait's education expenditure is expected to increase from USD 6.8 Bn in 2013 to USD 10.5 Bn by 2019. Kuwait is seeking to attract leading global educational institutions to reach international enrolment levels and standards of education.

5. HEALTHCARE

Kuwait has the third largest total healthcare expenditure in the GCC. Private sector investments are expected to reach USD 1.3 Bn by 2019 (6% annual growth between 2013-19) providing opportunities to establish specialty hospitals and lifestyle clinics catering to an affluent, growing population.

6. INTEGRATED HOUSING PROJECTS AND URBAN DEVELOPMENT

Kuwait has a pipeline of several large housing projects including integrated townships. These projects provide opportunities for international investors to participate across the real estate value chain including development planning, construction contracting and property and facilities management.

7. STORAGE AND LOGISTICS SERVICES

Kuwait is developing its transportation infrastructure across ports, airport and rail with a view to position the country as a hub for regional trade. This, combined with Kuwait's reliance on imports, logistics and warehousing presents considerable opportunities for international players.

8. BANKING, FINANCIAL SERVICES AND INSURANCE

A robust financial sector, proactive regulatory regime and rising personal and institutional wealth make Kuwait an attractive destination for international BFSI institutions to offer specialized products and services.

9. AIR, MARITIME AND RAIL PASSENGER TRANSPORT

Kuwait is developing over USD 20 Bn of transport infrastructure projects in aviation and rail which will facilitate increasing passenger transport activity in the country and augment demand for services allied to the transport sector.

10. TOURISM, HOTEL AND ENTERTAINMENT

Tourist arrivals are expected to grow from 306,559 in 2013 to 491,000 by 2022, creating need for greater hotel capacity. Limited presence of international budget hotel brands present an opportunity for concepts targeting business travelers.

11. WEB AND APP DEVELOPMENT

Demand from consumer focused sectors like retail and banking along with IT transformation initiatives at the Government level are augmenting demand for web-enabled IT services and solutions in Kuwait.

12. CULTURE, MEDIA AND MARKETING

High affinity for entertainment and media on digital platforms such as smartphones and tablets and high affordability are opening new markets and business opportunities in the digital media and marketing sector.

2.1: Infrastructure

SECTOR OVERVIEW

The planned upgrades to Kuwait's aviation infrastructure are expected to support Kuwait's initiatives to position itself as a commercial hub. There exists potential to provide specialized facilities management (FM) services to maintain Kuwait's airport facilities at par with global standards and benchmarks.

POWER GENERATION – FUEL BASED

The Ministry of Electricity and Water (MEW) anticipates an investment of approximately USD 25 Bn to meet the electricity production capacity targets of 25,000 MW set for 2025. The private sector is expected to play a major role, leading to long term opportunities for foreign investors.

POWER GENERATION - RENEWABLE

The Kuwait Government is considering alternative sources of energy to meet growing demand. Kuwait aims to generate at least 10% of its electricity (or over 2,000 MW) from renewable sources by 2020.

DESALINATION PLANT

Scarcity of natural ground water resources in Kuwait is expected to put increased pressure on desalination facilities and drive demand for expansion and establishment of new desalination capacity.

FUNDING – PROJECT FINANCE

Private sector involvement in infrastructure projects is likely to promote growth of project finance in Kuwait.

MARINE TRANSPORT INFRASTRUCTURE

A number of port expansion and new construction projects are planned, presenting considerable opportunities for specialized global construction contractors, operators and service providers.

RAIL TRANSPORT INFRASTRUCTURE

The development of a national railway and metro network, with project values of USD 10 Bn and USD 7 Bn respectively are integral part of Kuwait's plan to upgrade the public transportation sector.

Fuel-based power production capacity to increase by over 10,000 MW by 2025

Project value

USD 25 Bn

Kuwait National Rail Road System (tendering in 2016)

Project value

USD 10 Mn

Power and transport being the main focus areas of the Government's infrastructure plan provide significant opportunities for foreign and local investors

2.1.1: Power Plant - Fuel based

OPPORTUNITY OVERVIEW

Demand for power in Kuwait is expected to grow at a rate of 5.7% per annum (p.a) from the peak load demand of 12,800 MW in 2013 to reach 25,000 MW by 2025. Currently, the Government is the sole producer and distributor of power in Kuwait. However, in order to meet this expected increase in power demand, the Government is inviting private sector participation through the PPP model creating significant opportunities for international investors to participate in Kuwait's power sector.

Conventional fossil fuels are expected to remain the dominant fuel mix for electricity generation in Kuwait. The Ministry of Electricity and Water has announced several large projects to strengthen Kuwait's electricity and water supply situation in order to meet the increasing demand from consumers.

Proposed power plants through the PPP model	Planned capacity
Kuwait KAPP - Al Abdaliya Hybrid Power Plant	280 MW
Kuwait KAPP - Al Khiran IWPP	2,500 MW and 125 million g/d (desalination)
Kuwait KAPP - Al Zour North IWPP - Phase 1	1,500 MW (power) and 102 million g/day (desalination)
Kuwait KAPP - Al Zour North IWPP - Phase 2	1,500 MW (power) and 102 million g/day (desalination)
Kuwait KAPP - Al Zour North IWPP - Phase 3	800 MW (power) and 50 million g/day (desalination)
Kuwait KAPP - Al Zour North IWPP - Phase 4	1,000 MW

- Rapid population growth and subsidized electricity prices has led to high electricity consumption.
- Demand for electricity is expected to grow as a result of Kuwait's growing economy combined with large scale infrastructure projects being undertaken in the country and planned development of the industrial sector.
- Seasonal variations and extreme temperatures are major drivers for power usage, with peak demand usually occurring during the summer months due to heavy use of cooling systems.

Kuwait's power generation capacity stood at 15,990 MW in 2014 and it is estimated that an additional capacity of 12,170 MW of power is planned by 2025 to meet the expected demand. The estimated market size of fuel-based power plants in Kuwait is projected at USD 25 Bn by 2025 with approximately USD 2.5 Bn of investment proposed over the next two to three years to cater to growth in demand for power until 2015.

The MEW has recently announced several power projects, including through the PPP route, to strengthen the electricity and water capacity in the country. These projects are likely to provide substantial business opportunities for local and international firms.

2.1.2: Power Plant – Renewable

OPPORTUNITY OVERVIEW

Rising population, growing consumerism and limited awareness or incentives for energy conservation have led to high per capita consumption of power in Kuwait. The MEW spends over USD 3.5 Bn per annum to meet the electricity requirements of the country and uses an estimated average of 200,000 to 300,000 barrels of oil and refined products per day to generate power.

The MEW is planning to enhance the efficiency of installed power stations through upgrading the technologies used in power generation. Renewable energy as a substitute to oil would allow Kuwait to conserve its oil for other uses including for export purposes. The PPP model being adopted by the Government for large projects provide significant opportunities for foreign and local private investors to participate in this sector.

Renewable sector projects	
Project Name	Capacity
Al Shaqaya Renewable Energy Project	2,000 MW
ISCC plant at Al-Abdaliya	280 MW

10% of the total electricity generation by 2020, or approximately 2,000 MW, is targeted to be met through renewable energy.

MEW has also received offers from US, European and Japanese firms to build power plants using alternative fuels and renewable energy sources, highlighting the scope for international participation in this sector.

- Shifting from fuel-based power plants to renewable energy can free up oil for other commercial uses. The Kuwait Government has set ambitious renewable energy targets of at least 10% of total power production by 2020.
- As Kuwait has become a net importer of natural gas, there is an urgent need to explore alternative means of power generation.
- Ratification of the Kyoto protocol for control of emission of greenhouse gases can provide an opportunity for energy conserving/environmentally efficient plants to benefit from the sale of greenhouse gases reduction units.
- Increased environmental awareness and Government support can drive renewable energy initiatives in Kuwait, taking advantage of abundant heat, wind and sunlight sources needed to generate renewable energy.



2.1.3: Desalination Plant

OPPORTUNITY OVERVIEW

Continuously increasing demand for water and scarcity of natural water resources is driving Kuwait to expand its desalination facilities. Currently the Government operates all desalination plants in Kuwait. However, the MEW is seeking to establish Integrated Water and Power Plants (IWPP) through the PPP model.

It is estimated that water consumption in Kuwait will rise to 780 Mn imperial g/d by 2020 (from 410 Mn imperial g/d in 2013 approximately 9.6% y-o-y). Kuwait has planned several projects to add new capacity, including the Al-Zour South Plant, Doha West Plant and Subiya Plant, to name a few.

Plant	Planned Capacity Mn Imperial g/d
Al-Zour North IWPP	276
Al Khiran IWPP	125
Doha West Plant	110
Subiya Plant	100
Doha East Plant	42
Shuaiba South Plant	36
Shuwaikh Plant	50

- Population growth and rising urbanization are leading to high levels of water consumption, driving the demand for new desalination facilities.
- Kuwait's per-capita consumption of water is among the highest in the world. Per capita consumption reached nearly 38,000 imperial gallons in 2013 and is estimated to have reached 44,611 imperial gallons by 2015.
- Government-led initiatives for the development of the industrial sector are likely to increase demand for water consumption.
- The scarcity of natural water resources in the country increases dependency on desalinated water as the primary source of water supply in Kuwait.

Estimates for water consumption in Kuwait, 2011-2020

2013

410 mn imperial gallons/day

2014 e

423 mn imperial gallons/day

2015 f

513 mn imperial gallons/day

2020 f

780 mn imperial gallons/day

- The planned and upcoming desalination projects represent potential opportunities for international developers, operators and investors.

2.1.4: Funding – Project Finance

OPPORTUNITY OVERVIEW

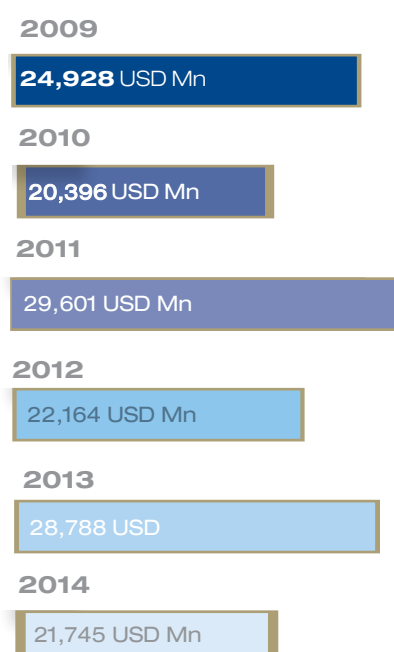
Over a period of six years (2009-2014), over USD 148 Bn of infrastructure projects were funded through project finance in the GCC. Over 72% of these project finance transactions were in the utilities sector with KSA and United Arab Emirates attracting 70% of total project finance lending among GCC countries. Historically, the lack of private sector participation in infrastructure has hindered the growth of project finance in Kuwait.

However, this scenario is set to change with the Kuwait Government adopting PPP models especially in core sectors such as power and water. Projects worth over USD 358 Bn are expected to be implemented over the next 15 to 20 years, presenting an attractive, high-growth market for project finance.

- The Kuwait Development Plan includes a number of large infrastructure projects, which are expected to drive significant construction activity.
- The Kuwait Government is pursuing projects under the PPP law to create wider private sector ownership in large projects.
- Private sector led development of these projects under the PPP model is expected to give rise to a need for project finance, presenting a sizeable opportunity for international banks and other long term infrastructure investors.



GCC- Project Finance Market



2.1.5: Marine Transport Infrastructure – Construction & Engineering

OPPORTUNITY OVERVIEW

The prioritization of marine infrastructure development across GCC countries has led to several global companies establishing direct regional presence. The planned development of new ports and expansion work on the existing ports present considerable long-term potential for international engineering and construction enterprises in Kuwait.

Kuwait ports	Expansion and development plans
Mubarak Al Kabir Port – Bubiyan Island	The development of the new port is expected to be executed in 3 phases, once completed it will have a capacity of 2 Mn TEUs.
Shuwaikh Port	New gantry cranes and yard equipment, redevelopment of stacking areas, and installation of enhanced computer systems are in the pipeline, in addition to the deepening and widening of the approach channel to allow larger ships to use the terminals.
Shuaiba Port	Shuaiba Port could see further investment in its infrastructure. Kuwait had invited international consultants in 2009 to draw up a master plan to redevelop and expand Shuaiba port.
Doha Port	Plans to develop Doha port to handle more commercial cargo as the port is endowed with ample space for the expansion of warehousing and cargo handling facilities.

- Kuwait's economic growth and favorable socio-demographic balance positively impacts international trade and supports the development of Kuwait's local port infrastructure.
- The Kuwait Government has undertaken major initiatives for development of new ports, as well as the maintenance and expansion of existing ports.
- The limited local production capacities across sectors translates to a dependency on imports for items ranging from vehicles, electronics, building materials to food stuff and other consumables.

Kuwait's port volume for the two primary ports of Shuaiba and Shuwaikh had reached 840,149 TEUs (Twenty-foot equivalent units) in 2013. The government is currently developing plans for six additional ports in Kuwait besides the redevelopment of the existing three ports - Shuwaikh, Shuaiba and Doha. The construction of Mubarak Al Kabir Port alone constitutes a USD 4 Bn opportunity for marine construction and engineering companies in addition to the need for new marine facilities for the Al Zour refinery project.

2.1.6: Rail Transport Infrastructure – Construction, Engineering and Maintenance

OPPORTUNITY OVERVIEW

Transportation infrastructure constitutes a major area of focus under the Kuwait Development Plan. There is a need to significantly develop Kuwait's transport infrastructure in order to support Kuwait's increasing population as well as to service additional movement of people and goods arising from higher domestic economic activity.

To address these challenges, the Government is planning the development of rail and metro networks in Kuwait. These two are expected to require specialized multi-disciplinary and integrated service providers.

- The value of the Metro project is estimated at USD 7 Bn. The project is targeted to be operational by 2020.
- The USD 10 Bn railway project comprises of a new integrated rail network connecting Kuwait's key port and industrial installations as well as linking the country with the GCC rail network. This project is targeted to become operational by 2018.
- Both these projects are expected to provide opportunities for a host of industry players including integrated engineering services providers, construction contractors, rolling stock manufacturers, signaling and communication equipment firms, among others.

The planned rail and metro projects, with a combined value of around USD 17 Bn are expected to generate an annual market of USD 100-150 Mn for operations and maintenance on an annual basis. Kuwait's increased focus and awareness on environmental sustainability indicates the requirement for "green architecture" for these projects and presents opportunities for specialized, experienced firms.



Source: KAPP and Zawya

2.2: Environmental Services

SECTOR OVERVIEW

The growth of Kuwait's environmental services sector is expected to be driven by the long term requirement of safeguarding Kuwait's natural environment and limited land resources, the fast-growing population, the environmental needs of the thriving oil and gas sector and an emerging industrial sector.

The Government is undertaking a series of projects to address the current situation of under-capacity in critical segments such as sanitation and waste management.

Planned BOT municipal solid waste treatment facility - Kabd
Expected land area for the facility

500,000 sq. m

Umm Al Hayman Waste Water Treatment Plant – Expected to commence operations by 2019

Capacity (cm/d)

500,000 to 700,000

SOLID WASTE MANAGEMENT

The KAPP is seeking to develop a solid waste treatment project at Kabd area of Kuwait on a PPP basis. The project will be awarded as a 30 year long term contract from the Kuwait Municipality. The plant is expected to have a capacity to treat approximately 50% of total municipal solid waste produced in Kuwait.

PRIMARY SEWAGE TREATMENT

The current capacity constraints are proposed to be addressed through a combination of capacity expansions and initiation of new projects. These projects are expected to increase Kuwait's sewage handling capacity from the existing 947,300 cm/d to approximately 1,500,000 cm/d. Most of these projects are proposed to be undertaken through the PPP route.

WASTE RECYCLING

Waste recycling as a concept is relatively new in Kuwait with only a few active players. Most of the solid waste is currently disposed off at landfill sites which are facing capacity and environmental issues.

EFFLUENT SLUDGE TREATMENT

Sludge treatment involves treatment of oil or industrial effluents. Kuwait's oil and gas exploration industry provides significant opportunities for oil sludge treatment. Recent directives by the Kuwait Environment Public Authority (KEPA) have directed focus towards treatment of industrial effluents increasing the demand for environmental remedial services.

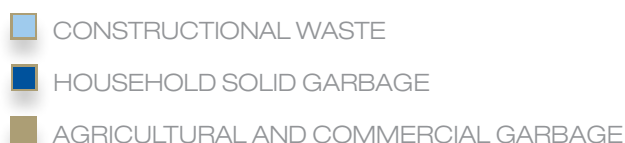
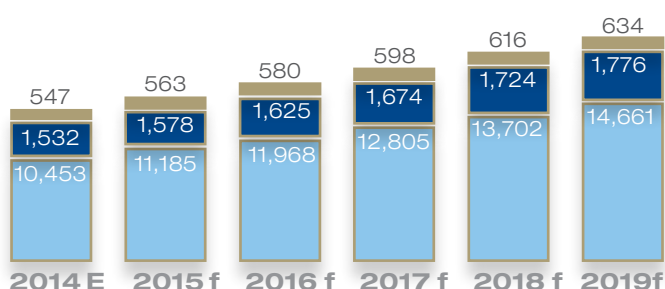
Implementation of stricter environmental regulations and the need to address current under-capacity situation in key segments is expected to drive the growth of environmental services sector in Kuwait.

2.2.1: Solid Waste Management

OPPORTUNITY OVERVIEW

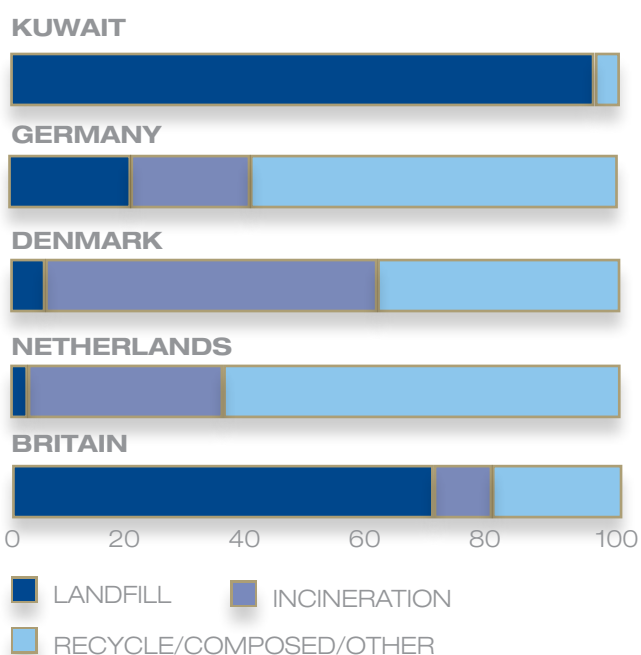
Kuwait's solid municipal waste generation of 1.4 kg/day per capita is among the highest in the GCC region. Factors such as strong growth in the energy sector, growing construction activities, increasing population and rapid urbanization are expected to drive annual solid waste generation from an estimated 12.5 Mn tonnes in 2014 to more than 17.1 Mn tonnes by 2019.

Municipal waste estimates, 2014-2019,
(‘000 tonnes)



- In comparison to European countries, landfills remain the dominant method of solid waste disposal in Kuwait, driving the need for additional waste management facilities.
- The Kuwait Government is seeking to involve private sector in the area of solid waste treatment with a view to bring in international expertise and private sector efficiencies.
- The KEPA and the Kuwait Municipality are taking initiatives towards strict compliance with environmental regulations. This is expected to encourage better management of solid waste, moving away from the past practice of dumping untreated waste at landfill sites.

Kuwait vs. other developed markets,
waste disposal method



By 2019, Kuwait is expected to generate 14.6 Mn tonnes of inorganic waste per annum, primarily comprising of construction waste. Organic waste, consisting of household solid garbage and agricultural waste is expected to constitute another 1.8 Mn tonnes per annum. Opportunities exist for establishing solid waste treatment facilities as well as for remediation of accumulated waste at existing landfills.



2.2.2: Primary Sewage Treatment

OPPORTUNITY OVERVIEW

Kuwait is primarily served by five major wastewater treatment plants (WWTP) located at Al Jahra, Sulaibiya, Kabd, Al Riqqa and Umm Al Hayman areas. In 2014, the total design capacity of these five major plants was 947,000 cm/d, servicing over 98% of the population. In addition, there are three small-scale plants at Khiran, Wafra and Failaka.

Kuwait's per capita consumption of fresh water reached nearly 38,000 imperial gallons (IG) in 2013 and is estimated to reach approximately 45,000 IG by 2015. High levels of water consumption contribute to a corresponding increase in generation of wastewater, thereby creating demand for additional treatment capacity. The Government has earlier successfully utilized the BOT model for WWTP projects at Sulaibiya, Jahra and Kabd while the Umm Al Hayman WWTP project has been floated under the PPP route through the KAPP.

Considerable capacity expansion is planned for the plants at Sulaibiya and Umm Al Hayman. By 2016, the older plants at Al Riqqa, Al Jahra and Al Khiran are planned to be decommissioned. The treatment capacity will have increased by nearly 60% to 1.5 million cm/d with private developers set to control over 80% of the capacity by 2016.

Waste Water Treatment Plants	Expansion and development plans	Planned capacity (cm/d)
Sulaibiya	425,000	600,000
Umm Al Hayman	27,000	500,000 to 700,000
Kabd	250,000	250,000
Al Riqqa	180,000	-
Al Jahra	65,000	-
Al Khiran	300	-
Total	947,300	Approx 1,500,000

- In the absence of natural lakes or perennial rivers and limited rainfall, Kuwait has only three sources of water- ground water, desalination and water reuse. Fresh groundwater is limited to two reservoirs (Rawdatain and Umm Al Aish) having estimated reserves of 40 billion gallons.
- Desalination, an expensive practice, is not environmentally friendly and contributes to wastewater discharges that affects the quality of coastal water and marine life. Wastewater reuse is seen as a means to address issues with both environmental pollution and water resource deficit.

The market size of sewage treatment plants is expected to reach 1.5 Mn cm/d per day, with all three plants (Sulaibiya, Umm Al Hayman and Kabd) being operated by the private sector. The Government is preparing a new Sanitary Master Plan project that seeks to define the strategy for expanding Kuwait's wastewater network and treatment facilities for the next 35 years.

There exists a sizeable opportunity for international firms to participate in the PPP process and carry out design, construction, operation and maintenance activities for the WWTPs.



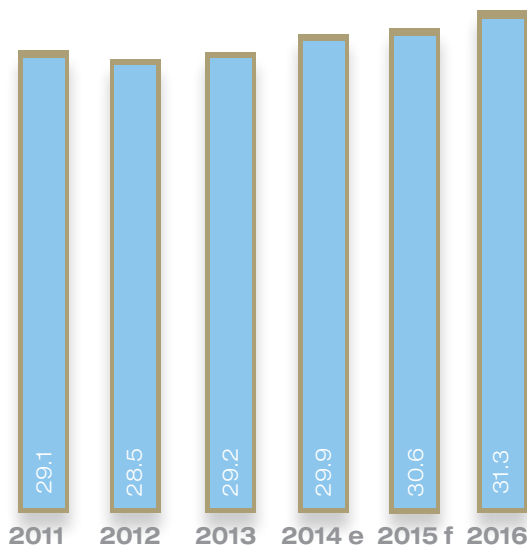
2.2.3: Oil and Effluent Sludge Treatment

OPPORTUNITY OVERVIEW

Kuwait's oil production levels are expected to increase from 2.9 Mn barrels per day (bpd) in 2014 to 3.5 Mn bpd in 2021. The considerable amount of oil sludge generated as part of the oil extraction process has traditionally been deposited in large sludge pits. Separately, there are around 114 square kilometers of oil wells that were created as a result of oil spills from damage caused to oil wells by the retreating Iraqi army in 1991. The Kuwait Oil Company is undertaking pilot projects to explore technologies for prevention of environmental contamination and potential for recovery of oil.

The growth of the manufacturing sector is leading to increased generation of industrial effluents which used to be discharged into public sewer systems without treatment. With the Government tightening regulations on adequate treatment of effluents prior to discharge, there are opportunities for specialist service providers.

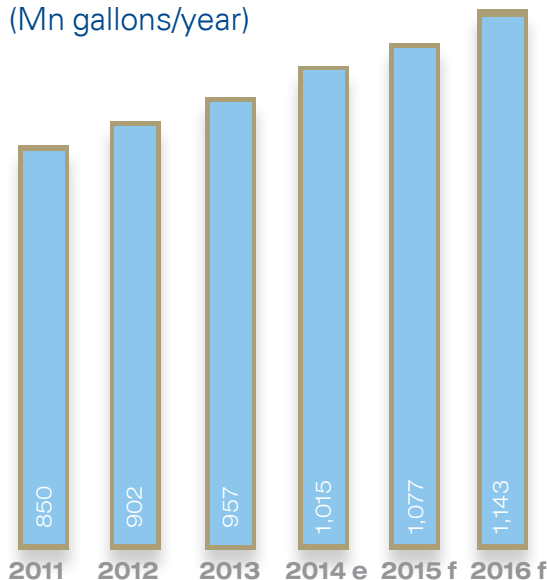
Oil sludge estimates, 2011-2016, (Mn bbl/year)



- With the growth in industrial and petrochemical sectors, the amount of effluent generated is expected to increase considerably resulting in a corresponding increase in demand for effluent treatment facilities.
- Further emergence of low cost new technologies for recovering crude oil from oil sludge provides additional stimulus to the demand for sludge treatment.
- Increased regulatory and public scrutiny combined with heightened awareness of corporate social responsibility towards conservation of the environment are driving the demand for treatment of sludge and effluents.

Kuwait's plan to increase oil production capacity to nearly 4 Mn barrels per day (bbl/day) by 2030, will lead to generation of approximately 36 Mn bbl/day of oil sludge would be generated per year. With the treatment of this oil sludge there is a potential to recover around 16 Mn bbl/day of reusable crude oil.

f Effluent estimates, 2011-2016, (Mn gallons/year)



The rising industrial effluent volumes are expected to reach approximately 1,143 Mn gallons by 2016. There is an opportunity for international specialists to bring in comprehensive technology solutions to address these issues in Kuwait.

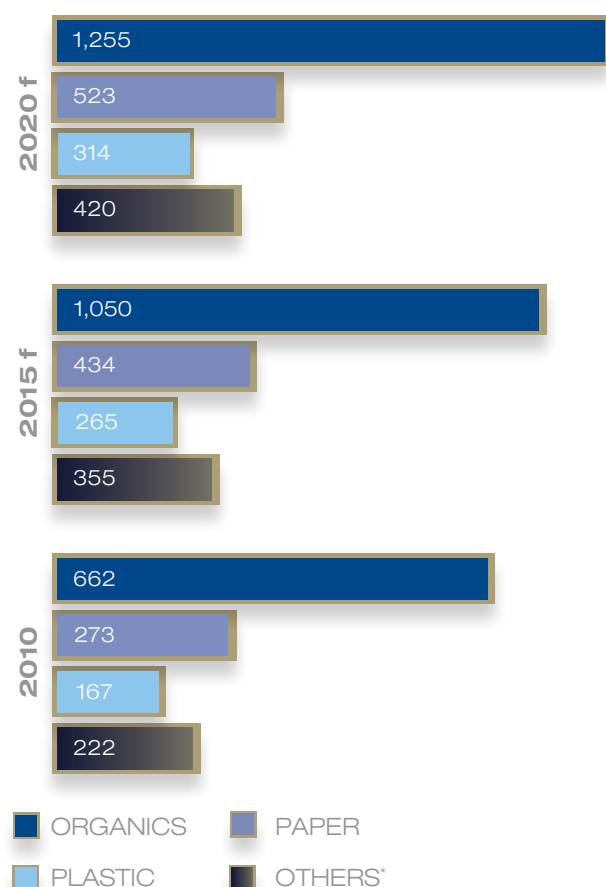
2.2.4: Waste Recycling

OPPORTUNITY OVERVIEW

Kuwait produces over 32,000 tons of total solid waste per day of which only 6,700 tons (21%) is being recycled and used to produce various types of reusable products such as scrap plastic products, flakes, and other scrap materials. The remaining solid waste is disposed at landfill sites, creating potential public health and environmental issues.

Construction waste is the major contributor to solid waste in the country, accounting for 81.3% of total solid waste produced between 2009–2013. Construction waste typically comprises metals, plastics, wood and other materials.

Forecasted Municipal Solid Waste Production By Type, 2010-2020 - '000 tonnes



- Municipal solid waste comprises the second largest source of solid waste in the country. Generation of municipal solid waste is expected to reach over 2.5 million tonnes in 2020 as compared with 2.1 million tons in 2015 on account of growth in population. Organic waste is the second largest component of municipal solid waste, followed by paper and plastic.
- Environmental regulations controlling disposal of waste are expected to drive demand for additional waste recycling facilities.
- While some high value components of waste such as metals have attracted interest from recycling companies, there is a need to establish facilities to address recycling of complex components such as plastic and lower value components such as fibers, wood, glass and paper.
- Lower manufacturing and energy costs for recycled materials are also driving demand for waste recycling.

The size of the domestic waste recycling market is estimated at over USD 350 Mn in annual revenues. Most of the existing waste recycling companies in Kuwait are privately owned. There is significant potential for introducing technological expertise and experience in enhancing Kuwait's ability to recycle waste.

*Note: Others include Metals, Glass, Fibers, Wood and Plastic

Source: Life Cycle Assessment (LCA) of Municipal Solid Waste Management in the State of Kuwait

2.3: Industrial Oil & Gas Downstream Chemicals Manufacturing

OPPORTUNITY OVERVIEW

Chemicals constitute Kuwait's second largest manufacturing industry. Kuwait produces ethylene, polyethylene, urea, ethylene glycol and chemical catalysts. Kuwait's chemicals industry primarily services Asian markets such as China and India which have strong domestic demand for chemicals.

Kuwait's largest petrochemicals manufacturer, the Petroleum Industries Company, has proposed to undertake the Olefins III project and a PTA/PET project to increase Kuwait's production capacity from 7.6 Mn tons in 2014 to 10.3 Mn tons by 2016, mainly driven by increase in polyethylene and ethylene glycol capacity.

The construction of the 615,000 b/d Al-Zour refinery project, together with the planned upgrade of the Mina Abdullah and Mina Al-Ahmadi refineries are expected to increase Kuwait's refining capacity from the current 936,000 b/d to over 1.5 Mn b/d and in turn strengthen Kuwait's petrochemical sector.

Kuwait petrochemicals sector - chemicals capacity		
in '000 tpa	2014e	2019f
Ethylene	1,700	3,100
Polyethylene	825	1,800
Polypropylene	160	160
Benzene	370	370
Ammonia	885	885
Urea	1,040	1,040
Xylenes	822	822
Ethylene glycol	1,000	1,600
Ethylene oxide	765	765
Total	7,567	10,542

- Increasing demand for chemicals in Kuwait's key Asian export markets is expected to drive the chemical manufacturing industry in Kuwait.
- Though domestic demand for chemicals is currently low, it is expected to increase as a result of Government's focus on the manufacturing sector and increasing industrial output.
- The projects at Al Zour, Mina Abdullah and Mina Al-Ahmadi are expected to increase availability of naphtha which can be used as an alternative feedstock for petrochemicals, alleviating concerns around shortage of gas feedstock.

There could be opportunity for international investors to participate in the Olefins III and the PET/PTA projects which seek to double Kuwait's production capacity for ethylene and polyethylene

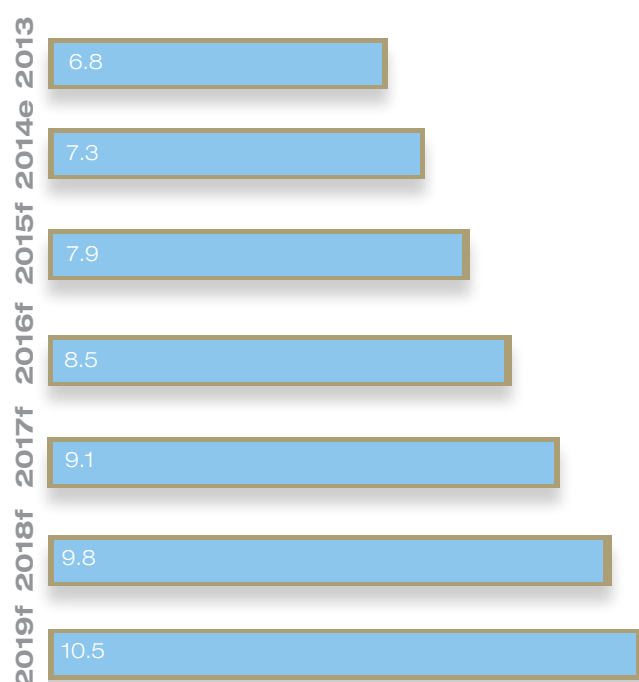


2.4: Education and Training

SECTOR OVERVIEW

The Kuwait Government has identified education as a key to achieving economic development and social progress. Education expenditure in the country is expected to increase from USD 6.8 Bn in 2013 to USD 10.5 Bn in 2019 (7.5% y-o-y), as a result of significant spending in this sector. The Kuwait Development Plan includes several education focused projects including the Sabah Al-Salem University City which will accommodate the new campus of Kuwait University.

Education expenditure:
2013-2019 (USD Bn)



TERTIARY EDUCATION

Kuwait has a diversified system of higher education with approximately 106,680 students enrolled in both public and private universities in 2013. The tertiary education in Kuwait has a number of local universities, offering select courses to students. Growth potential exists for foreign universities to setup branches in the country and provide niche offerings in higher education, as Kuwait attempts to reach global enrolment levels in tertiary education.

INSTITUTES AND TRAINING CENTERS

The Kuwait Government has laid a strong emphasis on development of its technical and vocational training sector by establishing several training institutes in the recent past, Public Authority for Applied Education and Training (PAAET) being the most noted among others. In Kuwait, the demand for vocational training is mainly driven by the training needs of corporate sector and students who are unable to pursue university education. Partnerships with reputed foreign companies and institutions are seen as a preferred approach to improve the quality of vocational training, and provide opportunities for new entrants.



Planned education sector
expenditure - Education expenditure
by 2019

USD 10.5 Bn

Government support, private sector participation and favourable demographics form a conducive environment for investment in Kuwait's education and training sector

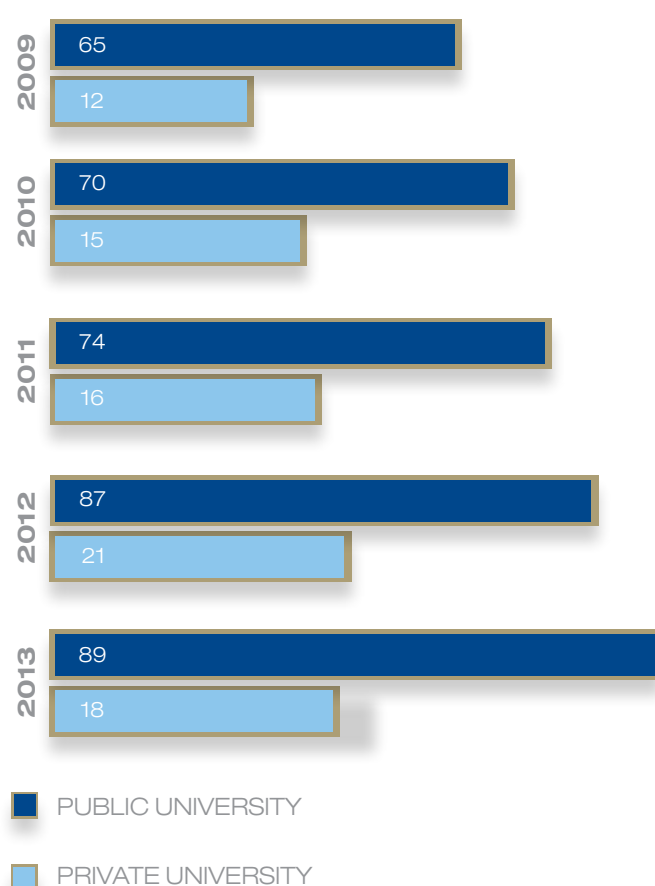
2.4.1: Tertiary Education

OPPORTUNITY OVERVIEW

Tertiary education is a key focus area for the Kuwait Government and there is high interest from local investors to establish educational institutions in partnership with leading international brands. The Government's efforts towards private sector participation in management of schools and limited presence of international schools offering high quality accredited education presents strong potential for growth in this sector.

The private universities segment has been a subject of active interest from global/regional education operators compelling students to go abroad for higher education. Significant potential exists for foreign universities to setup branches in the country and provide international standards of higher education.

Private and Public University enrolled students ('000)



- Healthy population growth and an attractive demographic mix, drives the growth of the tertiary education sector
- High GDP per capita and state subsidy for citizens represents considerable potential to spend on quality education in Kuwait
- The Government is supportive of foreign universities seeking to establish branches in Kuwait and also promotes private sector participation in management of business.

Public and private universities witnessed a year on year increase of approximately 8% and 11% during the period 2009 to 2013, respectively. Education expenditure in Kuwait crossed USD 6.8 Bn in 2013 and is expected to reach USD 10.5 Bn by 2019.

Opportunity exists to establish tertiary institutions offering graduate and post graduate courses in partnership with leading international brands.

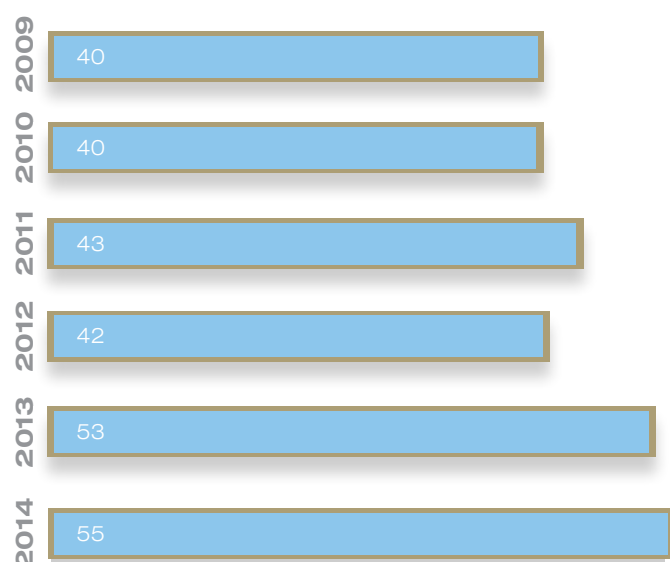
2.4.2: Institutes and Training Centers

OPPORTUNITY OVERVIEW

Kuwait Government is keen to make a concerted effort towards skill enhancement for its young workforce and address rising requirements of the job market. This has put a strong emphasis on the technical and vocational training sector which seeks to address the training needs of the corporate sector and students who are unable to pursue university education.

Expansion of a relatively young workforce in Kuwait together with initiatives undertaken by private companies are expected to drive demand in the sector as increasing number of recruits consider upgrading their skill levels and better aligning themselves to job market requirements.

Vocational training ('000)



- Kuwait's young demographic profile, with 25% of the population between the age of 15-29 years, forms the key segment for vocational training and is expected to drive further demand.
- Several private sector companies have begun to establish vocational training institutes, offering high quality education programs to the growing population of Kuwait, driving growth in this segment.
- Considering the expansion of the workforce in Kuwait, the relatively young demographic profile (target workforce – age group of 20 to 34 years) and rising unemployment, there is a likely potential for the population to enroll in vocational programs and re-skill or upgrade their skill levels.

Kuwait is seeking to attract regional and global education providers including established vocational training institutes.

Opportunities exist to provide training in disciplines like engineering and business which are aligned with job market requirements. Currently there is limited provision for quality training in the country.



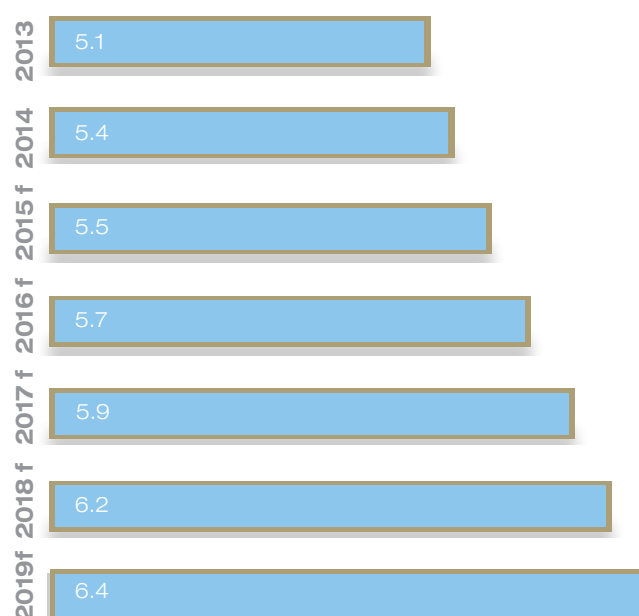
2.5: Healthcare

OPPORTUNITY OVERVIEW

Kuwait recorded the third largest total healthcare expenditure across the GCC region after UAE and Qatar and demand for healthcare is expected to rise significantly in the near term. Kuwait's evolving healthcare industry is characterized by a large public sector infrastructure and a growing private sector. The Government has spent approximately USD 5.1 Bn in 2013 on healthcare and is expected to spend over USD 6.4 Bn in 2019.

Private sector investments are expected to increase from USD 0.9 Bn in 2013 to USD 1.3 Bn by 2019 indicating the potential growth and rising share of private sector as part of the overall healthcare landscape.

Healthcare expenditure in Kuwait - 2013-2019, (USD Bn)



LIFESTYLE MEDICAL CLINICS

There is an increasing demand for lifestyle clinics which follow a proactive approach to health and wellness, with the objective of enhancing the quality of life and improving individual health and lifestyle. Kuwait has one of the highest rates of obesity and diabetes globally with over half of the female population and two-fifths of males reported obese, highlighting the growing need for lifestyle related disease treatment.

SPECIALTY HOSPITALS

Concentrated efforts by the Government to ensure availability of quality treatment for high-end healthcare specialties is expected to stimulate market demand for specialty hospitals.

Private sector hospitals in Kuwait offer multiple specialties. This trend is likely to grow further, especially in tapping opportunities to reduce treatments performed overseas and develop inbound medical tourism market by developing high end specialty hospitals.

KUWAIT HEALTH ASSURANCE COMPANY

The Government established the Kuwait Health Assurance Company in 2011 as a public-private partnership initiative to manage the healthcare needs of expatriates in Kuwait by developing a dedicated healthcare system.

Planned healthcare expenditure in 2019

USD 6.4 Bn

Stable economic growth, increasing population, high per capita expenditure on healthcare and Government support will drive the overall development of the healthcare sector and specialties treatments

2.5.1: Speciality Hospitals

OPPORTUNITY OVERVIEW

Most private hospitals in Kuwait offer multiple specialties. Increasing private sector participation is likely to help foster growth in this segment through development of infrastructure and expertise to provide specialty healthcare treatment in Kuwait, reducing the need for outbound medical tourism.

Private sector OPD has rapidly emerged during the last 5 years, with the introduction of specialties such as gastroenterology and neurosurgery that did not exist earlier in the private sector.

Specialty hospitals in Kuwait (2013)		
Hospital Name	Speciality	No. of Beds Current (new)
Al-Razi	Orthopaedic Surgery	290 (240)
Physical Med. & Rehabilitation (PPP model)	Physical Med & Rehabilitation	75
Maternity Hospital (Al Sabah)	Maternity	441 (617)
Chest Diseases Hospital	Chest Diseases	329
Infectious Diseases	Infectious Diseases	173 (255)
Psychological Medicine	Psychiatric	764
Ibn Sina Hospital	Spinal Surgery	364
Kuwait Cancer Control Centre	Cancer	199 (618)
Allergy Centre	Allergies	36

- Kuwait's population reached around 4.2 Mn by June 2015 and is expected to grow annually at nearly 3% to reach 4.8 Mn by 2019. This represents potential demand for healthcare facilities and infrastructure, especially given the high incidence of lifestyle related diseases and treatment.
- Insurance coverage is one of the key demand drivers for healthcare. Public health insurance is mandatory for all expatriates, while multinational corporations in Kuwait provide private healthcare insurance as part of the compensation package. Increasing level of insurance penetration drives the demand for specialty medical procedures and treatments within the country.

Obstetrics, gynecology, cardiology, are amongst the fastest growing specialties in the healthcare sector in Kuwait and present opportunities for establishment of specialty hospitals and clinics catering to lifestyle diseases.

To address the growing demand, the Government is investing in capacity expansion at existing hospitals as well as constructing new hospitals.



Insurance coverage is one of the key demand drivers for healthcare.

2.5.2: Lifestyle medical clinics

OPPORTUNITY OVERVIEW

Lifestyle clinics include spas, alternative medicine, nutrition and diet solutions, preventive and personalized healthcare, solutions for lifestyle related diseases such as hypertension and obesity, beauty and anti-aging and weight loss and fitness solutions.

A combination of an indoor, sedentary lifestyle and poor diet habits is leading to a high incidence of lifestyle related diseases including diabetes and cardiovascular ailments in Kuwait, highlighting the growing need for lifestyle disease treatments and a greater demand for advanced treatment services.



- Increased life expectancy and rapid population growth (projected to grow annually at 3% to reach 4.8 Mn by 2019) are expected to lead to increased demand for lifestyle clinics.
- Rising health awareness is driving the demand for personalized healthcare programs at lifestyle clinics to address high incidence of obesity and other lifestyle diseases.

Lifestyle clinics in Kuwait are predominantly Government-owned. The private sector is highly fragmented with a number of private lifestyle clinics present across governorates in Kuwait. Opportunity exists for specialized healthcare providers to set up a chain of lifestyle medical clinics catering to the growing demand for high quality inpatient and outpatient services.



“The private sector is highly fragmented with a number of advanced private clinics in various areas. Consequently, there is an opportunity for specialized health care providers to set up a series of advanced medical clinics that meet the growing demand for healthcare services in Kuwait.

2.6: Integrated housing projects and urban development sector

SECTOR OVERVIEW

Kuwait has outlined plans for development of a number of large scale integrated housing projects to address the housing needs of its growing population. These projects are expected to propel growth of the real estate sector and provide opportunities for investors to participate across the real estate value chain from development planning, construction contracting to real estate services like property and facilities management.

DEVELOPMENT PLANNING

The Government is seeking to develop large scale integrated housing projects with an estimated value of USD 135 Bn. These projects are likely to drive the growth of development planning services such as concept planning, design and feasibility studies for real estate projects

CONSTRUCTION CONTRACTING

Kuwait has a strong pipeline of planned construction projects across sectors like real estate, infrastructure, power, water and oil and gas. This constitutes a sizeable opportunity for international construction contractors to establish presence in the country.

FACILITIES MANAGEMENT

The facilities management market in Kuwait is fragmented and there is a need for specialist facilities management services and competent professional resources. The planned increase in real estate assets is likely to drive demand for such services.

PROPERTY MANAGEMENT

A large proportion of properties in Kuwait are owner-managed and several real estate services companies offer property management as part of their service portfolio. Demand for specialized property management services across residential, commercial and retail segments is expected to increase as owners seek to focus their core business and outsource property management services.

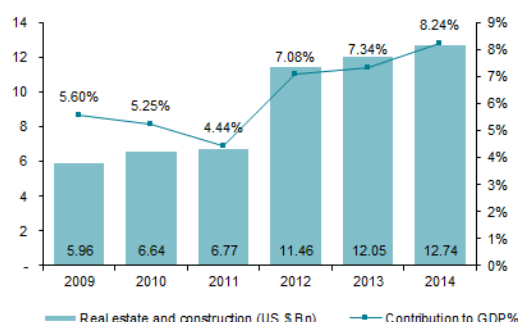
The planned construction of large scale integrated townships and housing projects is expected to drive demand for services across the real estate value chain.

Pipeline of construction projects -

Project value

**200+ projects,
USD 250 Bn**

Real Estate Sector contribution to GDP, 2009-2012



Development of large scale integrated housing projects and urban development

Project value

USD 135 Bn

**Madinat Al Hareer (Silk City) project
– Expected operations by 2023**

Project value

USD 88 Bn

2.6.1: Development planning for integrated housing projects

OPPORTUNITY OVERVIEW

With a number of large projects for housing and urban development currently in the initial stages and several others yet to be initiated, there exists considerable opportunity for development planning services such as concept planning, design and feasibility studies for such projects.

Kuwait has planned a number of large integrated housing projects including the Madinat Al Hareer (Silk City) project, Khairan Residential City and the Sabah Al Ahmad Future City. Development planning for such large scale projects requires specialists and creates demand for local and international development planning firms and real estate service providers to offer such services in Kuwait.

Select Housing Projects*	Value (USD Mn)
Tamdeen - Madinat Al Hareer	88,000
PAHW - Khairan Residential City	14,000
PAHW - Sabah Al Ahmad Future City	27,000
KIPCO - Daiya real estate project	5,000
PAHW - Sabah Al Ahmad Future City - Daiya A4, A5	452
PAHW - North West Sulaibikhat Residential City	274
PAHW - Sabah Al Ahmad Future City - Area B Public Buildings	136
PAHW - North West Sulaibikhat Residential City - 310 Apartments Package	130
PAHW - Sabah Al Ahmad Future City - Area C - Area Public Buildings	121
PAHW - North West Sulaibikhat Residential City - 396 House Package	11
Total	135,124

The potential market size for development planning services is approximately USD 900 Mn

Currently, there is a limited presence of specialized development planning firms in Kuwait with most of this work done by foreign players who do not have a physical office presence in the country which is not a very efficient model.

The planned construction and infrastructure development activity would create opportunities for international investors to establish presence in the country

- The large scale integrated housing projects planned by the Government to address the current undersupply in the residential and investment sectors will create opportunities for development planning services in the next few years.
- Obtaining finance is expected to be a critical aspect for large scale integrated housing projects, many of which will be undertaken with private sector participation.
- These projects are expected to drive demand for services such as development planning, master planning, technical and financial feasibility studies and due diligence that banks and investors require for evaluating projects.



2.6.2: Property Management

OPPORTUNITY OVERVIEW

Property management (PM) firms are often used when the asset owners lack the time, resources or expertise necessary for day-to-day management of the property. PM firms liaise between owners and tenants to manage property related services on behalf of owners. Property management is still relatively underdeveloped in Kuwait with most of these services being offered in-house by owners/ asset operators

However, as the real estate market matures, asset managers will need to focus on their core business of real estate development and outsource property management services to specialized professional management firms. This would result in a strong potential for specialized third party, pure play property managers to establish their presence and bring in leading practices in this sector.

Kuwait - Residential real estate market (2011)		
Category	No. of buildings	Potential annual property management fees (USD '000)
Class A+	22	1,040
Class A	435	10,825
Class B+	657	11,760
Class B	1,195	15,865
Class C	3,578	42,157
Other	5,182	50,792
Total	11,069	132,438

Kuwait - Retail market(2011)		
Category	Total GLA (SQM '000)	Potential annual property management fees (USD '000)
Malls - operating space	618	31

Kuwait-Office and mixed-use real estate market (2011)			
Category	No. of buildings	Total GLA (SQM'000)	Potential annual property management fees (USD'000)
Class A+	340	2,550	28,556
Class B+	400	2,400	27,554
Class B	1,200	6,000	66,662
Class C	1,803	6,311	67,137
Other	549	1,098	7,513
Total	4,292	18,359	197,421

- Kuwait's economic growth, together with the steadily growing population and increasing number of expatriates has led to additional demand for real estate developments and corresponding opportunity for PM services.
- With several real estate development initiatives being planned by the Kuwait Government, an opportunity exists for PM firms to manage assets on behalf of the operators.

In 2014, the Real Estate and Construction sector contributed around 9.6% and 2.6% of the nominal GDP

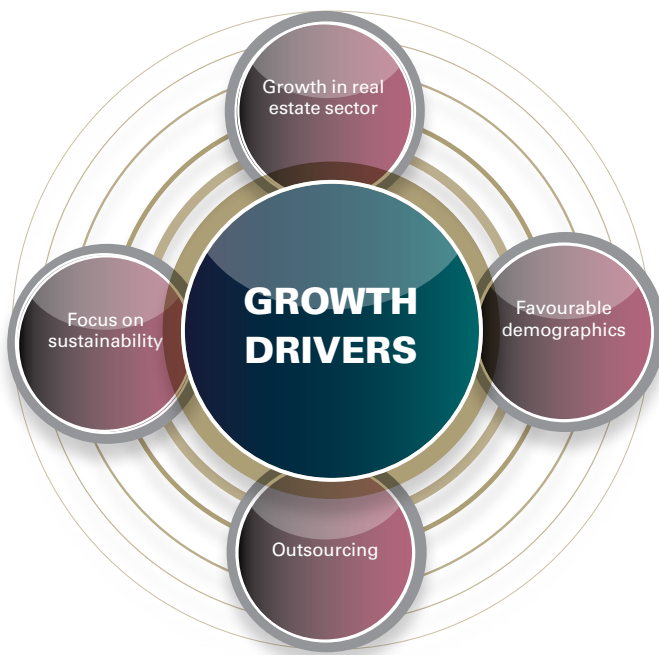
The market size for PM was estimated at USD 350 Mn in 2011, with commercial real estate being the key segment.

Development of large scale residential projects and expansion of retail and commercial space would provide opportunities for global and regional property managers to offer specialized services.

2.6.3: Facilities Management

OPPORTUNITY OVERVIEW

Facilities Management (FM) services are mainly driven by an increase in available real estate activities. Several large infrastructure projects initiated in Kuwait will result in a growing need to manage these facilities and requirement for FM service providers. Additionally, a change in mindset of asset managers to outsource this non-core activity to specialized FM service providers is likely to further augment demand for FM.



- Kuwait's expanding real estate sector and high per-capita income of its relatively young population are leading to demand for higher quality residential options. Investment in the residential real estate sector is expected to grow, resulting in a demand for high quality FM services.
- Companies focusing on reducing operating costs are further expected to outsource their non-core activities, resulting in growing demand for professional FM services.
- Rising focus on sustainability and growing number of developments conforming to green/LEED standards, leads to demand for specialized FM service providers.

The FM industry in Kuwait was estimated at USD 270 Mn in 2011, and is expected to have reached USD 430 Mn by 2013. Local players currently dominate the market and there is limited presence of specialized global FM service providers. There is an opportunity for such specialized firms to enter Kuwait, establish industry standards and benchmarks and enter into long term contracts with infrastructure asset owners and operators in Kuwait.

2.6.4: Construction Contracting

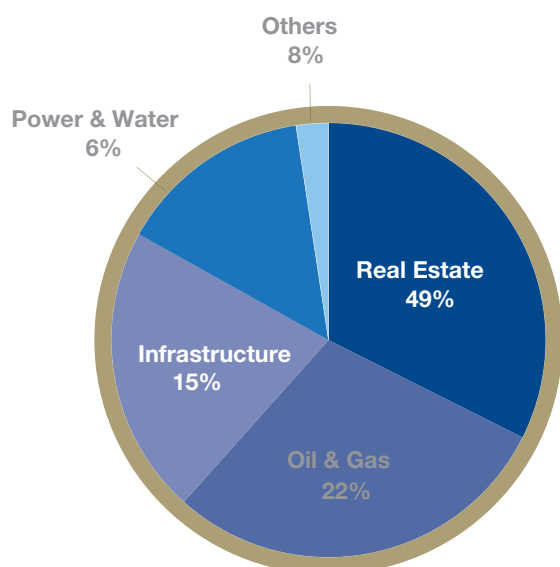
OPPORTUNITY OVERVIEW

Kuwait Government's focus on development of infrastructure (roads, ports, airport, rail) along with large scale integrated housing projects is expected to drive a large volume of construction activity in the country.

Construction contractors in Kuwait face constraints in terms of technological expertise and experience in executing large scale complex projects, thereby creating an entry point for international companies. Additionally, the scale of announced projects is likely to be more than what can be absorbed by domestic players which further highlights the potential market for international contractors to consider Kuwait as a key market within the GCC region.

The pipeline of current projects is valued at over USD 250 Bn in 2015. This provides considerable opportunity for construction activity. Real estate projects account for a majority of the planned construction activities, followed by oil and gas, infrastructure and power and water.

Proposed construction projects by sector
(by value) in %



- A growing, young population is driving the need for additional residential units and construction activity.
- The planned integrated housing projects will further augment the demand for construction management services.
- The Kuwait Development Plan includes construction of large infrastructure projects such as roads, bridges, ports, airports, rail and Government buildings which will lead to significant construction activity.

Over 90,000 housing units are proposed to be added over a period of 6 to 7 years under the various housing projects initiated by the Public Authority for Housing Welfare. The Ministry of Health is undertaking construction of 8 additional hospitals in the country. These projects offer significant opportunities for international construction contractors particularly in large, complex or technically challenging areas where local contracting capacity and expertise may be stretched.

2.7: Storage and Logistics services

SECTOR OVERVIEW

Imports constitute a key component of Kuwait's economy and are expected to increase annually at 4.3% during 2014-2019 to reach USD 62 Bn in 2019. The importance of foreign trade and Kuwait's central location in the Gulf make logistics a strategic priority for the country.

Kuwait's Third Kuwait Master Plan seeks to develop Kuwait as a regional transport center with excellent multimodal logistic infrastructure supported by favorable trade regulations.

LOGISTICS

Logistics services in Kuwait are expected to benefit from several transportation infrastructure projects being initiated as part of the Kuwait Development Plan. Key among these projects are the initiatives to upgrade existing ports, a new port at the Bubiyan Island, upgrade of airport infrastructure and a new national railroad network linking the country to the GCC railroad network.

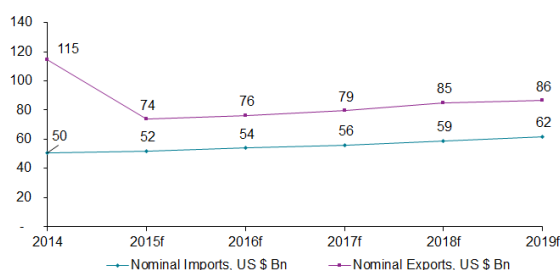
Projects such as the proposed Cargo City, which is intended to serve international air freight, are expected to support the increased demand for logistics.

WAREHOUSING

Kuwait's increasing population and consumer spending are expected to accelerate demand for various kinds of goods, requiring the development of additional warehousing facilities.

The Government is seeking to address the demand for new warehousing facilities through development of the Cargo City and other projects.

Kuwait's import and exports, 2014-2019



— NOMINAL IMPORTS, US \$ Bn

— NOMINAL EXPORTS, US \$ Bn

Mubarak Al Kabir Port in Bubiyan Island

Estimated project value

USD 4 Bn

Investment plan for road infrastructure

Project value

USD 7.5 Bn



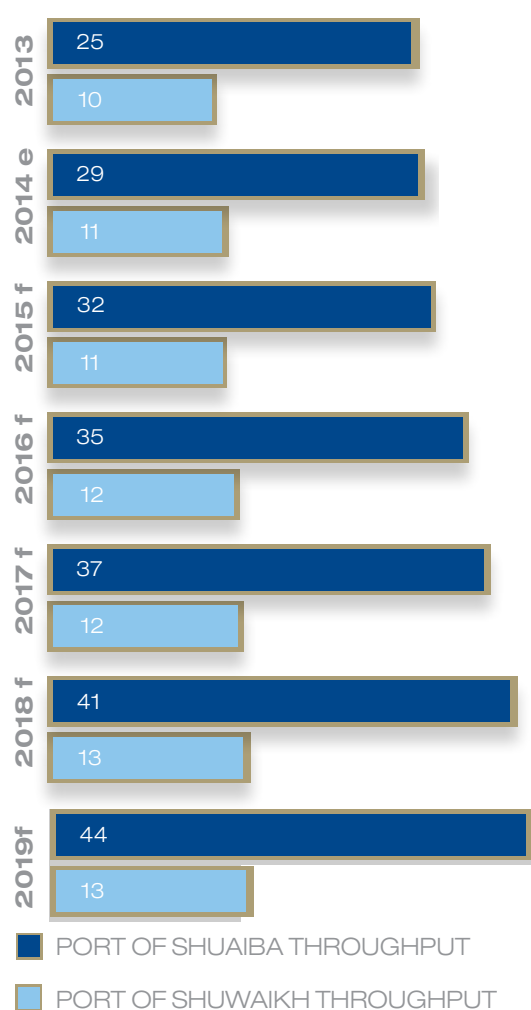
Though Kuwait's current share of the logistics sector in the GCC is relatively small, the proposed infrastructure developments have the potential to promote it as a key logistical and warehousing hub in the region.

2.7.1: Logistics

OPPORTUNITY OVERVIEW

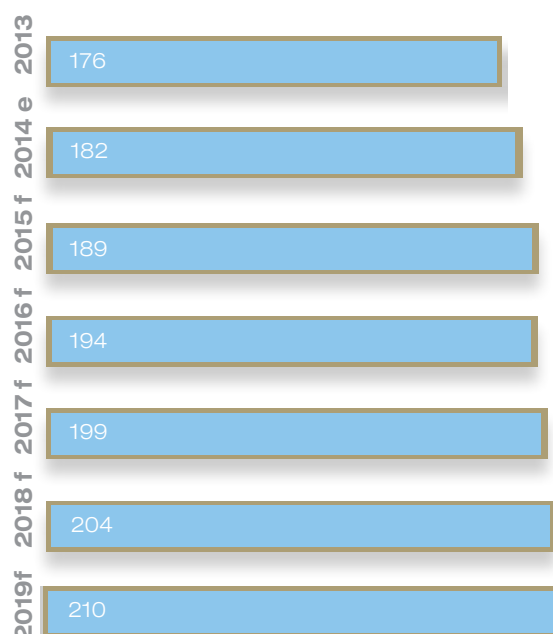
Maritime transport is the primary mode of commercial freight movement in Kuwait. The two key commercial ports of Shuaiba and Shuwaikh handled a combined throughput of 40 Mn tonnes of freight in 2014. Plans are underway to expand the capacities of both these ports. Kuwait's trade activities with regional countries, particularly the Kingdom of Saudi Arabia and Iraq, generate considerable volumes of road freight.

Maritime freight throughput, 2013-2019, (Mn tonnes)



Imports in Kuwait are projected to increase annually at an average rate of 4.3% during 2013-2019 to reach USD 62 Bn by 2019. The planned Mubarak Al Kabir Port will add a capacity of additional 2.5 Mn TEUs and facilitate access to regional markets. Investment of over USD 7.5 Bn is planned over the next five years in the development of new and existing road infrastructure, particularly in the north of Kuwait which will enhance overland freight transport.

Air freight throughput, 2013-2019, ('000 tonnes)



- The domestic demand for freight logistics is expected to be driven by the growth in trade of agricultural materials, manufactured goods, ores and metals as well as a renewed focus on industrial development.
- The upcoming Mubarak Al Kabir port and other planned port infrastructure upgrades are expected to leverage Kuwait's strategic location within the Arabian Peninsula and give rise to re-export opportunities.
- The national railroad network seeks to connect ports with key industrial areas and with the GCC railroad network, opening up opportunities for bringing goods to Kuwait's ports and transporting overland to the Kingdom of Saudi Arabia and Iraq in a cost and time-efficient manner.

2.7.2: Warehousing

OPPORTUNITY OVERVIEW

While freight throughput has increased steadily, warehousing capacities at Kuwait's ports have remained static resulting in significant un-met/ pent up demand. The upcoming Mubarak Al Kabir Port at the Bubiyan Island is expected to provide much needed additional port warehousing capacity.

Warehousing capacity is also expected to be added through projects such as the planned Cargo City which will cater to air cargo.

Current stock of Warehousing in Kuwait at sea ports and airport		
Shuwaikh port	Within the port	
	Warehouses:	70,000 sq. m
	Covered sheds:	15,000 sq. m
	Open storage area:	500,000 sq. m
	Outside the port area	
	Warehouses:	100,000 sq. m
	Covered sheds:	40,000 sq. m
	Open storage area:	78,000 sq. m
Shuaiba port	Warehouses:	14,500 sq. m
Doha port	Warehouses:	8,110 sq. m
Kuwait International Airport	Import warehouse:	5,600 sq. m
	Export warehouse:	2,300 sq. m

- Kuwait's increasing import and export volumes indicate the need for warehousing services. The country's reliance on imports further drives the demand for storage facilities.
- The ongoing and planned infrastructure projects are placing further strain on the limited warehousing facilities.
- Private sector logistics services providers control a considerable part of the supply of inland warehousing space in Kuwait. Providing connectivity between the ports and these warehouses can be expected to help address the demand to an extent.

While Government initiatives are expected to expand Kuwait's warehousing capacity, considerable market space for local and international investors is expected to remain, presenting sizeable opportunities for warehousing and warehousing related value-added services.



2.8: Banking, Financial Services & Insurance

SECTOR OVERVIEW

Kuwait has a well developed banking and financial services sector, accounting for over 5.6% of total GDP in 2014. The local financial services sector consists of 23 local, regional and international banks, 81 local investment and finance companies, 113 local investment funds and over 23 local, regional and international insurance companies

The CBK oversees banking and financing activities and the CMA regulates securities market activities. The insurance industry is governed by the Ministry of Commerce and Industry

The banking environment has witnessed tighter regulations governing stakeholder interests. The growing insurance industry is also expected to benefit from the favorable policies of mandatory medical insurance for expatriates and nationals along with rising affordability. Kuwait Government's planned infrastructure development projects are likely to further support development of the banking and financial services sector.

PRIVATE EQUITY

The public sector accounts for more than 50% of GDP, with only a relatively small number of business listed on the stock exchange. As the private sector's economic contribution continues to grow, Kuwait is likely to emerge as an attractive destination for Private Equity (PE) firms, especially for fund raising due to high liquidity among investors.

ASSET MANAGEMENT

Rising wealth in the Kuwait economy, coupled with an increased number of High Net-Worth Individuals (HNWIs) and a burgeoning middle class are driving demand for asset management products and services.

As of 2014, Kuwait had one of the highest per capita income in the Middle East region (USD 37,821), and ranks second behind KSA in terms of total assets under management (USD 4.1 Bn) in 2013.

DIRECT SALES AGENTS

Direct sales agents (DSA) act as an intermediary between the financial companies and clients. Demand for sophisticated financial investment instruments and a preference for personal attention are expected to create demand for DSA services.

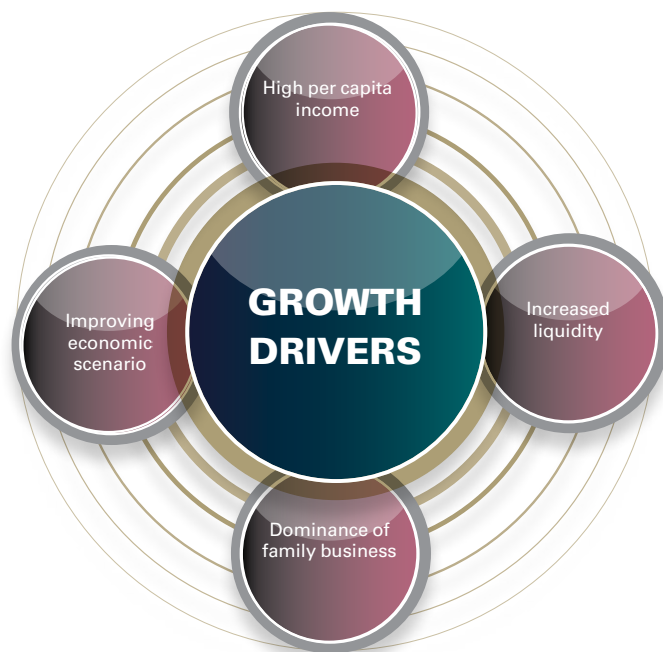


Robust GDP growth and high GDP per capita income are indicative of increasing wealth in Kuwait, driving the growth of the financial services sector in the country.

2.8.1: Private Equity

OPPORTUNITY OVERVIEW

Kuwait's economy is witnessing high liquidity, owing to increasing oil prices. Institutional and private investors are looking for avenues to invest surplus capital. With traditional assets such as real estate and listed securities falling out of favor with many investors, there is renewed interest in Private Equity (PE) opportunities. Kuwait has several PE players ranging from private firms to publicly listed companies, most of which offer multiple financial services including asset management and investment banking advisory alongside PE.



- Kuwait has an affluent population and a rising number of HNWLs providing impetus to growth of PE.
- Increasing liquidity with the Government and sovereign wealth funds is creating opportunities for fund raising.
- Mid-sized family-owned businesses in Kuwait have ambitions for growth and are seeking growth capital and professional sector expertise, driving demand for experienced PE firms who can guide and support such growth.
- Stricter regulatory requirements and improving corporate governance standards in Kuwait are leading to increased confidence among investors.
- Kuwait's strong economic environment presents substantial business opportunities and creates significant opportunity for PE investments.
- However, the Kuwait market remains significantly underpenetrated compared to developed economies.

Government initiatives towards promotion of private sector involvement in the economy as well as fostering Small and Medium Enterprises (SME) growth are favorable to the development of the PE market.

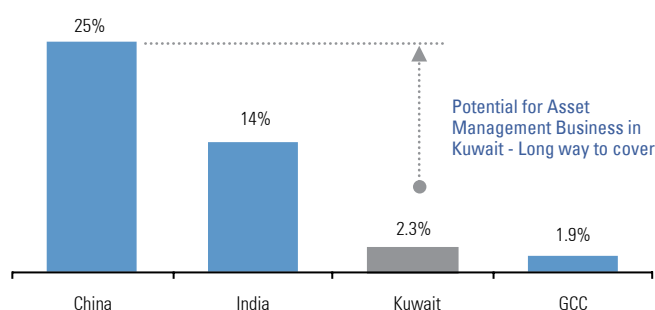


2.8.2: Asset Management

OPPORTUNITY OVERVIEW

Kuwait's Asset Under Management (AuM) to GDP ratio of 2.3% surpasses the GCC average of 1.9% making it one of the more developed markets across the GCC region. However, Kuwait has a relatively low level of penetration compared to other emerging economies such as China and India, which exhibit a penetration level of 25% and 14% respectively. This indicates strong potential for growth supporting introduction of new entrants and more sophisticated products.

Comparison of penetration (AUM/GDP) across emerging economies



- A strong economic outlook leading to increasing liquidity in the market is expected to increase demand for asset management services in the country as investors consider deployment of surplus cash in various investment products.
- High number of HNWLs is likely to propel the demand for asset management services in Kuwait.
- The CMA and Kuwait Government have taken steps to enact and amend regulations to safeguard investor confidence in the local asset management industry, supporting the growth of AM service providers.

In 2013, Kuwait was reported as the second largest market in the GCC with an estimated USD 4.1 Bn of assets under management (AUM). With a positive economic environment and limited number of specialized service providers in the sector, the investment opportunity looks promising for asset management companies.

2.8.3: Direct Sales Agents

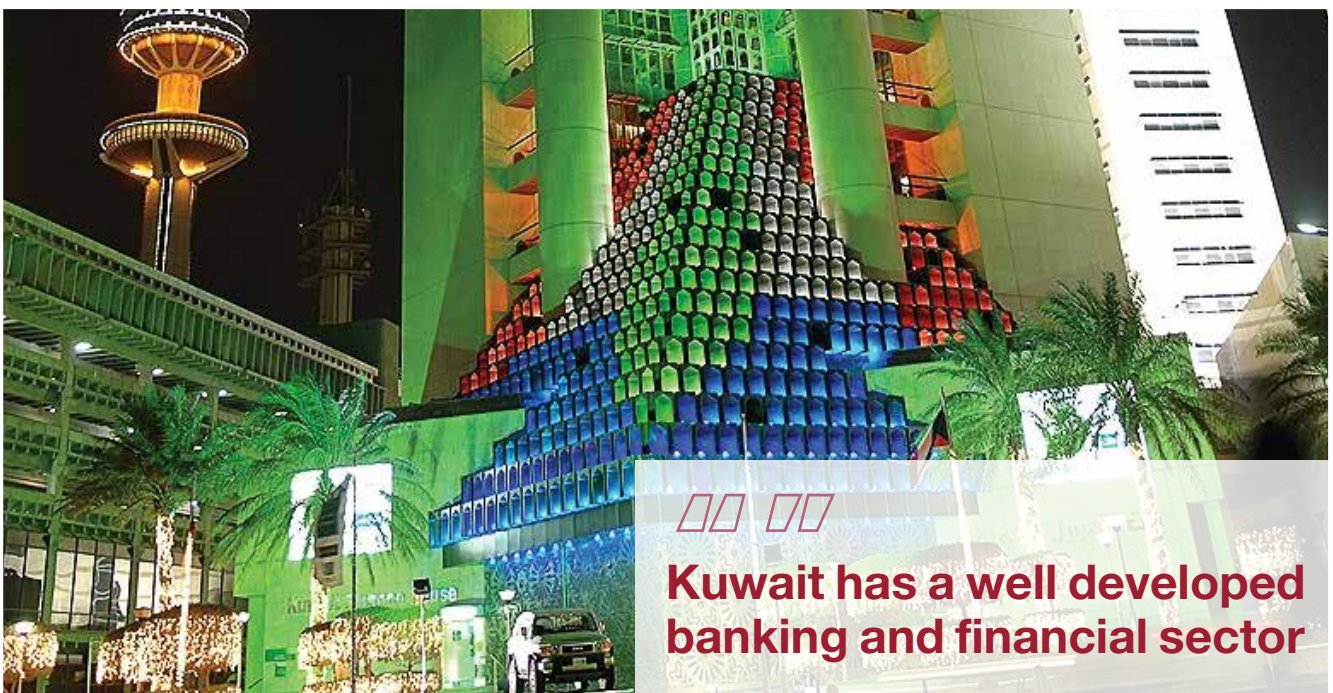
OPPORTUNITY OVERVIEW

The growth of DSA's is driven by the demand among Kuwait's investors for personalized services and individual attention. Investors place trust in their financial advisors and base investment decisions based on their advice. Growing wealth in Kuwait, coupled with the demand for sophisticated financial investment instruments will support the growth of business for DSA. The financial services distribution market remains fragmented with presence of multiple channels which compete with DSAs.



- Kuwait's young and affluent population, coupled with the increasing number of expatriates, is expected to demand more comprehensive financial solutions commensurate with their investment needs.
- The sophistication of financial markets and the introduction of complex financial products increase the need for advice in making investment decisions.
- Despite growth of alternative distribution channels, the strength of relationship enjoyed by DSAs continues to foster growth in this segment.

Kuwait has a well developed banking and financial sector. The launch and usage of more sophisticated financial products, will provide growth opportunities for DSAs.



2.9: Air, maritime and rail passenger transport

SECTOR OVERVIEW

Air and road are the primary modes of international passenger transport in Kuwait. Kuwait's strong economic growth and a steady population growth are driving the development of the country's transport infrastructure.

The Kuwait Government is seeking to enhance the transport infrastructure including redevelopment of the airport, maritime facilities and development of rail infrastructure within the country.

AIR PASSENGER TRANSPORT

The Kuwait International Airport is the primary airport and the only civil/passenger airport of the seven airports in the country. The number of passengers at the Kuwait International Airport has reached 10.3 Mn passengers in 2014 compared with its official capacity of 7.2 Mn.

An expansion of the airport is under way which is expected to raise the capacity to 25 Mn by 2025 and help ease congestion. The new terminal will help Kuwait position itself as a transit point within the GCC region.

RAIL PASSENGER TRANSPORT

The Government intends to introduce rail transport in Kuwait through two large railway projects.

The Government is planning a metro rail network project in Kuwait City to ease road congestion. Another railway project, the Kuwait National Railway Network seeks to connect Kuwait with the GCC Railway Network, providing seamless rail connectivity across the GCC region for passengers and freight.

MARINE PASSENGER TRANSPORT

Growing demand from Kuwait based tourists has seen a number of cruise liners including Star Cruises, Silversea Cruises and Crystal Cruises adding Kuwait as a port-of-call. The planned introduction of a single GCC visa for cruise passengers is expected to lead to growth of this sector.

Planned aviation sector projects in Kuwait by Directorate General of Civil Aviation (DGCA)

Project value

USD 5 Bn

National railway network- Expected operations by 2018

Project value

USD 10 Bn

2.9.1: Airport Facilities Management

OPPORTUNITY OVERVIEW

The planned upgrades to Kuwait's aviation infrastructure are expected to support Kuwait's initiatives to position itself as a commerce hub. There exists potential to provide specialized facilities management (FM) services to maintain Kuwait's airport facilities at par with global standards and benchmarks.

FM Contracts in the GCC Aviation sector	
Bahrain Airport	15 year contract to manage facilities at Bahrain Airport in 2008. Scope of work includes technical & infrastructural building management for an area of 70,000 sq. m.
Abu Dhabi and Al Ain Airports	Comprehensive contract to manage more than 260,000 sq.m areas at the Abu Dhabi International Airport and the Al Ain International Airport.
King Fahd international Airport (KFIA)	5 year contract initiated in 2008 for management of KFIA's maintenance and operations including FM services.
Sharjah International Airport	Sharjah Department of Civil Aviation (SDCA) signed 3 year FM contract in 2009 for multi-technical and specialized facilities management services at Sharjah International Airport.
Dubai Airport	Integrated facilities management contract for Terminal 3.

The current terminal at the Kuwait International Airport measures approximately 190,000 sq.m. The new terminal under development is expected to add an additional area of 710,000 sq.m for the facilities management. Once the new terminal is operational, there is likely to be a multi-fold growth in requirement for FM services in the aviation sector with an estimated market size of USD 30-40 Mn in annual revenues.

FM contacts across the GCC aviation sector tend to be long-term multi-year contracts for management of airport infrastructure. There could be a similar opportunity for experienced FM service providers to enter into long term contracts with airport authorities/ operators in Kuwait.

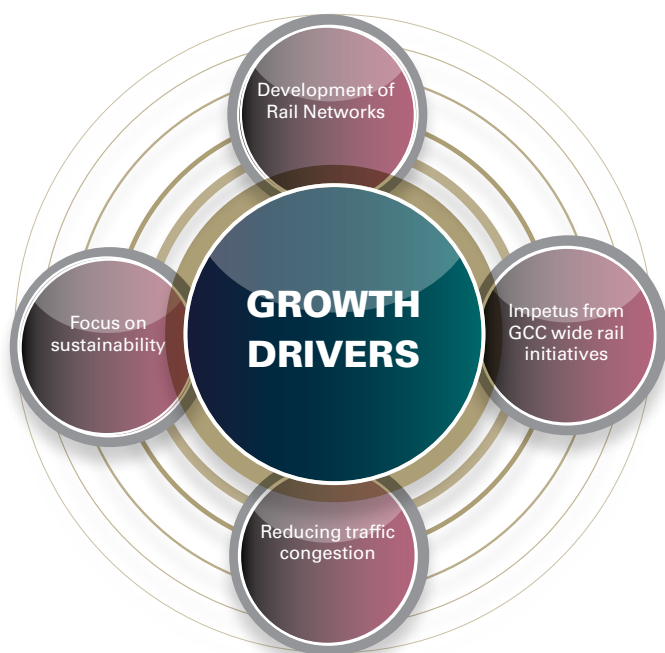
- Expansion of airport infrastructure will augment demand for FM services in Kuwait.
- There is existent demand for aviation focused FM providers as the FM services market in Kuwait is at a nascent stage.
- There is increased focus and awareness globally on environment sustainability which could potentially require new specialized FM services.



2.9.2: Rail Facility Management

OPPORTUNITY OVERVIEW

The proposed rail and metro projects under the **Kuwait Transportation Masterplan** are expected to expand the market for rail service delivery and facilities management (FM). Rail FM is a new segment in Kuwait and presents opportunities for specialized FM providers.



- The Kuwait National Rail Road project is of strategic interest to the Government in view of the potential trade benefits it offers the country and as part of integration with the broader GCC Railways project.
- Automobile traffic in Kuwait has outgrown the capacity of the road infrastructure, especially in the Kuwait Metropolitan Area. The Kuwait Metropolitan Rapid Transit System is planned to significantly enhance public transport in Kuwait.
- Focus on sustainability and resource optimization will lead to requirement of potentially new FM services, to build environment friendly stations and allied infrastructure.

The Rail FM market in Kuwait has the potential to generate approximately USD 90 Mn p.a. in revenues. The Kuwait National Rail Road System will be an integrated rail network with 511 km double track total length with total investment of around USD 10 Bn. The metro network seeks to cover 50 km and 28 metro stations in the first phase by the year 2020, increasing to 69 stations with a total length of 160 km. The metro project is expected to entail an investment of USD 7 Bn. The envisaged rail and metro networks offer a sizeable addressable market for FM services.



2.10: Tourism, Hotel and Entertainment

SECTOR OVERVIEW

As a business hub, transit arrivals into Kuwait comprise primarily of business travelers. Business travel spending in Kuwait is expected to grow by 8.9% in 2014 to reach USD 1.2 Bn and thereafter rise by 5.4% per annum to USD 1.9 Bn by 2024.

Tourist arrivals are expected to increase to 491,000 by 2022 from 306,559 in 2013 on account of planned infrastructure projects, economic expansion and tourism related initiatives.

HOTELS

The growth in business activities in Kuwait is expected to result in increased demand for hotel rooms. Budget hotels and hotel apartments are preferred for extended stays.

Hotels in Kuwait have among the highest average daily rates in the region, estimated at USD 246 in 2013. Most of the room capacity is concentrated in the four-star, five-star and resort categories.

Spending on leisure and tourism sector

Estimated value by 2015

USD 4.2 Bn

Hotels in Kuwait (2013)

NO. OF HOTELS		NO. OF ROOMS
FIVE STAR	10	2,120
FOUR STAR	10	1,381
THREE STAR	13	1,057
TWO STAR	2	62
ONE STAR	3	82
HOTEL APARTMENTS	43	1,854
RESORTS	12	2,017

ENTERTAINMENT

Kuwait has a limited number of theme parks and amusement centers. High per capita income and a propensity to spend on leisure and entertainment are expected to drive demand for amusement and entertainment options in Kuwait.

During the year 2013, the average household spend was approximately USD 4,000 per annum on leisure, entertainment and cultural services annually implying 8.5% of GDP per capita was directed towards recreational purposes.

Revenue of branded theme parks

Expected y-o-y growth over 2011–2015

7-8%

Economic growth and demand for entertainment options are expected to create investment opportunities in this sector.

2.10.1: Branded Theme Park

OPPORTUNITY OVERVIEW

Kuwait has a number of relatively small recreational concepts, including amusement and water parks, as well as other concepts like a zoological park and cultural attractions. The Entertainment City is the largest theme park in Kuwait and covers an area of one million square meters. This was established in 1984 by the Touristic Enterprises Company, a Kuwait Government entity. The footfalls for recreational and cultural attractions reached 2.4 Mn in 2013.

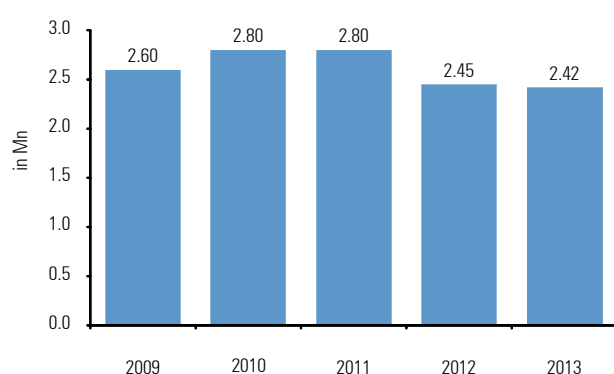
	<i>Recreational places in Kuwait</i>	
Zoo	Kuwait Zoo	
Aquarium	The Scientific Center	
Water Theme Park	Aqua Park Messila Beach	
Indoor Entertainment	Future Kid Infinity Zone Kid Land Kuwait Magic	Magic Planet Kidzania Trampo
Amusement Park	Lagoons Marah Land Play Land Entertainment City Hawally Park Sha'ab Leisure Park	
Branded Theme Park	99 Village Cartoon Network World	

- Amusement parks tend to attract families, young adults and children. Kuwait has a young and growing population, with more than 58% below the age of 35, presenting a sizable market for branded theme parks.
- Lifestyle preferences, and the relatively high level of disposable income also positively impact the demand for the branded theme parks.
- Increased tourism investments in the tourism sector along with a rising number of tourists from other GCC countries are expected to increase demand for entertainment options in the country.

Kuwait's spending on travel and tourism is estimated at approximately USD 6.4 Bn in 2013, with an expected annual growth of 6.2% until 2025.

In view of the limited options available in Kuwait, there is significant potential for introducing a large, branded family-oriented theme park conducive to Kuwait's climatic conditions.

Footfalls in recreational places in Kuwait



2.10.2: Budget Hotels

OPPORTUNITY OVERVIEW

The planned infrastructure projects and economic development plans are expected to stimulate business travel in Kuwait over the foreseeable future, creating additional demand for hotels. An increasing global trend towards cost-conscious business travel along with the development of new commercial hubs in Kuwait will augment need for more budget hotels. Budget hotels currently constitute less than one-fourth of Kuwait's overall hotel capacity.

Key Players	Hotel Brands
Accor Hotels	IBIS Hotel Kuwait – Sharq IBIS Hotel Kuwait – Salmiya
Salhia Real Estate	Courtyard Marriott Hotel
Al Argan International Real Estate Company	Movenpick Hotel & Resort Al Bida'a Rimal Hotel & Resort
Rotana Hotel Management Corporation Limited	Al Manshar Rotana
Kuwait Hotels Company	Safir International Hotel

- Economic growth in the country, supported by a growing oil industry stimulate demand for business travel.
- Government incentives to promote non-oil industrial sectors are major drivers for developing Kuwait as a business hub, providing an opportunity for budget hotels.
- Growth in business travel and prevailing high average room rates in Kuwait, will further augment the need for budget hotels.
- Shift of corporate mind-set from luxury hotels to the curtailment of travel expenditure is expected to stimulate the demand for budget hotels in Kuwait.

Kuwait's hospitality market is projected to reach USD 500 Mn by 2016. The low presence of budget hotels in the country and 100% foreign ownership is allowed in the sector which makes it an attractive entry opportunity for local and international players. Spending on business trips in Kuwait is expected to have reached USD 1.2 Bn in 2014. Currently, only a few budget hotel brands operate in Kuwait.

The planned infrastructure projects in Kuwait (e.g: Cargo City, Mubarak Al Kabir port development, airport expansion, etc.) and rising inflow of business travelers could yield a higher average hotel occupancy rates and revenue per room, indicating considerable potential for new budget hotels.

2.11: IT and Software Development

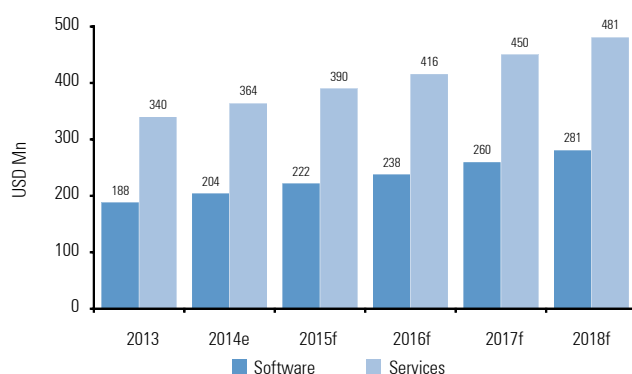
OPPORTUNITY OVERVIEW

Kuwait ranks high on key IT and mobile infrastructure related benchmarks in the MENA region, such as internet penetration (62%) and mobile penetration (138%) reflecting quick technology adoption and supporting development of software and IT businesses.

The country's young and affluent population also supports demand for emerging technologies and associated software. On the institutional front, the Kuwait Government has initiated many e-governance projects which are expected to drive the use of electronic services by Government organizations and the general public.

The market size for software and IT related services amounted to around USD 528 Mn in 2013 and is expected to grow annually at 8% over the period 2013 to 2018.

Software and service sector sales



WEB AND APP DEVELOPMENT

Web and app development is gaining importance as businesses strive to meet customer demands and expectations on service quality.

Kuwait's internet traffic in general is expected to continue its historical growth trend over the foreseeable future primarily driven by private consumers, reaching 45.4 petabytes per month by 2016. This overall development will induce the further development of digital applications and solutions especially those which are web enabled.

The opportunity to offer web based services in Kuwait and wider GCC region is relatively new as these sectors have been traditionally served by international players and, to a limited extent, by some regional players.



Favorable demographics and digitization of content are expected to drive the need for IT services such as web and app development.

2.11.1: Web and App Development

OPPORTUNITY OVERVIEW

Web and app development is becoming increasingly important for customer-centric businesses in Kuwait. Demand from consumer focused sectors like retail, banking along with IT transformation initiatives at the Government level are augmenting demand for web-enabled IT services and solutions. This provides opportunities for international players with local and regional presence.



- Kuwait's young and educated population is expected to drive consumption of content and engagement via multiple digital tools (including social networking platforms, mobile applications, online videos, etc.).
- Kuwait's e-government initiatives are expected to drive the expansion of web and app development.
- Kuwait has one of the highest internet penetration rates within the MENA region with 62% of the adult population using internet more than once a day, resulting in demand for mobile apps and internet based services. Around 41% of the population has access to the internet over mobile phones, with more than 64% of Kuwaiti nationals using smart phones.

The market size of the IT services segment (including web and app development) was estimated at USD 340 Mn in 2013, with a projected growth rate between 7% per annum. The market in Kuwait is still at a nascent stage with most requirements being currently serviced out of other markets in the region. There also exists potential for localized and Arabic content.



2.12: Culture, Media and Marketing

SECTOR OVERVIEW

Kuwait has a diverse population, reflecting a wide range of cultures and ethnic backgrounds, which generates demand for diversified advertising, marketing, entertainment and media.

Kuwait has demonstrated a high affinity for entertainment and media especially considering majority of its population is young and affluent. Kuwait's high penetration of broadband, mobile phone and television also indicate the magnitude of the potential opportunity in the space of media and marketing especially in the digital segment.

DIGITAL MEDIA MARKETING

Digital media marketing is aligned with new age marketing platforms connected via internet to devices such as computers, tablets, smart phones and gaming consoles. High penetration of broadband and mobile based internet are a key driver of digital advertising in Kuwait.

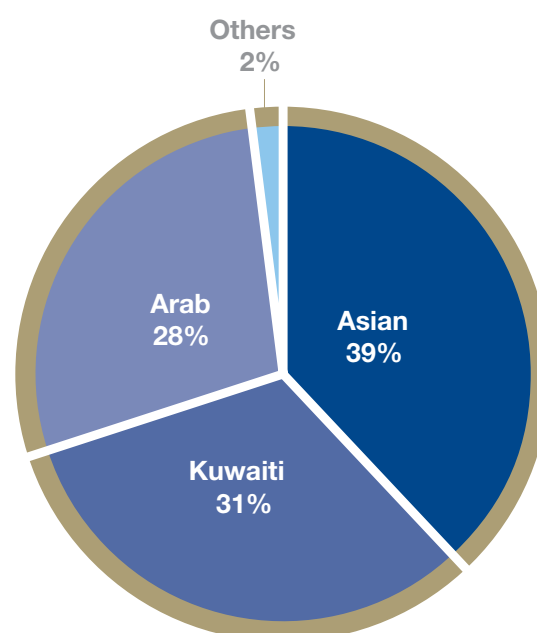
DIGITAL CONTENT CREATION

Digital Content Creation (DCC) includes creation of digital tools such as games, e-books, apps and widgets, web/ blog development (text, animation, graphics, images, design and audio-video). Increasing adoption of digital devices like smart phones, tablets and smart televisions, is likely to drive the market for digital content in Kuwait especially for service providers offering localized Arabic content.

APPLICATION STORES & ONLINE PORTAL

The prevalence of internet and broadband penetration in Kuwait is leading to many consumer businesses considering presence through online formats, thus providing reach across a wider audience. The growing penetration of web enabled devices (smart phones, tablets, smart televisions) coupled with rising income levels in Kuwait are expected to provide growth opportunities for online retailers and service providers.

Population by ethnic groups (June 2015)



A wealthy population with high living standards and cultural diversity offer opportunities in the culture, media and marketing sectors.

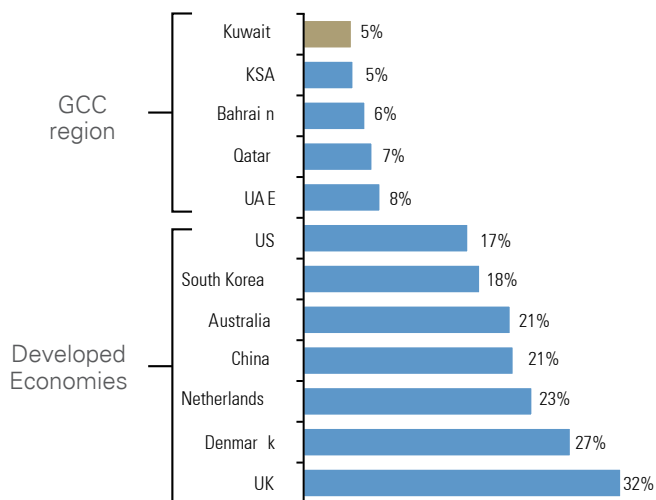
2.12.1: Digital Media Marketing

OPPORTUNITY OVERVIEW

Kuwait has the fourth highest advertising expenditure in the MENA region. The digital marketing industry is however at a nascent stage in Kuwait, with players offering multiple services such as marketing, advertising, analytics, technology etc. Growing traffic on social networking sites and increased time spent online by the resident population is fueling the growth in digital advertising, which currently accounts for only 5% of the total advertising spend.

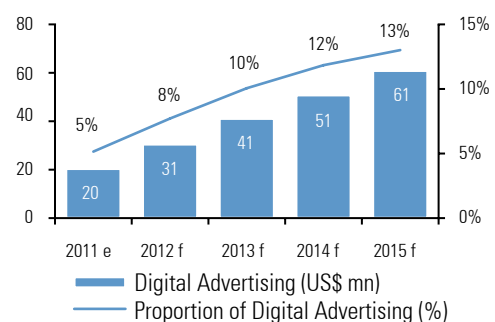
The sector comprises of global, regional and local boutique players but is largely dominated by international firms who are primarily operating through local tie-ups and catering to in-house digital marketing requirements indicating room for presence of specialized international players in Kuwait.

Digital advertising expenditure as % of total advertising expenditure (2011)



- Kuwait's favorable demographics, coupled with high literacy rates and per capita income, translate into high rates of information consumption across multiple media formats including social media.
- The country has high penetration of internet (62%), mobile (138%) and TV (99%), and hence is quick in technology adoption, which supports opportunities in the digital marketing space.
- Cost effectiveness of the digital medium also makes it easier for advertisers to target niche audiences thereby propelling the growth of digital media marketing.

Digital advertising expenditure as % of total advertising expenditure in Kuwait



The advertising market in Kuwait is expected to reach around USD 470 Mn by 2015, with share of digital advertising rising from 5% in 2011 to approximately 13% (nearly USD 61 Mn) by 2015. This is expected to provide significant opportunities for companies in this sector to grow in the Kuwait market.

Additionally, linguistic and cultural similarities within the Middle Eastern countries provide potential for replicating digital marketing offerings across neighboring markets.

2.12.2: Digital Content Creation

OPPORTUNITY OVERVIEW

The size of the global consumer digital content industry was estimated at approximately USD 49 Bn in 2012 in terms of revenues. This industry is poised to grow to over USD 62 Bn by 2016, recording an annual growth of around 5% per annum.

Kuwait is, however, still in the early stages of development with regards to digital content market especially in areas like games, e-books, apps and widgets, web and blog development (text, animation, graphics, images, design and audio-video). Increasing adoption of digital devices like smart phones, tablets and smart TVs is likely to drive the market for digital content in Kuwait especially for service providers who can offer localized Arabic content.



- A young, well-educated and relatively affluent population drives demand for entertainment and media content.
- With Kuwait's high penetration of TV, mobile and internet, localization of content and regional trends of Pan-Arab television, film and music is likely to propel demand trends in digital content creation.
- The increasing adoption of smartphones and tablets provides large potential opportunities in segments such as social networking and online gaming.
- Encouragement from advertisers to sponsor content designed for these digital devices can lead to monetization of digital content.

In Kuwait, the digital content creation market remains a nascent market with few niche players indicating room for established international players to explore this untapped opportunity in areas like mobile applications, Arabic e-publishing, local comic series and gaming applications.

For instance, the gaming market in the Middle East region is reported to have the fastest growth with a size that is variously estimated in the region at USD 1 Bn.



2.12.3: Application Stores and Online Portals

OPPORTUNITY OVERVIEW

High levels of internet penetration and technology adoption are likely to stimulate the market for application stores and online portals. Kuwait has witnessed many popular examples of online portals some of which are expanding across the GCC and the wider region. Growing penetration of web enabled devices (smart phones, tablets, smart TV's) coupled with rising income levels in Kuwait will further augment the market for online portals along with increasing acceptance of online payment systems.

GROWTH DRIVERS

Young population

High per capita income

High literacy levels

Successful initiatives in this space

High rates of broadband and mobile penetration

Supportive Government measures

- The broad reach of social media, internet and mobile in the country is leading to successful adoption of the medium of e-commerce and online platforms in Kuwait and the GCC region.
- Kuwait Government is implementing various measures to promote IT across numerous sectors, such as infrastructure, education and Government services.

Category specific online portals (e.g.: electronics, fashion) and subscription based websites (e.g.: Zawya, MEED) are expected to have high demand along with preference for localized Arabic content.



13

SERVICING

FOREIGN AND
LOCAL INVESTORS

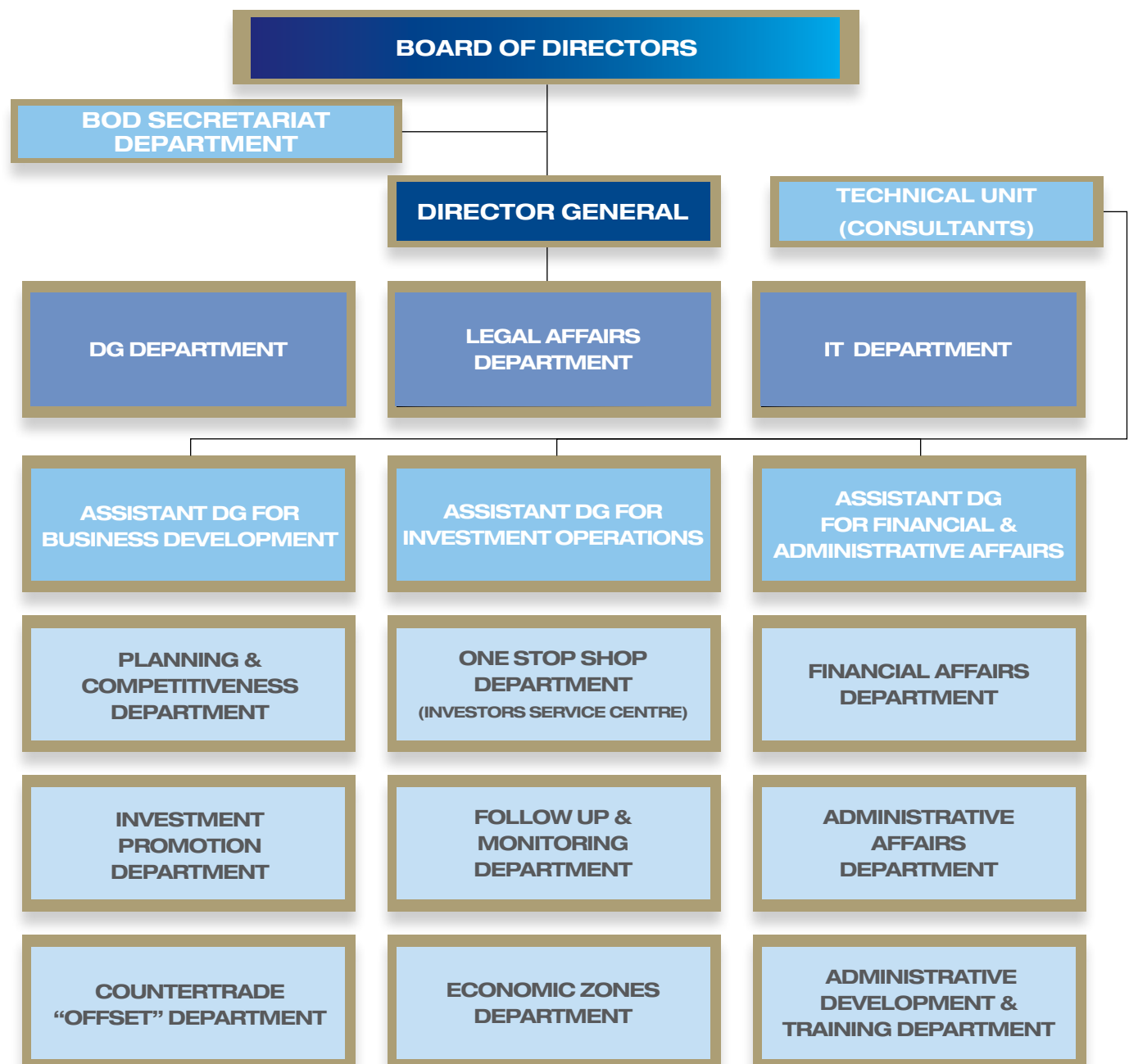
The Kuwait Direct Investment Promotion Authority

Facilitating direct investments in Kuwait

The KDIPA was established to implement Law No. 116 of 2013, the Law Regarding the Promotion of Direct Investment in the State of Kuwait (Direct Investment Law), with a view to attract, promote and encourage direct investment in the country by offering a range of incentives

The Direct Investment Law enables foreign investors to pursue business opportunities in Kuwait without a local sponsor and own up to 100% of equity interest in an investment entity.

The KDIPA is a public authority headed by the Director General reporting to a Board of Directors chaired by the Minister of Commerce & Industry.



The Kuwait Direct Investment Promotion Authority

ONE-STOP SHOP FOR ALL INVESTORS

THE KDIPA ACTS AS A SINGLE POINT OF CONTACT FOR ALL DIRECT INVESTMENT MATTERS SUCH AS

Streamlining the license issuance process and facilitating the market entry of investors by establishing an effective network with various Government entities. KDIPA's Investor Service Center functions as a One-Stop Shop in coordination with relevant governmental ministries and authorities to attend to needs of foreign investors.

Providing a decision on the merit of applications within a maximum duration of 30 days of submission of the completed application supported with requested data, documentation and conditions.

Granting attractive incentives to investors to pursue projects that are aligned to Kuwait's interests. Projects can be in any sector, except those specified in the negative list.

Identifying and promoting investment opportunities in Kuwait, in coordination with other stakeholders.

Responding to investors inquiries and providing requested information.

INVESTMENT INCENTIVES AND GUARANTEES

UNDER THE DIRECT INVESTMENT LAW, INVESTORS CAN AVAIL OF THE FOLLOWING INCENTIVES AND GUARANTEES

Ability to pursue business opportunities in one of three distinct forms: as a Kuwaiti company in accordance with the Companies Law with up to 100% foreign equity; as a licensed branch of a foreign company; or as a representative office having the sole purpose of preparing market studies or production possibilities.

Avoidance of double taxation and benefits under bilateral treaties for the protection and encouragement of investment.

Exemptions from customs duties.

Allocation of land to carry out the proposed projects.

Tax incentives for up to ten years with respect to non-Kuwaiti shareholders' share of the profits from the qualifying projects. Tax incentives may also be availed for a similar period for further investment in an already approved project.

Investors are also guaranteed protection from seizure or expropriation without compensation and guaranteed free transfer or remittance of their capital and profits.

Other considerations for international investors

Other tax incentives

Foreign companies can also benefit from the following tax incentives:

- Leasing and Investment Companies Law No. 12 of 1998 allows the formation of investment and leasing companies and grants a five-year tax holiday to non-Kuwaiti founders and their shareholders.

Points for consideration

In certain cases, obtaining the requisite licensing approvals can take a prolonged period. Land intensive projects may face additional constraints in terms of limited availability of industrial land.

A thorough understanding of applicable procedures and processes will help anticipate and address such delays.

Investors should seek to obtain information regarding:

- Prerequisites, if any, including documentation required.
- Understanding the process of obtaining business licenses and permits.
- Information about the relevant Government and regulatory authorities involved.
- Process and procedures involved in the approval process.
- Typical time required to obtain all clearances.

KDIPA can help investors in navigating through the official processes and address such challenges.

KDIPA's Investors Service Centre (ISC) seeks to support investors in establishing their business in Kuwait, and assists them in overcoming any obstacles that might be encountered.

KDIPA has a team of qualified staff members, who are equipped to respond to inquiries in a timely and efficient manner, and to ensure following the procedures required to issue the investment licenses or granting incentives under Law No. 116 of 2013 Regarding the Promotion of Direct Investment in the State of Kuwait.

Investors can also inform the ISC regarding any complaints or suggestions that it can help follow through with the concerned government authorities.

KDIPA is in the process of finalizing a study for developing three economic zones that will accommodate new investment projects.

Business forms in Kuwait

The Companies Law and the Commercial Agencies Law provide flexible options for establishment of businesses in Kuwait. The prominent business forms are set out below.

	Limited liability company	Closed joint stock company (KSCC Closed)	Public joint stock company (KSCP)	Partnership	Joint venture (JV)	Commercial agency	Branch
Description	<p>A WLL is an association of a maximum fifty partners. Each partner shall be liable only to the extent of their membership interest in the capital.</p>	<p>A KSCC Closed firm can be established by a non-Kuwaiti. As a rule, only Kuwaiti citizens may be shareholders of a joint stock company. However, foreigners may own up to 49% of the share capital of a KSCC Closed company after attaining approval of the concerned authorities.</p> <p>This is as a general rule while a closed joint stock companies with up to 100% ownership for foreign investors could be established under Law No. 116 of 2013 and in accordance with the rules, terms and conditions contained therein.</p>	<p>A KSCP is a company whose capital is divided into tradable shares of equal value in the manner prescribed by the law.</p>	<p>There are 2 categories of partners namely: General partners who shall be jointly liable with all their personal assets for all obligations of the company.</p> <p>Limited partners: who shall participate in the capital of the company with cash contributions and who shall only be liable for the obligations of the company to the amount of their contribution to the capital.</p>	<p>A JV company is a company agreed between two or more partners. The company shall be restricted to the relationship between the partners and shall not operate in respect of third parties.</p>	<p>There are 3 types of agencies: Contract agency: The local agent, by contract, undertakes to promote the principal's business on a continuous basis in the territory and to enter into transactions in the name of the principal in return for a fee. Distributor agency: Local agent is the distributor of the principal's product in a defined territory in return for a percentage of the profit.</p> <p>Commission agency: The agent enters into contracts in his/its own name. The principal's name may not be disclosed without his permission.</p>	<p>A foreign company wishing to open an office in Kuwait to conduct business and commercial activities can do so through a branch. The branch must be sponsored by a Kuwaiti agent under whose name the operation is carried out.</p> <p>This is as a general rule, while, as an exception, foreign companies may open branches in Kuwait under the Law No. 116 of 2013 and in accordance with the rules, terms and conditions contained therein.</p>

	Limited liability company	Closed joint stock company (KSCC Closed)	Public joint stock company (KSCP)	Partnership	Joint venture (JV)	Commercial agency	Branch
Incorporation	Through application for a Memorandum of Association. Registration with the Commercial Register.	Does not require a decree authorizing incorporation. Founders have to pay a minimum of 20 percent of the nominal value of their shares upon incorporation and the remainder within the next five years.	Decree authorizing incorporation is required. Founders are required to subscribe for at least 10 percent of capital, which must be paid for before the public subscription, and a minimum of 20 percent of the capital to be paid upon incorporation.	Established by preparing and registering a Memorandum and Articles of Association with the Commercial Registrar.	Requires no formal establishment procedures.	Requires registration with the Commercial Register; only Kuwaiti nationals can act as commercial agents.	-
Foreign company participation	Up to 49% stake. This quota may be exceeded under Law No. 116 of 2013.	Up to 49% stake. This quota may be exceeded under Law No. 116 of 2013.	Permitted to own shares.	Up to 49% stake.	Allowed, through trade license of the Kuwaiti member.	-	Through a Kuwaiti agent. Exceptions under Law No. 116 of 2013.
Minimum no. of members	2	-	5	2	2	-	-

The Companies Law also introduced the concept of a Single Person Company wherein the capital is fully held by a single owner and the liability of such owner is limited to the extent of the capital.



APPENDICES



APPENDIX 1: Law No. 116 of 2013

Regarding the Promotion of Direct Investment in the State of Kuwait

Having reviewed the Constitution;

- and Decree No. (3) of 1955 regarding Kuwaiti Income Tax as amended;
- and the Criminal Law promulgated by Law No. (16) of 1960 as amended;
- and the Criminal Procedures and Trials Law promulgated by Law No. (17) of 1960 as amended;
- and Law No. (4) of 1962 regarding Patents, Industrial Diagrams and Designs as amended by Law No. (4) of 2001;
- and Law No. (30) of 1964 on the Establishment of the Audit Bureau as amended;
- and Law No. (33) of 1964 regarding Expropriation and Temporary Possession in the Public Interest as amended;
- and Law No. (36) of 1964 regarding the Regulation of Commercial Agencies;
- and Law No. (37) of 1964 regarding Public Tenders as amended;
- and Law No. (32) of 1968 concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business as amended;
- and Law No. (32) of 1969 regarding the Licensing of Commercial Stores as amended;
- and Decree Law No. (31) of 1978 regarding the Rules for Preparing Public Budgets, Monitoring their Execution and Final Accounts as amended;
- and Decree Law No. (15) of 1979 regarding the Civil Service as amended and the Decree regarding the Civil Service System issued on 4 April 1979 as amended;
- and the Commercial Law promulgated by Decree Law No. (68) of 1980 as amended;
- and Decree Law No. (105) of 1980 regarding the Properties of the State as amended;
- and Decree Law No. (5) of 1981 regarding the Practicing in the Auditing Profession as amended;
- and Decree Law No. (20) of 1981 on the Establishment of a Division in the Court of First Instance for Adjudicating Administrative Disputes as amended by Law No. (61) of 1982;
- and Law No. (26) of 1995 regarding Free Trade Zones;
- and Law No. (81) of 1995 on Approving the Agreement Establishing the World Trade Organization;
- and Law No. (56) of 1996 regarding the promulgation of the Industrial Law;
- and Law No. (19) of 2000 regarding the Support and Promotion of National Labour to Work in the Non-Governmental Entities as amended;
- and Law No. (8) of 2001 regarding the Regulation of Direct Investment of Foreign Capital in the State of Kuwait;
- and Law No. (5) of 2003 on the Approval of the Unified Economic Agreement between Gulf Cooperation Council Countries;
- and Law No. (10) of 2003 on the promulgation of the Unified Customs Code for the Arab Gulf Cooperation Council Countries;
- and Law No. (46) of 2006 regarding Zakat and the Contribution of Public and Closed Shareholding Companies in the State's Budget;
- and Law No. (10) of 2007 regarding the Protection of Competition as amended by Law No. (2) of 2012 ;
- and Law No. (7) of 2008 on the Regulation of the Operations of Build, Operate and Transfer and Similar Systems and the Amendment of some Provisions of Decree Law No. (105) of 1980 regarding the Properties of the State;
- and Law No. (9) of 2010 on the Issuance of the State Developmental Plan for the Years 2011-2012/2013-2014;
- and Law No. (37) of 2010 regarding the Regulation of Privatization Programs and Operations;
- and Decree Law No. (25) of 2012 regarding the Companies Law as amended by Law No. (97) of 2013;
- and Law No. (98) of 2013 regarding the National Fund for the Enhancement and Development of Small and Medium Enterprises;
- The National Assembly has approved the following law which we have ratified and issued :

Article 1: Definitions

The following terms and phrases shall bear the meanings corresponding to each of them:

Relevant Minister:	Minister of Commerce and Industry.
Authority:	Direct Investment Promotion Authority.
Board:	Board of directors of the Authority.
Chairman of the Board:	Relevant Minister.
Director General:	Director General of the Authority.
Regulations:	Executive Regulations to this Law.
Investor:	Natural or legal person of any nationality.
License:	Investment license issued in accordance with this Law.
Investment Entity:	Is an economic enterprise or activity that is licensed in accordance with this Law by virtue of an investment license which grants such enterprise or activity legal existence in the State of Kuwait.
Capital:	What is employed or used directly for purposes of Direct Investment through an Investment Entity that is subject to this law, including: <ol style="list-style-type: none"> 1. Funds, financial and commercial securities, be they local or foreign 2. Machinery, tools, equipment, transportation means and other technological devices. 3. Raw materials and intermediate goods required for the commencement of actual production or operations by the Investment Entity. 4. Intangible rights such as patents, trademarks, licenses, registered trade names and industrial and technological designs. 5. Profits and proceeds of the invested capital if used for the increase of the capital or if it is employed or used for the purposes of Direct Investment through an Investment Entity licensed in accordance with this Law.
Direct Investment:	An investment where the Investor, individually or with the participation of another investor, employs his capital directly through an Investment Entity in the State of Kuwait licensed in accordance with this Law.
Application:	The application submitted by the

Investor to obtain, as applicable, the License or incentives or to merge Investment Entities, in accordance with principles and rules relevant to each case.

Article 2: Establishment of the Authority

A public authority with legal personality shall be established under the name "Direct Investment Promotion Authority" to be attached to the Relevant Minister.

The headquarters of the Authority shall be in the State of Kuwait, and it shall have the right to establish offices within the country and abroad.

Article 3: Aims of the Authority

The Authority aims to attract and promote and encourage both foreign and local Direct Investment in the country, which shall include the following:

1. Developing and improving the investment environment, the facilitating of procedures and the removal of hurdles encountered by investors as well as the provision of various means of assistance and support to encourage Direct Investment in the country.
2. Raising awareness regarding the importance of Direct Investment, Investment, especially foreign investment, and the promotion of the Kuwaiti investment environment and the available Direct Investment opportunities by all means of marketing, orientation and promotion.
3. Encouraging investors to transfer, settle and use modern and sophisticated technologies, means of production and operations, management methods, and technical and marketing expertise and to encourage partnerships between Kuwaiti and foreign investors that foster the objectives of development.

The Authority shall perform its activities in light of the public policy of the state, the approved economic development plans, the development of production sectors, the diversification of national revenue sources in the State of Kuwait, the creation of employment opportunities for the national workforce, and increasing its productivity and professional skills by implementing the latest technology in accordance with the best international standards adopted in this regard.

Article 4: Tasks of the Authority

The Authority shall perform all tasks necessary to achieve its objectives, and the following in particular:

1. To screen possible Direct Investment opportunities in the country, promote such opportunities and present the incentives, exemptions and guarantees granted to investors, in addition to preparing any necessary studies, research and statistics and providing available information, clarifications and statistics to investors.
2. To receive and assess investors' applications and to take the necessary actions regarding them in accordance with this law and its Executive Regulations.
3. To establish economic zones and suggest their locations within the general structural plan in coordination with the concerned authorities.

4. To establish or contribute to the capital of companies specialized in the establishment or management of business incubators for projects that meet the objectives of the Authority, following the approval of the Council of Ministers, and in accordance with the principles and rules established by the Board in this regard.
5. To coordinate with all relevant and competent authorities to simplify and facilitate the procedures and services required to improve and streamline the investment environment in the State of Kuwait and enhance its competitive advantage and monitor the competitive position and performance indicators in the investment field on the basis of international standards and reports, so as to ensure the encouragement of Direct Investments in the State of Kuwait.
6. To organize conferences, seminars, exhibitions, and workshops as well as provide services and training programs in line with its objectives, and to participate in internal and external events, and prepare, print and publish on all topics relevant to its work and activities.
7. To secure potential financing and credit facilities, in coordination with concerned parties, in order to encourage investments needed by the country.
8. To oversee and monitor the performance of Direct Investments in the country and identify any hurdles they may encounter and attempt to overcome such hurdles in coordination with the competent authorities.
9. To implement the tasks and mandates assigned by the Council of Ministers or the Relevant Minister that relate to its objectives or that would encourage Direct Investment in the country.

Article 5: Board of Directors of the Authority

The Authority shall have a board of directors chaired by the Relevant Minister and a membership of:

1. Three experienced members specializing in the matters assigned to the Authority who shall be appointed by a resolution of the Council of Ministers, upon the proposal of the Relevant Minister. The resolution shall designate a vice-chairman from amongst them who shall be granted the powers of the Chairman of the Board in his absence.
2. Three members representing the ministries and the government agencies related to the activities of the Authority who shall be nominated by a resolution of the Council of Ministers, upon the proposal of the Relevant Minister provided that their seniority is at least that of an assistant undersecretary or equivalent.
3. The Director General who shall attend the meetings of the Board with no right to vote.

The term of the Board shall be four years, subject to renewal. The Board members' remuneration shall be determined by a resolution of the Council of Ministers.

The Chairman of the Board or his authorized signatory shall sign on behalf of the Authority and shall represent the Authority in its relations to third parties and before the courts.

Article 6: Meetings of the Board

The Board shall convene at the invitation of the Chairman of the Board or vice-chairman and such meeting shall be valid if attended by the majority of its members including the Chairman of the Board or the vice-chairman.

The Board shall have a secretary appointed by the Chairman of the Board and selected from the Authority's staff. The secretary shall undertake the preparation of the meetings of the Board and record its minutes and follow up on the issued resolutions. The Board may invite to its meeting any individual to participate in the discussion of any particular matter without having the right to vote.

The resolutions of the Board shall be passed by the majority of the votes of its members. Where the votes are equal, the side favored by the Chairman shall prevail.

The Board shall issue the necessary resolutions regulating its affairs, defining the rules, procedures, and the scheduling of its meetings, the terms of implementation of its resolutions and the organization of the work of its sub-committees.

Article 7: Conflict of Interest

Members of the Board, employees of the Authority including their respective spouses or relatives of the first degree are prohibited from having any direct or indirect interest in any project or services provided by the Authority and shall be bound to disclose their interests and abstain from participating in discussions about, or the decision making regarding any project. In the event of a violation of this provision, the relevant resolution shall be void including all its effects and shall be considered nonexistent.

Article 8: Powers of the Board

The Board shall have all the powers necessary to achieve the objectives of the Authority and shall formulate its general policy and supervise the implementation of the same, including the following in particular:

1. To define the principles, rules and standards upon which basis various investors' applications are assessed in accordance with this Law and its Executive Regulations.
2. To define the principles and rules for the use of land, real estate and plots allocated to the Authority or those which are subject to its supervision or management.
3. To set the bylaws and organizational structure of the Authority and to issue the administrative, financial and technical regulations that are required in conducting its business.
4. To approve the proposed annual budget of the Authority and its final account prior to referring them to the relevant authorities.
5. To resolve upon merger applications as set forth in this Law.
6. To impose the administrative and disciplinary penalties as set forth in this Law.
7. To approve the opening of offices of the Authority within the country and abroad.
8. To set the criteria for benefitting from tax incentives and exemptions in accordance with this law.
9. To issue the resolution regarding the

recommendations submitted by the competent committees in respect of the implementation of the provisions of this Law.

10. To issue resolutions necessary for the fulfillment of the objectives of this Law in accordance with its provisions and its Executive Regulations.

The Board may delegate some of its powers to the Chairman of the Board or to the vice- chairman.

Article 9: Director General

The Authority shall have a Director General who shall hold at least the position of undersecretary, appointed, pursuant to a decree upon the proposal of the Relevant Minister for four years and subject to renewal.

The Director General shall implement the resolutions of the Board and shall supervise the technical, administrative and financial functions of the Authority. The Director General shall further prepare an annual statistical report, which is submitted to the Council of Ministers, regarding the activity of the Authority including the number of projects submitted, the projects approved and the projects rejected with the reasons for such rejection.

The Director General shall be assisted by one or more assistants holding at least the position of assistant undersecretary appointed by decree upon the proposal of the Relevant Minister for four years and is subject to renewal. The Director General may delegate some of his powers to any of his assistants.

Article 10: Financials of the Authority

The Authority shall have an annexed budget. The financial year commences and ends with the financial year of the state . The first financial year shall commence on the date this law comes into force and shall end at the closing of the following financial year.

The Authority's resources shall consist of the following:

1. Financial funds allocated to it in the annual state budget.
2. Returns, revenues or allowances resulting from the Authority's activities, services, organized events, workshops or training programs for those involved in the affairs of Direct Investment, as resolved by the Board in this regard.
3. Returns or revenues resulting from the investment of the funds allocated to the Authority or that are subject to its supervision or management.

Article 11: Negative List

Within the limits of Articles 152 and 153 of the Constitution, the Council of Ministers shall prepare a list of Direct Investments that will be excluded from the scope of this Law and which shall be updated in light of the general policy of the state and its plans and the proposals of the Board in this regard.

The Council of Ministers shall set the principles and rules regarding the investments of foreign corporate entities in the State of Kuwait.

Article 12: Type of Investment Entity

The Application for the License shall be submitted in accordance with the provisions of this Law by an Investment Entity specified according to the following cases:

1. A Kuwaiti company having one of the legal entity forms of companies set forth in the Companies Law promulgated by the aforementioned Decree Law No. (25) of 2012, which will be incorporated for the purpose of Direct Investment. Foreign participation in such company may amount to 100% of the capital of the company in accordance with the principles and rules set forth under the Companies Law.
2. A branch of a foreign company licensed to operate within the State of Kuwait for the purpose of Direct Investment. The Relevant Minister shall issue, upon the proposal of the Board, a resolution clarifying the principles and rules regulating the relationship between the branch of the foreign company and the official authorities with respect to the necessary procedures for the commencement of the operation.
3. Representative offices having the sole purpose of preparing market studies and production possibilities, without engaging in a commercial activity or activity of commercial agents. The Board shall set the principles and rules in this regard.

Article 13: Rules of Application

The Executive Regulations shall establish the principles, rules and procedures for the submission and registration of Applications to obtain the appropriate License in the cases set forth in this Law. They shall further set out the information and statements that must be contained in, or attached to the Application and the conditions to be met by the applicant, the appropriate methods of notice and notification and the fees for the issuance of Licenses.

Article 14: Issuance of Licenses

The License shall be issued pursuant to a decision of the Director General, if the Application fulfills the criteria, principles and assessment rules established by the Board regarding each of the cases set forth in this Law, and the Investor shall be notified of such requirements prior to the submission of the Application to the Authority.

This License shall not be subject, with regards to foreigners, to the provisions of paragraph 1 of Article 23 and the provisions of Article 24 of the aforementioned Commercial Code.

The License for the incorporation of foreign banks and their branches shall be subject to the provisions of this Law, without prejudice to the provisions of Law No. (32) of 1968, and to the decisions and instructions issued in implementation of its provisions.

In all events, the Authority shall coordinate with the Ministry of Commerce and Industry on the incorporation and issuance of Licenses and supervision of companies, branches and representative offices, which are subject to the provisions of this Law.

Article 15: Term for Decision on Application

A decision on the merits of the Application shall be rendered within thirty days from the date of submission of a complete Application with the data, documents and conditions set by the Authority.

Article 16: Rejection of Application

In the event the Application is rejected, the rejection shall be reasoned and in writing. The applicant may appeal the rejection. In the event there is no response to the appeal thirty days following the date of receipt of the appeal, such lack of response shall be deemed a rejection of the appeal.

Article 17: One-Stop Shop

An administrative unit shall be established within the Authority called the "One-Stop Shop" which shall include employees designated by the relevant government authorities to proceed with resolving upon the licensing procedures and the establishment of the Investment Entity in order to ensure the completion of the procedures within the period set out in this Law.

The Board shall establish the principles and rules necessary to identify the mentioned government authorities and the method to be adopted for calling upon their employees and coordinating between them and the Authority.

The applicant may appoint specialized companies or qualified consulting firms that are approved by the Authority in accordance with the principles and rules set by the Authority.

Article 18: Accounts of the Investment Entity

Each Investment Entity, licensed in accordance with the provisions of this Law, shall maintain regular accounts supervised by an auditor or more among the legal auditors. Where the Investor is granted licenses for more than one Investment Entity, each Investment Entity shall be dealt with separately.

Article 19: Compensation for Expropriation

No Investment Entity, licensed in accordance with the provisions of this Law, shall be confiscated pursuant to this Law nor be deprived of its property except in the public interest and only in accordance with the applicable laws and against compensation equivalent to the true economic value of the expropriated project at the time of expropriation, estimated in accordance with the economic situation prior to any threat of expropriation. The due compensation is to be paid as soon as the said decision is taken.

Article 20: Disposal of the Investment Entity

The Investor has the right to transfer or relinquish the ownership of the licensed Investment Entity, or dispose over it in whole or in part, for the benefit of a foreign or a Kuwaiti investor. The Board shall establish the principles and regulations in this regard.

In the event of transfer or relinquishment of ownership of the Investment Entity, in whole or in part, the new owner or assignee shall replace the original owner in rights and obligations.

Article 21: Merger of Investment Entities

The merger of two or more Investment Entities can be carried out with the consent of the Board, following a joint request submitted to the Authority in this regard, and the new entity resulting from the merger shall be a legal successor to the merged entities and shall replace such entities in their rights and obligations.

The new entity shall automatically enjoy the shortest periods remaining for exemptions and incentives granted to any of the merged Investment Entities.

Article 22: Transfer of Monies Abroad

The Investor shall have the right to transfer abroad his profits, capital or proceeds resulting from the disposal over his shares or participation in the Investment Entity or the compensation set forth in this Law. Moreover, employees in the Investment Entity shall have the right to transfer their savings and entitlements abroad.

Article 23: Confidentiality of Information

By virtue of this law, the Investor shall be entitled to the basic principles of confidentiality in respect of the technical, economic and financial information relevant to his investment and to safeguard initiatives in accordance with the provisions of the laws and regulations in force in the country.

Without prejudice to a more severe penalty provided for in any other law, a person shall be punished with imprisonment for a term not exceeding one year and a fine not less than one thousand dinars and not exceeding ten thousand dinars or either one of these two penalties, who divulges or benefits from any information that he might have gained knowledge of as a result of his employment or due to his participation in an activity initiated by the Authority or any of its divisions, relating to investment initiatives or the technical, economic or financial aspects of an investment that is subject to the provisions of this Law, except where permitted by law or pursuant to a judgment or an order issued by a judicial authority.

Article 24: Legislative Framework of Direct Investments

Unless there is a special provision in this Law, the laws and regulations applicable in the country shall govern Direct Investments falling within the purview of this Law, and all international conventions in force in the country related to investments and the avoidance of double taxation shall be observed.

Article 25: Scope of the Law's Application

The provisions of this Law shall apply to existing Direct Investments and those investments that were licensed prior to this Law coming into force, without subjecting such Direct Investments to any damage, provided that the incentives, exemptions and guarantees granted under this Law shall be no less than what was granted before its implementation. Investors may apply for privileges provided for in this Law for the Authority's consideration.

The provisions of this Law shall apply to any expansion or modification of an existing Investment Entity if the expansion or modification occurs following the date on which this Law comes into force. The Board shall establish the regulations in relation to expansions and modifications and how to license the same.

Article 26: Competent Courts

The Kuwaiti courts are the ones solely competent to consider any disputes arising between investment projects and third parties, whoever they may be. The parties may also agree to refer such disputes to arbitration.

Article 27: Incentives and Exemptions

The Investor shall be entitled to some or all of the following incentives:

1. Exemption from income tax or any other taxes for a period not exceeding ten years from the date of the actual commencement of operations of the licensed investment entity.
2. Exemption of any expansion of an Investment Entity, licensed in accordance with the provisions of this Law, from the taxes set forth in the preceding paragraph, for a period of no less than the duration of the exemption granted to the original Investment

Entity as of the date of commencement of production or actual operation of the expansion.

3. Without prejudice to the provisions of Law No. (10) of 2003 promulgating the Unified Customs Code for the Gulf Cooperation Council Countries, the following shall be wholly or partially exempted from taxes, customs duties or any other fees that may be payable on imports required for the purposes of Direct Investment:
 - a. Machinery, tools and equipment and means of transport and other technological devices.
 - b. Spare parts and necessary maintenance supplies for what has been described in the previous subsection.
 - c. Merchandise, raw materials, partially manufactured goods, wrapping materials and packaging.

The Investor is prohibited, for a period of five years as of the date notifying him of exemptions from the duties described in this article, from disposing in any manner over the goods described in this clause, including by way of sale, swap or assignment. During the same period, the Investor may not utilize the goods in any other manner than for the purpose for which they were imported, except in accordance with the principles and rules decided by the Board in this regard, and shall pay the taxes and fees that would have been due for the importation at the time of disposal.

4. The use of land and real estate allocated to the Authority or that is subject to its supervision or management, in accordance with the principles and rules established by the Board in this regard.
5. The employment of foreign labor required for the investment, in accordance with the principles and restrictions established by decision of the Council of Ministers in respect of the minimum proportion of national employment that must be provided.
6. The Council of Ministers may decide to grant some cases and groups certain advantages and exemptions, which are not mentioned in this article.

Article 28: Applicability of Incentives and Exemptions to Partnerships of the Public and Private Sectors

The provisions of the previous article shall apply to all types of partnerships between the public and private sectors established for the purpose of Direct Investment, including companies and projects stipulated in Law No. (7) of 2008 and Law No. (37) of 2010 provided that the Board establishes the relevant rules and principles.

Article 29: Application and Criteria for Granting of Incentives

The Investor shall apply to the Authority for all or part of the incentives provided for in this Law, simultaneously or following the application for the License, for consideration by the Authority with the goal of ensuring that it satisfies the principles, rules and procedures established by the Board in this regard in line with the approved general policy of the state and economic development plans.

The value, type and duration of incentives and exemptions granted for investments, each according to its type and nature, shall be connected to all or some of the following criteria:

1. The transfer and settlement of technology and modern management methods as well as practical, advanced technical and marketing experience into the State of Kuwait.
2. The amount and quality of the products and services offered.
3. The need of the local and Gulf market for Direct Investment and its contribution to economic diversification.
4. Increase in national exports.
5. Creation of job opportunities for, and training of the national workforce .
6. Contribution to the development of areas that lack similar projects or activities.
7. Favorable environmental impact.
8. The extent to which the project offers services to the community that are outside the framework of the specific project or economic activity that is being practiced.
9. Use of national products.
10. Use of national technical, professional and consulting services.

The Board may amend or add other criteria to the aforementioned criteria, in accordance with the public policy of the State and the approved economic development plans.

Article 30: Investment Register

A special register called the "Investment Register" shall be prepared in which all Investment Entities licensed in accordance with the provisions of this Law are recorded, as well as all Applications, Licenses, incentives, exemptions and penalties connected thereto, and all documents and related data shall be attached to the register.

The Director General shall issue any decisions required for specifying the method of setting up the register and its content as well as the mechanism for registration and the required documentation and data.

Article 31: Annual Report

The Relevant Minister shall submit to the National Assembly a copy of the annual report issued by the Authority and a copy of the statistics relevant to its activities and the projects, within 30 days from the date of submission to the Council of Ministers.

Article 32 : Sanctions in Case of Violation of the Law or the License

In case of a violation by the Investor of the provisions of this Law or the requirements of the License, the Board may impose one of the following sanctions:

1. Written warning, and a more severe sanction can be decided in the event three warnings have been addressed to the same Investor or the same Investment Entity within one year of the first warning.
2. Partial or total withdrawal of incentives and exemptions granted. The decision of withdrawal may be reconsidered if the violation has been addressed.
3. Temporary administrative detention.

The License shall be considered null and void by force of law in the event the Investment Entity ceases its activities and business for more than a year without acceptable justification, or in the case of a delay of more than one year from the date set for actual operations to begin according to the timetable provided by the Investor to the Authority at the time of the request of the License Application, without acceptable justification. The Executive Regulations shall set out the principles and rules necessary in this regard. In other cases, the License may not be revoked or the Investment terminated except according to an order issued by the President of the Court of First Instance based on a petition submitted by the Authority providing justification for the request.

The Investor may appeal against the sanctions set forth in subsections 2 and 3 of this article within thirty days from the date of notification of the sanction decision. The appeal shall be decided within thirty days and in case of refusal of the appeal, the decision shall be written and justified.

Sanctions imposed in accordance with this article and the date of notification to the Investor shall be recorded in the Investment Register stipulated in this Law in the section relevant to the Investment Entity associated therewith. The imposition of such sanctions does not prejudice any civil or criminal liability.

Article 33: Appointment and Powers of Judicial Officers

Specialist employees, who are designated by the Minister by virtue of a decision issued by him, shall be granted the capacity of judicial officers in order to monitor the implementation of this Law and its implementing regulations and decisions. The said employees shall perform their work with honesty, integrity and impartiality and shall have the obligation not to disclose the confidential information of Investment Entities received by them in the course of the performance of their duties. They shall also take the following oath before the Minister:

“I swear by Almighty God that I will perform my work with honesty, impartiality, integrity and truthfulness, and I will safeguard the confidentiality of the information made available to me in the course of my duties even after the end of my service.”

The relevant employees of the Authority shall submit a detailed report on the results of their work immediately following its completion to the Director General, who shall refer it to the Board with his opinion in order to take a decision in this regard.

Article 34: Obligations of the Investor

The Investor, who has been granted a License or whose investment was granted incentives or exemptions pursuant to the provisions of this Law, shall undertake the following:

1. Notify the Authority in writing of the date of the beginning of the measures and operational steps necessary to start the work of the licensed Investment Entity and the date of completion thereof, within a period not exceeding thirty days from the date of each of them.
2. Notify the Authority in writing of the date of the start actual operation of the licensed Investment Entity, within a period not exceeding thirty days from the said date.
3. Comply with the rules and financial and tax regulations issued by the Ministry of Finance,

especially those related to the submission of tax returns and issuing of the tax card.

4. Provide any information, data, statistics or documents requested and deemed necessary by the Authority in order to implement the provisions of this Law.
5. Allow any of the Authority's employees authorized by the Director General, to enter all buildings, sites and facilities associated with the licensed Investment Entity, for the purpose of monitoring and following up in accordance with the provisions of this Law as well as verifying the content of the data, information, statistics and documents submitted by the Investor against actual practices. The Authority's employees shall submit a detailed report on the results of their work immediately following its completion to the Director General, who shall decide what he deems appropriate in this regard.
6. In all cases, the Investor is obliged during the performance of his work not to violate the laws and regulations applicable in the country, especially the duty to protect the environment and the regulations relating to security, public health, public order and not to expose others to risk.

Article 35: Funds, Assets and Employees of the Authority

All funds, assets, obligations, rights and anything relevant to the Foreign Investment Bureau established pursuant to Law No. (8) of 2001 shall be transferred to the Authority.

Without prejudice to the provisions of Decree Law No. (15) of 1979 and the decree concerning the civil service system issued on 4 April 1979, the Authority shall have staff appointed according to the regulations set by the Board of Directors, which shall include the rules of appointment and the remuneration granted in kind and in cash to employees. The Relevant Minister shall issue, within six months from the date this Law comes into force, the decisions necessary for the transfer of the employees he deems appropriate from the aforementioned bureau to the Authority.

Article 36: Executive Regulations

The Relevant Minister shall issue the Executive Regulations to this Law and take the decisions necessary for the implementation of its provisions within six months from the date of its publication in the Official Gazette.

Article 37: Repeal of Law No. (8) of 2001

Law No. (8) of 2001 and any other article which is in breach of this Law is repealed.

Article 38: Implementation of the Law

The Prime Minister and the Ministers, each in their respective capacity, shall implement this Law which shall come into force six months following the date of its publication in the Official Gazette.

Amir of Kuwait

Sabah Al-Ahmed Al-Jaber Al-Sabah

APPENDIX 2: Executive Regulations Implementing Law No. 116 of 2013

Regarding the Promotion of Direct Investment in the State of Kuwait

Chapter I: Definitions

Article (1)

The following terms and phrases shall bear the meanings corresponding to each of them:

Relevant Minister:	Minister of Commerce and Industry.		
Authority:	Kuwait Direct Investment Promotion Authority (KDIPA).	Direct Investment:	An investment where the Investor, individually or with the participation of another investor, employs his capital directly through an Investment Entity in the State of Kuwait licensed in accordance with the Law and these Regulations.
Board:	Board of Directors of KDIPA.		
Chairman of the Board:	Relevant Minister.		
Director General:	Director General of KDIPA.		
Law:	Law No. (116) of 2013 referred to above.	Application:	The application submitted by the Investor to obtain, as applicable, the License or incentives or to merge Investment Entities, in accordance with principles and rules relevant to each case.
Investor:	Natural or legal person of any nationality.		
License:	Investment license issued in accordance with the Law and these Regulations.	Activity:	Every Activity with economic impact through which Direct Investment is made, with the exception of the activities set forth in the list of investments whose activities are excluded from the scope of the Law, and that shall be determined by a resolution of the Council of Ministers.
Investment Entity:	Any economic Activity that is licensed in accordance with this Law by virtue of an investment license which grants the legal existence in the State of Kuwait.		
Capital:	What is employed or used directly for purposes of Direct Investment through an Investment Entity that is subject to this law, including: <ol style="list-style-type: none"> 1. Funds, financial and commercial securities, be they local or foreign 2. Machinery, tools, equipment, means of transportation and other technological devices. 3. Raw materials and intermediate goods required for the commencement of actual production or operations by the Investment Entity. 4. Intangible rights such as patents, trademarks, licenses, registered trade names and industrial and technological designs. 	MinistersInvestment Register:	The register in which all data relating to Investment Entities and changes made thereto are recorded, including building permits and other licenses, approvals, authorizations and permissions required for the commencement of operations, which are issued by the competent authorities.
		Commencement of Execution: :	The commencement of preliminary procedures and activities that precede the commencement of operations by the Investment Entity.

Chapter II: Kuwait Direct Investment Promotion

Authority

Article (2)

The Authority shall carry out the business achieving its objectives and competencies stipulated in the Law, and shall undertake the execution of any other tasks that are relevant to its objectives assigned thereto by the Council of Ministers or the Relevant Minister, or that would encourage Direct Investment in the country, develop and streamline the investment environment, facilitate procedures and eliminate obstacles facing the investors.

Article (3)

Each of the Chairman and the members of the Board, and the Director General shall commit to disclose their interests and the interests of their spouses and of their first degree relatives in any project or service to be presented to the Board. They shall in all cases shall refrain from participating in the discussion or the passing of any resolution related to such project or service; failing to do so; such resolution shall be null and void as well as all consequences arising therefrom. Such disclosure shall be presented in writing to the secretariat of the Board, which shall in turn refer it to the Board when discussing the project or service. The said disclosure shall advise on the interest referred to. The Authority's employees shall also commit to disclose, and shall submit it to the Director General stating the interest and its relevance to the tasks and competencies assigned to them.

Chapter III: One-Stop Shop

Article (4)

The Authority shall have an administrative unit called the "One-Stop Shop". Such unit shall be staffed with a sufficient number of government authorities' employees to be specified by the Board.

The One-Stop Shop shall be responsible for completing the transactions relating to the Investor's establishment of the Investment Entity and any expansions and any changes thereto, and shall issue and renew approvals, permits and licenses relevant thereto. The One-Stop Shop shall also undertake any further tasks assigned by the Director General.

The One-Stop Shop shall be responsible for preparing introductory guides, to be approved by the Director General, setting out the requirements for completion of transactions. The One-Stop Shop shall also be responsible for responding to any queries raised in respect of such guides.

Article (5)

The Authority shall prepare a list of specialized companies, firms and offices that are prequalified and approved to submit and follow-up on Applications in the name and on behalf of Investor; if the Investor wish to take up such representation.

Article (6)

The Authority and the government authorities represented in the One-Stop Shop shall coordinate in respect of the administrative supervision of the employees who are representing them in the One-Stop Shop. Such employees shall be designated by the authorities they represent to perform the duties necessary for the completion of transactions without having to refer back to a higher authority in order to take the appropriate decision or action; and shall be provided with all data, information, forms and all else necessary to complete the tasks that fall within their competencies, including the following:

1. Receiving and delivering all the papers, Applications, documents, contracts, permits, licenses, approvals, receipts and fees; taking all actions, issuing g all necessary approvals and decisions relevant thereto, and follow it up with their original authorities, if rendered necessary.
2. Providing the services that fall within the jurisdiction of their original authorities, at the premises of the One-Stop Shop and following up with their original authorities, if rendered necessary.

Article (7)

The Director General shall oversee the work system within the One-Stop Shop, and shall set the rules, mechanisms, procedures and indicators that ensure the speed and accuracy of the completion of the transactions that fall within its jurisdictions; shall formulate and oversee a follow-up system that shall include receiving complaints and proposals submitted by stakeholders regarding the progress of their transactions, and shall take all actions, measures and decisions necessary in this regard.

Chapter IV: Investment Entity and Applications to be submitted to the Authority

Article (8)

Without prejudice to the provisions of Articles (11) and (12) of the Law, the activities of Direct Investment shall be licensed in accordance with the provisions of the Law and these Regulations, through a specified Investment Entity, pursuant to any of the following forms:

- 1) A Kuwaiti company, incorporated for the purpose of Direct Investment pursuant to the provisions of the Companies Law referred to. The foreign investor might obtain a 100% share of the capital of a shareholding company, or a limited liability company, or a single-person company.
- 2) A branch of a foreign company licensed to operate in the State of Kuwait for the purposes of Direct Investment.
- 3) A representative office having the sole purpose of preparing market studies and production possibilities, without engaging in a commercial Activity or Activity of commercial agents.

Article (9)

Subject to the provisions of Article (12) of the Law, the Board shall set the specific principles and rules for the licensing of each type of Investment Entity referred to in the Law.

The Authority shall prepare the application forms for the various types of transactions that fall within its jurisdiction and in particular the following:

1. Licensing of an Investment Entity.
2. Granting of incentives and exemptions.
3. Amendments to the name, address, purpose, capital or domicile of an Investment Entity.
4. Amendments to the percentage of shareholders' equity in an Investment Entity.

The Relevant Minister shall determine the fees for the services rendered by the Authority.

Article (10)

The Authority shall receive the Applications, papers and documents submitted by the Investor or his representative. Submission may occur through any other means specified by the Authority, including registered mail or e-mail. The Authority shall hand over to the applicant a receipt proving the acceptance of his Application for the purposes

of review, after ensuring the fulfilment of all required conditions, information and documents.

Article (11)

The Authority shall set-up a register to record all Applications, according to their type and precedence. The register shall in particular record the following information:

1. The type of Application and its number.
2. The date on which the Investor received the receipt described in the preceding article.
3. The Investor's name, address and necessary identification particulars.
4. Type of Activity and the form of the Investment Entity.
5. The appropriate means of notification, which shall be specified by the Authority.

Article (12)

Deciding on the merits of Applications submitted shall be made in accordance with the provisions of the Law and these Regulations. Decisions and any necessary correspondence in this respect shall be issued with the signature of the Director General. The Investor shall be notified of the approval or rejection of the Application. In the event of a rejection, the decision for rejection needs to be reasoned and in writing.

Chapter V: Rules of License Applications

Article (13)

Without prejudice to the provisions of the Law and these Regulations, the License Application must include the information, data and documents required by the competent authorities, all of which shall be valid. The Investor shall reveal the time table of both the Commencement of Execution and commencement of operations.

Article (14)

In order to accept receiving the License Application for the establishment of a Kuwaiti company, it shall be accompanied by an initial study, which shall specifically include the following:

- 1) The type of proposed Activity or project.
- 2) The legal form of the company required to be licensed.
- 3) The size of the investment.
- 4) Financing structure and sources.
- 5) The economic and environmental impact.
- 6) The experience and capabilities of the investor.
- 7) The needs of the Investment Entity for national and foreign labour, area of land required, raw materials, intermediate goods and their supply sources.
- 8) The estimated annual quantity of water and energy required.
- 9) Any further data or clarifications requested by the Authority before or after the submission of the Application.

Article (15)

The Application for the licensing of a branch of a foreign company shall be accompanied by an initial study of the particulars set forth in the preceding article, in addition to a certified copy of the company's memorandum and articles of association, the latest audited balance sheet and a certificate evidencing its existence and performing its operations.

Article (16)

The Application for the licensing of a representative office shall include in particular the following:

- 1) The purpose of the establishment of the office.
- 2) A certified copy of the memorandum and articles

of association of the foreign company, its latest audited balance sheet and a certificate evidencing its existence and performing its operations.

- 3) Any further data or clarifications requested by the Authority before or after the submission of the Application.

Article (17)

The Authority shall decide on the merits of the License Application within thirty days as of the fulfilment of all conditions, data, papers and documents required by the Authority and the competent authorities.

In case the Authority approves the License Application, the incorporation of the Investment Entity and issuance of the commercial license shall proceed.

The License shall be issued by a decision of the Director General.

Article (18)

The Investment Entity must obtain the necessary approvals for the Commencement of Execution within one year from the date of issuance of the License, unless the time table submitted to the Authority specifies a longer period.

The Director General may grant additional time to the Investor if he submits acceptable reasons, provided that this period shall not exceed one additional year.

The Board may grant another time limit exceeding the time limit set forth in the preceding paragraph.

The Investor shall notify the Authority of the actual date of the commencement of operations within thirty days from such date.

Chapter VI: Incentives and Exemptions

First The Procedures for Obtaining Incentives and Exemptions

Article (19)

The Investor shall submit to the Authority an Application to receive the incentives and exemptions provided for in Article (27) of the Law on the forms prepared for this purpose. This can accompany the License Application or can be done after the submission thereof, upon the fulfilment of all conditions and rules established by the Board in this regard.

Article (20)

The incentives and exemptions, including tax exemptions, granted to an Investment Entity with multiple activities shall be limited to the Activity approved by the Authority in this respect.

Second Tax Exemption

Article (21)

Each Investment Entity licensed in accordance with the provisions of the Law shall maintain regular accounts under the supervision of one or more certified auditors.

If an Investment Entity practices more than one Activity governed by the provisions of the Law and these Regulations, then the tax exemption period shall be calculated for each Activity separately as of the date of the commencement of actual operations. Regular and separate accounts shall be maintained for each Activity.

Article (22)

The Investor may benefit from income tax or any other tax exemptions for a period not exceeding ten years beginning from the date of commencement of operations of the Investment Entity; provided that the Investor shall provide a tax return on the exempted Investment Entity in accordance with the dates to be specified by the Ministry of Finance.

Article (23)

The tax exemption Application shall be submitted to the Authority on the forms prepared for this purpose. The Application shall be submitted and the exemption period and value shall be determined by the Authority, in coordination with the competent authorities, in accordance with the provisions of Article (29) of the Law. The Board shall develop principles, rules and standards it deems appropriate in this regard.

The Investor shall comply with the financial and tax instructions issued by the Ministry of Finance, especially with regard to the submission of tax returns and any documents, data or clarifications requested for the sake of the implementing the exemption.

Article (24)

The Director General shall within fifteen days from the date of receipt of notification, following verification of the validity of the particulars of the notification provided for in Article (13) of these Regulations and of the commencement of operations, deliver to the interested party a certificate of tax exemption. Such certificate shall determine the scope of the Activity and the date of commencement of actual operations. The Ministry of Finance shall be served with a copy of such certificate, which shall be conclusive evidence towards all relevant parties.

The foregoing provisions shall apply to the expansion of the existing Investment Entity. The tax exemption in this case shall enter into force as of the commencement date of production or actual operations of the expansion.

Third Customs Exemption

Article (25)

The Application for the exemption from custom taxes and duties shall be submitted to the Authority in accordance with the forms prepared for this purpose. The Application shall be accompanied by a list of the materials, which are subject of the Application.

The Application for customs exemption shall be assessed in accordance with the principles, rules and standards to be established by the Board.

The customs exemption certificate shall be issued by the Director General and shall be conclusive evidence towards all relevant parties.

Article (26)

The Authority, in coordination with the General Administration of Customs and other concerned authorities, shall determine the cooperation mechanisms for handling the technical and procedural aspects of the Applications for customs exemption, in terms of the adoption of the lists of imports of Investment Entities, which are the subject of the Application.

Article (27)

The Investment Entity shall be fully or partially exempted from customs duties and taxes in accordance with the provisions of the Law and these Regulations, subject to the following:

- 1) The importation shall be made in the name of the Investment Entity or for its account.
- 2) The imported materials, in terms of quantity and quality are consistent with the nature and needs of the Activity of the Investment Entity.

Article (28)

Without prejudice to the provisions of Law No. (10) of 2003 on the promulgation of the Unified Customs Code for the Arab Gulf Cooperation States, the Investment Entity shall be fully or partially exempted from taxes and customs duties or any other fees that may be due on imports necessary for

the purposes of the Investment Entity, including:

- 1) Machinery, tools, equipment, means of transport , and other technological devices.
- 2) Spare parts and necessary maintenance supplies for what has been described in the previous subsection.
- 3) Intermediate goods, raw materials, partially manufactured goods, wrapping and packaging materials and supplies.

Article (29)

The Investment Entity enjoying customs exemptions shall commit to maintain a register to record all machinery, equipment, devices, means of transport, spare parts, supplies, materials and goods subject to the said exemption.

Fourth Allotment of Land and Real Estate

Article (30)

The Board shall set out the principles, rules and standards on the basis of which the Application for the usage of land and real estate allocated to, supervised and administrated by the Authority, shall be assessed, as well as the determination of the areas that can be allotted to an applicant, and the manner of allotment.

Fifth Conversion of the Investment Entity

Article (31)

After obtaining the approval of the competent authorities, two or more Investment Entities may be merged. The new merged entity shall be the legal successor of the merged entities and shall subrogate them in their rights and obligations.

Article (32)

The new entity shall automatically be entitled to the shortest remaining duration of any exemption and privileges granted to any of the merged Investment Entities.

The new entity may submit to the Authority an Application for the receipt of other exemptions and incentives to complete the ten-year period provided for in Article (27) of the Law.

Article (33)

In case of an Investment Entity's division into two or more Investment Entities, the entities arising from such division shall be the successors of the divided entity and shall subrogate it in its rights and obligations, within the limits of the rights and obligations devolved thereto from the divided entity in accordance with the provisions of the division resolution.

Article (34)

In case the Investment Entity converts from one form to another, or if the licensed company converts from a legal form to another form; the conversion decision shall not affect the rights and obligations of the Investment Entity, or the Investor, or bona fide third parties.

Chapter VII: Grievances

Article (35)

The Board shall form a committee to receive grievances, consisting of at least three members, from whom one shall be designated as the head of the said committee, which shall be competent to receive grievances from stakeholders regarding decisions issued by the Authority.

The grievance shall be submitted to the committee within thirty days from the date of notification or knowledge of the decision by the concerned person..

Article (36)

The grievance shall be accompanied by supporting documents, in particular, the following:

- 1) The name, designation, address and contact details of the person submitting the grievance.
- 2) The date of issuance of the decision that is subject of the grievance and the date of the notification or knowledge of such decision by the person submitting the grievance..
- 3) The subject of the grievance and the reasons upon which it has been based.

Article (37)

Grievances shall be submitted to the secretariat of the Board, who shall notify the Director General therewith upon the receipt thereof. Grievances shall be recorded in the register prepared for such purpose, and the person submitting the grievance shall receive a receipt indicating the registration number and date of the grievance.

Article (38)

The grievance shall be referred to the head of the committee, who shall determine the date of the hearing of the matter and shall notify the person submitting the grievance therewith, to attend before the committee in person, or by an agent or through a representative. The committee may ask relevant stakeholders to submit the clarifications and documents it requires.

Article (39)

The committee shall decide on the grievance on the basis of a reasoned decision within thirty days from the date of its registration. The committee's deliberations shall be confidential and its decisions shall be passed by majority, and shall be final.

Chapter VIII: Judicial Officers

Article (40)

All Investment Entities shall be subject to the rules, regulations and supervisory instructions prescribed by the Authority; provided that the Authority shall coordinate with the Ministry of Commerce and Industry and other competent authorities in this regard.

Article (41)

The Relevant Minister shall issue a decision determining the employees who shall have the capacity of judicial officers to monitor the implementation of the provisions of the Law, the Regulations and implementing decisions

The persons who have the capacity of a judicial officer, in order to perform their duties of supervision and follow-up, shall have the right to take the following actions:

- 1) Access all premises of Investment Entities.
- 2) Access to all requested documents and data, and in particular, records, books, exhibits, documents, tapes and computer systems and any other means of data storage or processing.
- 3) Preparing written minutes documenting violations and referring the same to the competent authorities at the Authority.

The Investment Entity shall facilitate the tasks of the judicial officers and provide them with the foregoing as required.

Article (42)

The employees of the Authority who have the capacity of judicial officers shall comply with the following when performing their duties:

- 1) The duties of the judicial officer shall be performed during the official working hours, and at the premises of an Investment Entity.
- 2) The supervision and follow-up shall be done in

respect of the activities licensed by the Authority.

The goal of such activities shall be to verify the proper application of the provisions of the Law, its Regulations and implementing decisions.

Article (43)

The employees of the Authority who have the capacity of judicial officers shall submit a detailed report on the results of their work immediately after the completion thereof to the Director General, who shall transmit it to the Board with his opinion on taking the necessary decisions or actions in this regard.

Chapter IX: Investment Register

Article (44)

A special register called "Investment Register" shall be maintained by the Authority, in which all Investment Entities licensed in accordance with the provisions of the Law, and all Applications, Licenses, incentives, exemptions, sanctions and their associated data shall be recorded. All relevant documents and data shall be attached to such register.

The Director General shall issue the decisions for the setting up of the register, the content thereof, the mechanism of the registration therein as well as the documents and data required therefor.

Article (45)

The Investment Entity licensed by the Authority or granted incentives or exemptions in accordance with the provisions of the Law and these Regulations, shall notify the Authority in writing of any judgments, decisions or proceedings that would affect the Investment Entity's Activity or its continuation.

Any stakeholder shall notify the Authority of any judgments, decisions or proceedings referred to in the preceding clause, which shall be recorded in the Investment Register.

APPENDIX 3: Economic Information

Key Economic Information

Oil revenue remains a key determinant of Kuwait's economy (60% of nominal GDP in 2014) and has contributed to sustained surpluses for the Government despite increase in Government expenditure. It is anticipated that Kuwait would record an average nominal GDP growth of over 3.5% between 2014 and 2019 providing a robust economic outlook for the country.

Additionally, there is a renewed effort by the Government to achieve greater economic diversification beyond oil by encouraging private sector participation, promoting of foreign investment in non-oil sectors and more equitable distinction of surplus funds.

In 2014, the Government earmarked investments of USD 103 Bn for the second Kuwait Development Plan on infrastructure and development projects such as expansion of existing roads, ports and airport infrastructure, large scale integrated housing developments, a metro and national rail network.

Nominal GDP and economic growth



Monetary Indicators

Monetary indicators

The Kuwaiti unit of currency is the dinar (KD), which is divided into 1,000 units called fils. Kuwait has a stable currency which is freely convertible and has liberal exchange controls. Over 1975-2002, the KD was pegged to a basket of currencies, representing its main trading partners of which the US dollar had the largest weight. In 2003, Kuwait shifted to pegging its currency to the US dollar, however, post 2007 it again reverted to pegging the KD to an undisclosed basket of currencies to avoid inflation from the weakened US dollar.

Consequently, the KD witnessed a sudden appreciation in 2007, when the KD rose to 0.273 from 0.289 against the US Dollar as the currency peg was switched from the US Dollar to a weighted basket of currencies. The exchange rate has remained fairly stable over 2013 and 2014 at KD 0.284.

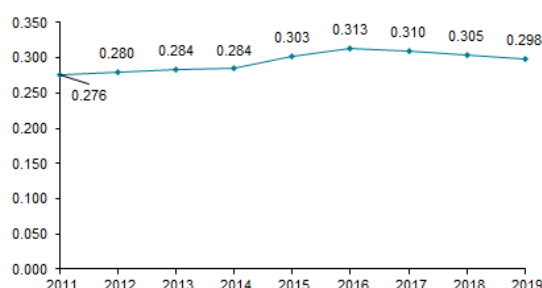
The monetary system in Kuwait is based on the floating rate regime, however, the value of the currency has not fluctuated much in the recent years. The relatively strong and stable Kuwaiti Dinar is attractive for investors looking to safeguard their investments against foreign exchange volatility.

Kuwait adopts proactive monetary policies and resultant positive developments in this area.

On the interest rate front, the CBK ensured a relatively stable interest rate regime leading to further encouragement for investments in the economy.

In 2014, Kuwait recorded an inflation rate of 2.9 percent which is expected to increase to 4.4% by 2019.

Exchange rates (KD vs. USD)



APPENDIX 4: Living

Education and Health

Education

The education system in Kuwait has developed significantly over recent years owing to large-scale investments in education infrastructure and various Government incentives towards advancement of the system.

In Kuwait, education is divided into elementary, intermediate, and secondary levels, with every level involving four years of study.

Education is mandatory for all children aged between six to fourteen years. All levels of education, including the tertiary level, are fully financed by the state and are free for all Kuwaiti citizens. Even private institutions in Kuwait are heavily subsidized by the Government.

Several international schools have been established to serve the growing expatriate population offering curriculum of British, American, French, Indian, Pakistani and other educational systems.

The apex of the public education system is the Kuwait University but admissions are generally restricted to Kuwaiti nationals.

A number of private post-secondary colleges exist, offering educational programs in alliance with various international universities in US, UK and Europe.

Women are granted equal rights to education, and numerous initiatives have been implemented to further the education of women across the country.

Health

With more than seventy primary care centers, six regional hospitals and nine specialist hospital units, Kuwait has a well developed public healthcare system.

Life expectancy ratio in Kuwait has improved from 59 years in 1960 to over 78 years in 2013. Public healthcare is easily accessible through a large number of clinics and hospitals, which provide free or low-cost health care to all residents. Expatriates generally prefer to be a part of private insurance schemes, which allows for the use of private hospitals and clinics, which offer wider medical services and shorter waiting periods.

Employers usually offer expatriate employees private health-care plans as part of their compensation and benefit package.

Kuwait is partnering with world leading hospitals to further improve Kuwait's healthcare standards. Government plans include development of eight additional hospitals by 2016.

Recreation and visas

Recreational activities

Kuwait offers a wide array of recreational facilities, ranging from well developed facilities for families to adventure sports for sport enthusiasts.

During the spring and autumn months, people particularly enjoy visiting any of Kuwait's nine islands, which are closely located to the mainland – Kuwait's most popular island are Failaka and Warba Island.

Kuwait offers a zoological park and an aquarium, which is particularly popular among children. Notwithstanding, outdoor theme parks like the Entertainment City and Shaab Park are also popular family destinations.

There are several museums which focus on Kuwait's history, the Arab culture and traditional arts (e.g. National Museum, Dickson House, Sadu House).

Kuwait's sports culture combines the traditional sports - camel and horse racing and falconry - with contemporary sports of Western societies - football and basketball - as well as popular Asian sports like cricket and hockey.

The Government supports the development of sports generously, making it an integral part of Kuwait's society. There is a well equipped sports infrastructure and a large number of stadiums capable of hosting international competitors.

Jet-Skis, diving, Quad-bikes and shooting on specialized ranges is particularly popular among youth in Kuwait.

Kuwait also has a number of expatriate community support services including associations like Advocate for Westerners-Arab Relations center, Indians in Kuwait among others which form a part of the social life of expatriates living in the country.

Entry visas and work permits

All visitors, except for GCC nationals, require a visa or entry permit for Kuwait. Since 2004, Kuwait has granted 34 nationalities entry visas upon arrival (please refer to Kuwait Foreign Ministry website for a detailed country listing).

Visas and entry permits can be used within ninety days of being issued and are valid for thirty days. Visit visas where

required are usually issued within two working days and involve a nominal cost of USD 10.7 (KD 3).

Kuwait's immigration system is based on sponsorship - immigrants have to be sponsored by a Kuwaiti national or company during their stay in the country.

Working in Kuwait requires a work permit and a residency visa, which can be issued on the basis of a valid employment offer from a private company or a Kuwaiti Government organization. The Kuwaiti employer has to apply for the residency visa on behalf of the expatriate, who is then issued a "No Objection Certificate". The actual residency visa is issued once the expatriate enters Kuwait.

KDIPA provides a complimentary service of issuing a visitor's visa permit for interested foreign investors, who would like to present their investment proposals, or become more closely informed about the business environment in the State of Kuwait, or inquire about the incentives granted under the Direct Investment Law. In this regard, foreign investors, who have credible projects that comply with KDIPA's stated criteria and conditions, can apply for the issuance of the visitor's visa into Kuwait. The investor should send a copy of the required documents by e-mail. Upon receipt, KDIPA will coordinate with the competent authorities to assess the request and obtain the response, either acceptance or denial, and duly inform the investor.

Security

Kuwait strives to maintain safety for its residents with crime rates lower than most western societies. Kuwait has a strong police force, and a strict criminal law which deters potential criminals. Kuwait does not support any kind of terrorism or violence.

APPENDIX 5: Important legislations in Kuwait

The Company Law

In December 2012, Kuwait introduced a new Company Law (New commercial companies decree law No. 25/2012 as amended by law No. 97/2013) to enhance business practices in the private sector, improve competitiveness and profitability and to encourage foreign investment in Kuwait, replacing the Commercial Companies Law of 1960. Key

aspects of the new Companies Law include:

- Introduction of the concept of a 'one stop shop' for the incorporation and licensing of a company through a single department at the Ministry of Commerce and Industry, namely the Kuwait Direct Investment Promotion Authority (KDIPA);
- Adherence to best practices related to corporate governance;
- Separation of the Board of Directors from the Executive Management and an expansion of the powers of Managers and Directors, which is expected to encourage more transparent, fair and robust management of commercial entities;
- Elimination of minimum shareholding requirements and security shares for members of the Board of Directors of stock companies, introducing greater flexibility in terms of

shareholding;

- Adoption of the cumulative voting system for the election of Board members;
- Simplification of the transfer of membership interests in limited liability companies; and
- Corporate regulations regarding Sukuks, bonds and convertible bonds, which is perceived to create advantages for the Islamic finance sector;

Franchise agreements and exchange controls

Franchise agreements

Franchise agreements are governed by the Civil Code (No. 67/1980). Royalty payments are structured in the franchise agreements as per the terms and conditions agreed upon by the parties.

The parties are free to negotiate the commercial terms and conditions as they deem fit and appropriate, as Kuwait's laws do not prescribe a fixed form or limit of royalty payments. Provisions regarding agencies may be applicable to franchise agreements.

Exchange Controls

Exchange regulations in Kuwait do not impose any particular restriction; the concept of free convertibility and a total transferability applies.

The Kuwait Dinar is freely convertible at the prevailing exchange rate, which is based on a basket of currencies, reflecting Kuwait's trade and capital flows.

There are no restrictions on current or capital account transactions in Kuwait, beyond a requirement that all foreign exchange purchases need to be made through a bank or licensed foreign exchange dealer.

Equity, loan capital, interest, dividends, profits, royalties, fees, personal savings and other can all be transferred in and out of Kuwait without any restrictions.

Public Private Partnerships and Privatization Law

Public Private Partnerships (PPP)

The PPP sector law in Kuwait is covered in Law 116 of 2014 regulating build, operate and transfer (BOT) and similar operations.

- A new Public Authority will be created to replace the "Partnerships Technical Bureau"
- A Supreme Committee on PPP projects will be formed with the functions and powers of the Board of Directors of the new Authority;
- PPP projects with a total cost not exceeding USD 210 Mn (KD 60 Mn) will be offered through a competitive tender process and an investor can hold the entire capital of such project;
- The Council of Ministers will advise the structure of PPP projects with a total cost not exceeding USD 880 Mn (KD 250 Mn);
- The PPP Authority may subscribe to shares in the projects on behalf of citizens of Kuwait; and
- The maximum term of a PPP contract will be 50 years from the date of completion of construction.

The Privatisation Law

The Privatisation Law, Law 37 of 2010, defines a broad framework for the privatisation of public enterprises.

Projects need to be first selected by the Supreme Council for Privatization (SCP), after which an approval needs to be sought from the Council of Ministers prior to proceeding with the privatisation.

The PL requires the establishment of a shareholding company, which holds the assets to be privatised and manages the project going forward. The shareholding of such company is allocated as follows:

At least 35% needs to be offered to companies listed on the KSE or companies approved by the SCP;

- No more than 20% should be allocated to Governmental bodies nominated by the SCP;
- No more than 5% should be allocated to Kuwaiti employees transferred to the shareholding company; and
- No less than 40% should be offered for public subscription by Kuwaiti citizens.
- The Government will retain a majority share in the ownership of the shareholding company, which will grant the state voting rights to object to any resolutions of the board and the general assembly, in order to protect the public interest. Private sector participation may also include foreign investors who, once approved by the SCP, may bid for shares in the project company being established.

SME Law

Kuwait enacted a Small and Medium Enterprises law No. 98/2013 to support and promote SME development. The new law is expected to drive development of the private sector and expected to promote entrepreneurship among young adults as well as create job opportunities.

Labour laws

Labour laws and regulations

Kuwait's Ministry of Social Affairs and Labour regulates labour laws in the private sector, (Labour law No. 6/2010) which apply to all employees except for those on temporary contracts, and those with a tenure of less than six months.

The private sector labour laws also do not apply to employees whose employer's head office is located outside of Kuwait, without having a branch office in Kuwait, in which case the labour law governing in the employer's country of origin applies.

The law does not distinguish between gender, and accordingly equally applies to men and women. Women are not encouraged to work at nights, apart from certain sectors such as healthcare.

Remuneration and Deductions

There is no minimum wage for Kuwaiti employees in Kuwait. However, a minimum salary of USD 890 (KD 250) per month is specified for expatriates.

In case of bankruptcy, the employer is obliged to pay any outstanding salaries and termination benefits to his employees before making any payments to other creditors.

Standard working hours

The standard working hours are limited to eight hours a day and 48 hours a week. A rest break of at least one-hour must be allowed after five consecutive hours of work. Rest periods are not included in the calculation of working hours.

Maternity leave

Women are entitled to maternity leave of up to a maximum of 30 days prior to delivery and 40 days after delivery.

Thereafter they may be absent, being unpaid, for up to 100 days given that they present a medical certificate stipulating their inability to work.

Employment termination benefits

Upon employment termination, an employee is entitled to a lump sum payment called termination indemnity computed based on last drawn salary and number of years of service.

Individual Labor Disputes

The Ministry of Social Affairs and Labour acts as a mediator to help resolve labour disputed amicably. Failing this, disputes are referred to the labour court.

Taxation

Taxation

Kuwait tax rates are among the lowest worldwide. Personal income taxes do not apply either on salaries or on income from business activities.

There is no withholding tax in Kuwait, however, compliance with the Law is enforced by the Ministry of Finance through Ministerial Order No. 44 of 1985.

The Kuwait tax environment is constantly evolving through the practices of the Kuwait Tax Authority.

Corporate Income Tax

Income tax compliance is governed by Amiri Decree No. 3 of 1955 and the new Tax Law No.2 of 2008, along with its Executive by-laws and circulars. The Decree is applicable only to foreign entities carrying on trade or business in Kuwait. Entities which are registered in Gulf Cooperation Council (GCC) countries (comprising of Kuwait, Saudi Arabia, Bahrain, UAE Oman and Qatar) and fully owned by Kuwaiti/GCC citizens or by corporations which are fully owned by Kuwaiti/GCC citizens are not subject to tax. However, GCC companies with foreign ownership are subjected to taxation to the extent of the foreign ownership.

Foreign companies can carry on business in Kuwait either through an agent or joint venture or as a minority shareholder in a locally registered shareholding company. They are liable to pay income tax at a flat rate of 15%. Kuwait Taxation law was amended to boost foreign direct investment in the country in 2008, prior to which a maximum tax rate of 55% was applicable. The flat tax rate resulted in significant decrease of tax liability of foreign entities.

The following categories of income are subject to the corporate income tax:

- The net profits of a foreign company operating within or outside Kuwait to the extent that profits are connected with, or related to its operations within Kuwait;
- The proportion of the net profit of a Kuwaiti corporate entity attributable to foreign corporate shareholders; and
- The proportion of the net profit of a Kuwaiti joint venture attributable to foreign corporate partners.

If a foreign company has more than one activity in a similar line of business in Kuwait, either directly or indirectly through subsidiary companies, income from all activities is taxable income is less than USD 18,700 (KD 5,250). It is possible to pay the tax due in four equal instalments, if not paid as one deposit together with the Tax Declaration.

The foreign party's proportion of net profit, subject to taxation, includes any amounts receivable for royalties, management fees, technical services or interest. Losses can be carried forward and deducted from subsequent profits without limitations as to period, but cannot be carried back.

The source of income is considered to be in Kuwait if the place of performance of the services is within Kuwait. Place of performance is interpreted to include work carried out outside Kuwait under a contract which also involves onshore activity. In the case of contracts where part of the technical work, design or research is performed outside Kuwait, income from the whole contract is subject to Kuwait income tax, with a deduction for the direct technical costs incurred outside Kuwait, provided they are fully supported by documentation. Contract owners are required to retain 5% from contractor and to release tax retention only on the provision of a Tax Clearance Certificate.

Gains derived by a foreign company on the disposal of assets and shares are taxable as normal business profits under the tax law. A cash dividend received by any foreign entity as a result of investment in Kuwait Stock Exchange (KSE) is subject to 15% tax, however, capital gains derived by a foreign company from mere trading in shares listed on KSE are exempt from tax. According to current tax law in Kuwait, Investment Trustees and Funds Managers managing portfolios for their customers are required to deduct 15% tax on cash dividends referred to above.

Deductions

All expenses incurred by a business, including expenses incurred outside Kuwait, are deductible, provided they are legitimate, necessary and reasonable. Legitimate costs and expenses should be well supported and documented. The Income Tax law divides allowable deductions into four main groups:

- Cost of goods sold or services rendered by the taxpayer;
- Other expenses that relate to the trade or business in Kuwait such as administrative, overhead and establishment expenses;
- A reasonable amount in each taxable period for depreciation and obsolescence of property, machinery and equipment; and
- Losses sustained in the trade or business that are not covered by insurance payments or otherwise. These include, in particular, bad debts, claims for damages against the tax payer, and losses due to the damage, destruction or loss of inventory or other property used in the trade.

Upon commencement of business, foreign companies are required to register themselves with Director of Income Taxes within 30 days and apply for a Tax Card.

A taxpayer may follow one calendar year comprising 12 consecutive months as the first accounting period. For the first and last accounting periods, it is possible to obtain approval for a period shorter or longer than 12 months up to a maximum period of 18 months. A tax declaration is to be submitted in Arabic to the Director of Income Taxes in a specified format, accompanied by audited financial statements and other specified documents.

The Director of Income Taxes requires that the declaration and the supporting statements are certified by an accountant in practice in Kuwait who is also registered with the Ministry of Commerce and Industry.

The State of Kuwait has Double Taxation Treaties with significant number of countries, including the UK, Germany, France and Canada. Further, goods imported into Kuwait are liable to custom duty at a flat rate of 5% of the invoice/assessed value of the goods.

Sale Tax/Value Added Tax and Stamp Duty is not levied in the country. Local shareholding companies are however required to pay Zakat (a religious tithe which is one percent of profits) and National Labor Support Tax (NLST). However, as part of a region-wide GCC plan, the Government is considering the introduction of a value-added-tax system.

Competition regulation

Kuwait's Commercial Law aims to regulate unfair and illegal competition, as well as monopolies in commercial transactions and trade agreements.

All agreements, contracts and practices which are detrimental to free trade or competition are prohibited by Law No. 10 of 2007 (as amended by law No. 2/2012) which was enacted to further regulate competition in Kuwait. In addition, the amended law No. 2/2012 led to establishment of a competition council under the Ministry of Commerce and Industry.

The key pillars are summarized underneath:

- Free trade and fair competition;
- Prevent the abuse of dominant market positions;
- Supervision of mergers and acquisitions; and
- Establishment of the Authority for Protection of Competition, which investigates any complaints about the three aforementioned areas of focus

Under Law No. 10 of 2007, companies are deemed to hold a dominant market/monopoly position, if:

- Prices are controlled and/or competition is evaded; and
- There is no competition, ineffective or small-scale competition

Law No. 10 of 2007 applies to violations that are committed in Kuwait or abroad, which restrict competition and free trade, or are detrimental to free trade in Kuwait.

Any natural or artificial person who is capable of influencing the market price of a product or service through control of more than 35% of the market share is also prohibited from engaging in further practices that limit competition (Article 4, Law No. 10 of 2007). The following practices are regarded as prohibitive:

- Limiting the free flow of goods or services by increasing, decreasing, or fixing prices or by any other means harmful to competition;
- Totally or partially controlling the freedom of the flow of goods by concealing or withholding the relevant goods without justification;
- Creating a sudden abundance of the product, resulting in an artificial market price which affects other competitors;
- Preventing or impeding a person from practising any commercial activity in the market;
- Concealing goods and services available in the market;
- Selling products at a price lower than their actual cost with the intention of causing harm to competing producers; and
- Totally or partially suspending the manufacturing, distribution or marketing process.

Penalties

Criminal penalties associated with violation of this law include (Articles 19 to 22, Law No. 10 of 2007): fines, confiscation of goods, a double fine for repeated offences, and suspension of the products from the market for a maximum of three years.

Intellectual property rights

Kuwait is a member of the World Trade Organization (WTO), and signed the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement.

Kuwait aims to develop a knowledge society, and hence acknowledges the necessity to support and protect intellectual properties, which are governed by Law No. (4) of (1962).

Patents

Patent protection is obtained through registering with the Patents Office at the Trademark Control Department of the Ministry of Commerce Industry (Article 4).

The law permits foreigners who are nationals of or live in countries which provide Kuwait reciprocity, as well as companies and other juristic personalities, to register patents in Kuwait (Article 5).

For patents to be eligible for registering the inventions need to:

- Relate to new industrial products; or
- Relate to new industrial processes/methods; or
- Be new applications of existing industrial processes or methods.

Once registered, the owner of the patent is vested with the right to use that patent by any means for 15 years from the date of the application (Articles 10 and 12). The patent may be renewed for an additional five year term (Article 12).

Similarly, industrial designs must be registered in the Industrial Designs & Models Register and an application for registration needs to be submitted to the Trademark Control Department (Articles 36 and 37). The registration is valid for five years and renewable for two additional consecutive terms (Article 42).

Trademarks

Trademark registration and penalties for infringement are governed by the Commercial Code, which is Law No. (68) of (1980) as amended by Law No.1 of 2001.

According to Article (64), any person may apply for the registration of his trademark at the Register of Trademarks.

The trademark will be protected for 10 years, as soon as the application is approved. It may be renewed for another 10 years according Article (77) of the Law.

Copyrights

Copyrights in Kuwait are governed by Law No. (64) of (1999) which provides copyright protection and defines penalties for copyright infringement.

Copyrights for non-Kuwaitis are limited to the following:

- Works that are published for the first time in Kuwait.
- Works of Arab authors, who are citizens of any country of the Arab Agreement for the Protection of Author's Rights, provided that their works are published in any of those countries; and
- Works of authors, who are citizens of member states of the World Intellectual Property Organization, provided that their works are published for the first time in one of those states.

The period of copyright protection typically ranges between 20 and 50 years, depending on the kind of copyright.

Environmental protection law

Kuwait Environment Public Authority

In 1995, the law No. 21/1995 was issued and amended by the law No. 16/1996 to establish the Kuwait Environment Public Authority (KEPA), with the aim to carry out all necessary activities and functions to ensure environmental protection. The main objectives of the KEPA are the following:

- Set and implement strategies, policies and plans to safeguard the environment;
- Combat and control environmental pollution;
- Cooperate and coordinate actions with all relevant organizations to draft laws, set environmental standards, and promulgate regulations to ensure environmental safety, protection and development;
- Set and implement strategies and action plans to ensure sustainable development of the environment and the society as a whole; and
- Study and review accession to and ratification of regional and international conventions related to environmental affairs.

Kuwait's Municipality screens all licensing processes, and if it perceives necessary, new projects need to undergo an environmental impact assessment monitored by the KEPA.

The KEPA has the power to suspend work on any project that violates environmental standards, and offenders may face fines of up to USD 35,600 (KD 10,000) or a jail term of up to three years. The polluter is also obliged to rectify damages at his expense.

Regulations regarding the pollution of natural resources, in particular groundwater, are even more severe. Offenders have to carry out remedial action at their own expense and may not only face a jail term, but also seizure of their assets.

Industrial areas are generally separated from residential areas. Industrial areas may have further regulations, which resident companies need to comply with.

New and revised air quality regulation

The KEPA issued some revised air quality regulations on 31 March 2012, with the primary focus on defining new emission limits, setting new operating standards and requirements, as well as new standards for environmental record keeping and reporting. Kuwait has adopted a new environmental protection Law No. 42 of 2014 and amended some provisions of that law through Law No. 99 of 2015.

Kuwait is a signatory of Kyoto Protocol on environment in 2005 and agreed on Paris Global Environment Agreement taken on December 2015 under POC21 or CMP11 and which will be signed and ratified globally.

APPENDIX 6: Main Stakeholders

Public Authority for Industry (PAI)

The PAI is the central body for developing, promoting and supervising industrial activity in Kuwait. PAI's key objectives include encouraging local industries, protecting and expanding the production base of goods required for national and nutritional security, as well as diversifying national income sources.

Ministry of Commerce and Industry (MOCI)

The MOCI performs a number of tasks related to industrial development, including the collection of information, research and policy related advisory, promotional events and commercial registration.

Kuwait Chamber of Commerce and Industry (KCCI)

The KCCI plays an active role in the economic and industrial development through the identification and promotion of business and manufacturing opportunities, organization and participation of promotional events and exhibitions, business counseling and business networking services.

Ministry of Public Works (MPW)

Established through the Works Department in 1945, the MPW is responsible for the development and maintenance of Kuwait's infrastructure including roads, ports and airports. It also pursues projects based on public need such as low cost housing.

Ministry of Communications (MOC)

The Ministry of Communications is responsible for the functioning of telephone, postal, wireless and commercial services in Kuwait.

Ministry of Finance (MOF)

The MOF is responsible for Kuwait's public finance. It assumes supervision on the public treasury, state domains (public and private), fields of international economic cooperation, monetary investment and compensatory transaction projects.

Kuwait Port Authority (KPA)

KPA operates on a commercial basis, managing and operating Kuwait's Shuwaikh, Doha and Shuaiba ports (commercial maritime), and undertakes initiatives to upgrade facilities.

Ministry of Electricity and Water (MEW)

MEW is responsible for the provision of power and water across the country. Its principal activities include power generation, their transmission and distribution, water desalination, licensing and infrastructure development to meet Kuwait's increasing demand for electricity and water supply.

Public Authority for Applied Educational and Training (PAAET)

PAAET has been established, with the objective of developing and upgrading manpower to meet the growing demand for technical skilled employees, driven by the industrial and economic development of the country.

Ministry of Health (MOH)

MOH is responsible for designing and governing Kuwait's healthcare system, along with providing health related services to address the healthcare needs of residents.

Kuwait National Fund for SMEs Development (KNF)

Established under the Small and Medium Enterprises Law No. 98/2013, the Kuwait National Fund for SMEs Development was established to support the creation of productive jobs for Kuwaiti professionals in the private sector. The Fund is comprised of four hubs - manufacturing, information technology, media, and design.

Kuwait General Administration of Customs (KGAC)

KGAC is one of the first Governmental departments established in Kuwait, which handles all customs work, and also executes all decisions issued from Kuwait's ministries and Governmental organizations.

Directorate General of Civil Aviation (DGCA)

The DGCA oversees the management, supervision and operation of Kuwait International Airport. The authority furthermore supervises the construction and maintenance of aviation related facilities, providing necessary services for international air navigation, such as telecommunications and meteorology, including the supervision of civil aviation related safety standards.

Public Authority for Housing Welfare (PAHW)

The Public Authority for Housing Welfare is responsible for providing housing and settlements to accommodate Kuwaiti citizens, as well as expatriates, along with providing all required educational, religious and social services.

Kuwait Investment Authority (KIA)

The KIA is an autonomous sovereign wealth fund, which oversees the management and administration of the General Reserve Fund (GRF) and the Future Generations Fund (FGF), as well as any other funds entrusted to it by the Minister of Finance, for and on behalf of the State of Kuwait. KIA has currently around USD 290 billion worth of assets under management, with prominent stakes in companies like BP, Citibank and Daimler.

Central Bank of Kuwait (CBK)

The CBK of Kuwait aims to maintain a flexible and stable monetary financial system in Kuwait. The CBK's main objectives include the issuance of the Kuwaiti Dinar, directing of credit policy to assist social and economic progress, assisting the growth of national income, and controlling the banking system in Kuwait.

General Secretariat of Supreme Council for Planning & Development

This Government body focuses on creating development plans for Kuwait, which are then forwarded to the National Assembly for discussion and approval.

Kuwait Environment Public Authority (KEPA)

KEPA has been instituted for instituting and applying public policy for the protection of the environment, as well as strategies with the purpose to achieve a sustainable development in Kuwait. The authority is also responsible for defining environmental and employee health standards, and regulates industrial and building expansion, including the exploitation of natural resources.

Ministry of Foreign Affairs (MOFA)

The Ministry of Foreign Affairs bears the mandate and responsibility to conduct Kuwait's foreign relations with other countries, such as political relations, economic affairs, security matters, as well as social and cultural promotions.

Ministry of Information (MOI)

The Ministry of Information is responsible for the formulation and administration of rules, regulations and laws related to information, broadcasting and press media.

Capital Markets Authority (CMA)

The Capital Markets Authority regulates capital markets and securities business in Kuwait and is responsible for enhancing market performance, investor protection and increasing foreign participation through better transparency, efficiency and fairness.

Ministry of Oil (MOO)

Oversight and control over the oil sector plans and related oil companies, programs and activities represented by Kuwait Petroleum Corporation, the affiliated companies, the foreign oil companies working in the country.

The National Technology Enterprises Company (NTEC)

Established in 2002, NTEC is a fully owned subsidiary of the Kuwait Investment Authority (KIA) and was created to play a vital role in servicing major stakeholders in Kuwait with their technology needs. NTEC's business model is that of a Technology Projects Development company utilizing investment tools such as Private Equity, Venture Capital and Direct Investments to initiate and stimulate Technology Projects in Kuwait and the local region.

Kuwait Authority For Partnership Projects (KAPP)

The Kuwaiti Government established the KAPP (formerly known as "Partnerships Technical Bureau) with the objective of providing assistance to the various public bodies and the Government for the implementation of various mega projects in Kuwait through the PPP route.

KAPP assists the Government to carry out initial surveys and studies, evaluate economic and technical feasibility studies and provide recommendations for potential projects, determine methods for following up and evaluating the performance of projects, follow up the implementation of the projects and help overcome obstacles in collaboration with the entity to which the project is affiliated.

Useful addresses

Name of entity	Address	Contact details
Kuwait Direct Investment Promotion Authority	AlHamra Business Tower, Floor 44, Abdulaziz Al Saqr Street, Sharq P.O. Box 3690 Safat 13037, Kuwait	Tel: +965 2205 4050 Fax: +965 2224 0735 Email: info@KDIPA.com.kw Website: http://www.KDIPA.gov.kw
Public Authority for Industry	Public Authority for Industry Building 6th Ring Road, Ministries Area. 4690, Kuwait	Tel: +965 2530 2222 Fax: +965 2 530 2190 www.pai.gov.kw
Ministry of Commerce & Industry	Ministries Complex, AlMurqab, Block 1/ 2 P.O. Box 2944 - Safat - 13030 Kuwait	Tel: +965 22415563 Fax: +965 22420207 Email: mciinfo@qualitynet.net
Kuwait Investment Authority	Ministries Complex, AlMurqab, P.O. Box. 64, 13001 Safat, Kuwait	Tel: +965 22485600 Fax: +965 22454059 www.kia.gov.kw
Central Bank of Kuwait	Salem Al Mubarek Street, Kuwait City P.O. Box 526 - Safat - 13006 Kuwait	Tel: +965 1814444 Fax: +965 2402715 www.cbk.gov.kw
Kuwait Chamber of Commerce & Industry	Ali Salem Street P.O.Box. 775 Safat 13008 Kuwait	Tel: +965 2433854/5 Fax: +965 2404110/2460693 E-mail: kcci@kuwait-chamber.com.kw www.kuwaitchamber.org.kw
Kuwait National Fund for SMEs Development	Global Tower, 9th Floor, Sharq, Shuhada Street, Kuwait	NA
Ministry of Finance	Ministries Complex, AlMurqab PO Box 9 Safat 13001, Kuwait City, Kuwait	Tel: +965 2480000 Email: minister@mof.gov.kw Website: http://en.mof.gov.kw
Ministry of Electricity and Water	Ministry of Electricity and Water Building South Al Sourra Street, Ministries Area P.O. Box 12 Kuwait City Safat 13001 Al Assimah, Kuwait	Tel: +965 2537-1000 Fax: +965 2537-1420, +965 2537-1421, +965 2537-1422 Website: http://www.mew.gov.kw/en/
Kuwait General Administration of Customs	Shuwaikh, Gamel Abdul Nasser Str. Postal Code M.B 16 Safat 13001 - Kuwait	Tel: 24843490(965) Fax: (965)24838056 Website: www.customs.gov.kw
Kuwait Port Authority	Kuwait Ports Authority Building Jamal Abdul Nasser Street Shuwaikh Area 3874, Kuwait	Telephone: +965 4812622, +965 4812712 Fax: +965 4819714 Website: www.kpa.gov.kw
Ministry of Public Works	Ministry of Public Works Building 6th Ring Road Ministries Area South Surra 8. Kuwait. City	Tel: +965 2538 5530 Fax: +965 2538 0829 E-mail: pr@mpw.gov.kw Website: www.mpw.gov.kw
Directorate General of Civil Aviation	Kuwait Airport P.O. Box 17 Safat - Postal Cose 13001 State of Kuwait	Tel :24319829 Fax: 24744396 Website: www.dgca.gov.kw

Name of entity	Address	Contact details
The Public Authority for Applied Education and Training	Adailiya – Block 4 Opp. Third Ring Road P.O Box 23167 - Safat Code 13092, Kuwait	Tel: +965 1806611 Fax: +965 22528915 Website: http://www.paaet.edu.kw
Ministry of Communications	Ministry of Communications Complex Jamal Abdul Nasser Street Shuwaikh , 318. Kuwait	Tel: +965 24840606 Fax: +965 24814448 Website: www.moc.kw
Ministry of Health	Ministry of Health Building JJamal Abdul Nasser Street, Al Solaiybeykhat Area 5. Kuwait	Tel: +965 4 862541 Fax: +965 4 863714 Email: health@moh.gov.kw Website: www.moh.gov.kw/
Ministry of Foreign Affairs	Arabian Gulf St Kuwait City, Kuwait	Tel: + 965 2242 2041 Fax: + 965 245 7476 Website : www.mofa.gov.kw
Ministry of Information	Salhiya, Al Soor Street, Media Complex P.O. Box 193 - Safat - 13002 Kuwait	Tel: 2431682 Fax: 2464460 - Tlx : 46151 Website: www.media.gov.kw
Kuwait Environment Public Authority	Kuwait Port Authority Building, Jamal Abdul Nasser Street , Shuwaikh P.O. Box 243950 . Safat (13104), Kuwait	Tel: +965 2483 9971 Website: www.epa.org.kw
General Secretariat of Supreme Council for Planning & Development	Sharq – Arabian Gulf Street – Next to the Grand Mosque P.O Box 15 Safat – Postal Code 130001 Kuwait	Tel: + 965 22428200 Fax: +965 22427588 Website: www.scpd.gov.kw
Public Authority for Housing Welfare	Public Authority Housing Welfare Building Al Serra Street Ministries Area, 23385, Kuwait	Tel: + 965 2530-1000 Fax: +965 2538-7464 Website: www.housing.gov.kw
The National Technology Enterprises Company	Kuwait Chamber of Commerce & Industry Building - 8th Floor, P.O.Box 2294 Safat - 13023 Kuwait	Tel: +965 2223 0300 Fax: +965 2259 8572 Website: www.ntec.com.kw
Kuwait Authority for Partnership Projects	Kuwait Authority for Partnership Projects Touristic Enterprises Company Building, 2nd Floor, Al-Shuwaikh Administrative Zone, Al-Jahra Street	Tel: +965 2496 5900 Fax: +965 2496 5901 Website: http://www.ptb.gov.kw/

APPENDIX 7: Glossary

ADR	Average Daily Rate	KPC	Kuwait Petroleum Corporation
AM	Asset Management	KSE	Kuwait Stock Exchange
AUM	Assets Under Management	KSA	Kingdom of Saudi Arabia
B2B	Business-to-business	KUCAS	Kuwait Conformity Assurance Scheme
B2C	Business-to-consumer	KSA	Kingdom of Saudi Arabia
BFSI	Banking Financial Services Insurance	MCI	Ministry of Commerce & Industry
Bn	Billion	MENA	Middle East and North Africa
BOT	Build Operate Transfer	MEW	Ministry of energy and water
bpd	barrels per day	MOCI	Ministry of Commerce and Industry
CBK	Central Bank of Kuwait	MoC	Ministry of Communications
CIF	Cost, insurance and freight	KUCAS	Kuwait Conformity Assurance Scheme
CMA	Capital Markets Authority	LEED	Leadership in Energy and Environmental Design
DCC	Digital Content Creation	MOFA	Ministry of Foreign Affairs
DFCIL	Direct Foreign Capital Investment Law	MOH	Ministry of Health
DGCA	Directorate General of Civil Aviation	MOPW	Ministry of Public Works
DSA	Direct Sales Agents	Mn	Million
EFTA	European Free Trade Association	MW	Mega Watt
EIA	Energy Information Administration	NLST	National Labor Support Tax
EPA	Environment Public Authority	NOC	No Objection Certificate
ETFs	Exchange Traded Funds	NPL	Non-performing loan
FCIC	Foreign Capital Investment Committee	NTEC	National Technology Enterprises Company
FDI	Foreign Direct Investment	OIC	Organization of the Islamic Conference
FM	Facilities Management	OPD	Out Patient Department
FTA	Free Trade Agreement	OPEC	Organization of Petroleum Exporting Countries
GAFTA	Greater Arab Free Trade Area	PAAET	Public Authority for Applied Education and Training
GCC	Gulf Cooperation Council	PAI	Public Authority for Industry
GDP	Gross Domestic Product	PE	Private Equity
GHG	Green House Gases	PET	Polyethylene terephthalate
GIC	Gulf Insurance Company	PJSC	Public joint stock company
GLA	Gross Leasable Area	PM	Property Management
HNWI	High Net-Worth Individuals	PPP	Public Private Partnership
HRC	Human Rights Committee	PTA	Purified terephthalic acid
ILO	International Labor Organization	SCP	Supreme Council for Privatization
IMF	International Monetary Fund	sqm	Square meter
IPO	Initial public offering	TER	Technical Evaluation Report
IWPP	Integrated Water and Power Plants	TEU	Twenty-foot Equivalent Unit
KAC	Kuwait Airways Corporation	TIFA	Trade and Investment Framework Agreement
KAPP	Kuwait Authority for Partnership Projects	TIR	Technical Inspection Report
KCCI	Kuwait Chamber of Commerce & Industry	TRIPS	Trade Related Aspects of Intellectual Property Rights
KD	Kuwait Dinar	UN	United Nations
KEPA	Kuwait Environment Public Authority	UNEP	United Nations Environmental Program
KFH	Kuwait Finance House	USD	United States Dollar
KDIPA	Kuwait Direct Investment Promotion Authority	WIC	Warba Insurance Company
KIA	Kuwait International Airport	WTO	World Trade Organization
KIC	Kuwait Insurance Company		

APPENDIX 8: Kuwait's Bilateral Investment Treaties

Country	Date of signature	Date of entry into force	Country	Date of signature	Date of entry into force
Armenia	25-Jun-10	4-Sep-13	Singapore	5-Nov-09	15-Apr-13
Austria	16-Nov-96	22-Sep-98	Slovenia	26-Apr-02	28-Jul-04
Belarus	10-Jul-01	14-Jun-03	Spain	8-Sep-05	8-Mar-08
Belgium-Luxembourg	28-Sep-00	8-Dec-03	Sweden	7-Nov-99	10-May-02
Bosnia and Herzegovina	13-Jun-01	23-Dec-02	Switzerland	31-Oct-98	17-Dec-00
Bulgaria	17-Jun-97	16-Sep-98	Syrian Arab Republic	16-Aug-01	23-Mar-04
Canada	26-Sep-09	19-Feb-14	Tajikistan	18-Apr-95	12-Jun-98
China	23-Nov-85	24-Dec-86	Turkey	27-May-10	08-May-13
Croatia	8-Mar-97	2-Jul-98	Ukraine	12-Jan-02	11-Jun-13
Czech Republic	8-Jan-96	21-Jan-97	Uzbekistan	19-Jan-04	6-Mar-06
Denmark	1-Jun-01	29-Jan-02			
Egypt	17-Apr-01	26-Apr-02			
Ethiopia	14-Sep-96	12-Nov-98			
Finland	10-Mar-96	21-May-97			
France	27-Sep-89	16-May-91			
Germany	30-Mar-94	15-Nov-97			
Hong Kong, China SAR	10-May-10	14-Sep-13			
Hungary	8-Nov-89	1-Mar-94			
India	27-Nov-01	28-Jun-03			
Iran	13-Feb-06	14-Mar-11			
Iraq	25-Oct-64	7-Jun-66			
Italy	17-Dec-87	21-May-90			
Japan	22-Mar-12	24-Jan-14			
Latvia	5-Oct-01	21-Mar-04			
Lebanon	21-Jan-01	19-Apr-02			
Lithuania	5-Jun-01	15-Jan-03			
Macedonia, The former Yugoslav Republic of	8-Apr-08	2-Nov-11			
Mauritius	18-Apr-13	24-Jul-14			
Malta	19-Apr-95	25-Jun-96			
Moldova, Republic of	29-Mar-02	6-Apr-04			
Mongolia	15-Mar-98	1-May-00			
Morocco	16-Feb-99	7-May-01			
Netherlands	29-May-01	31-May-02			
Poland	5-Mar-90	18-Dec-93			
Portugal	23-Jul-07	28-May-11			
Romania	21-May-91	26-Jul-92			
Russian Federation	21-Nov-94	30-May-96			
Serbia	19-Jan-04	1-Apr-05			

APPENDIX 9: Kuwait's Double Taxation Agreements

Countries	
Albania	Malta
Algeria	Mauritius
Armenia	Moldova
Austria	Morocco
Azerbaijan	Netherlands
Belarus	Pakistan
Belgium	Philippines
Benin	Poland
Bosnia & Herzegovina	Portugal
Brunei	Romania
Bulgaria	Russia
Canada	Senegal
China (People's Rep.)	Serbia and Montenegro
Croatia	Seychelles
Cyprus	Singapore
Czech Republic	Slovak Republic
Denmark	Slovenia
Djibouti	South Africa
Egypt	Spain
Ethiopia	Sri Lanka
France	Sudan
Germany	Switzerland
Greece	Syria
Hong Kong	Tajikistan
Hungary	Thailand
India	Tunisia
Indonesia	Turkey
Iran	Ukraine
Ireland	United Kingdom
Italy	Uzbekistan
Japan	Venezuela
Jordan	Vietnam
Korea (Rep.)	Yemen
Latvia	Zimbabwe
Lebanon	
Malaysia	

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