



Tourism, Hotels & Entertainment Sector

Sector Overview

The government of Kuwait is positioning the country to become a regional touristic hub. Hence, several projects have been launched on a grand scale to provide sports, entertainment, and leisure activities.



Kuwait offers interested investors a host of investment opportunities in sports activities, hotels, and resorts, in addition to commercial and entertainment centers projects to attain the goals of the National Vision 2035 and its development plans.



Sports Activities

MARKET FACTORS

- Kuwait’s young demographic makeup, with more than 50% of the population below the age of 35, creates a large demand for sport-ing facilities.
- The Public Authority for Sports is the government entity responsi-ble for the promotion of sports and related activities in the coun-try.
- As per the State Budget for the fiscal year FY2021/2022, an amount of USD 266.6 Mn was allocated to the Public Authority for Sports (PAS) in the country.¹
- The most prominent sports in Kuwait currently include:

Games	Venue
Archery	National Archery Center
Basketball	All main sport clubs in Kuwait
Bowling	Kuwait Bowling Sporting Club, Cozmo Entertainment, Silver Towers, Hunting and Equestrian Club, Holiday Inn Hotel and Safir In-ternational Hotel
Equestrian	Hunting and Equestrian Club
Swimming	Swimming Pool Complex
Tennis	Rafa Nadal Academy, Kuwait Tennis Federation
Squash	Kuwait Squash Federation
Racing	Amateur Car and Motorbike Association - Science Club
Ice skating	Ice Skating Rink - Shamiya Gate
Shooting	Kuwait Shooting Federation, Maidan Public Shooting Range

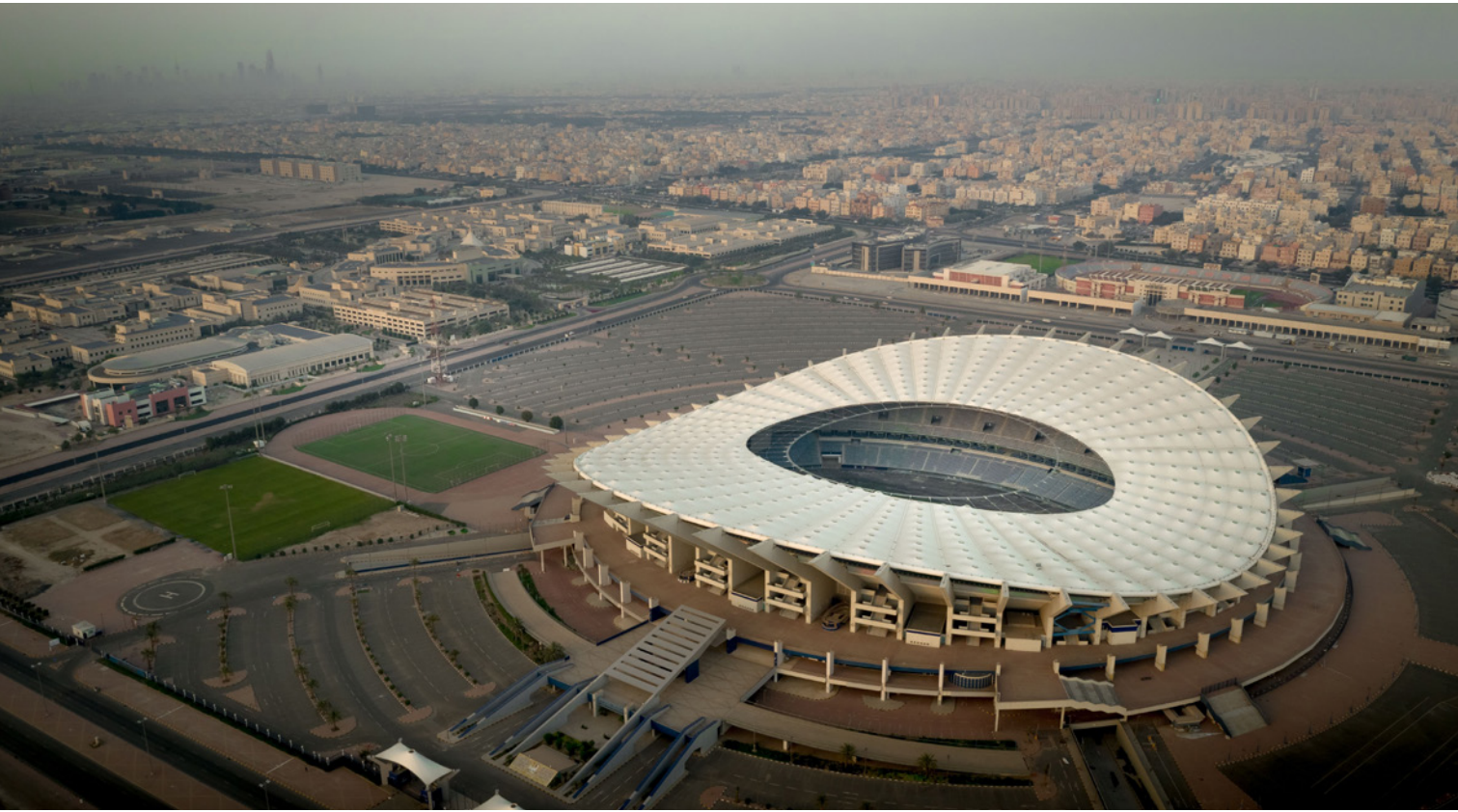
Football	<ul style="list-style-type: none">– Jaber Al-Ahmad International Stadium– Sabah Al Salem Stadium– Mohammed Al-Hamad Stadium– Al-Sadaqua Walsalam Stadium– Al Kuwait Sports Club Stadium– Al-Ahmadi Stadium– Mubarak Al-Aiar Stadium– Kuwait University Stadium	<ul style="list-style-type: none">– Thamir Stadium– Farwaniya Stadium– Ali Al-Salem Al-Sabah Stadium– Khaitan Stadium– Kuwait Olympic City Stadium– Al-Sulaibikhat Stadium– Abu Halifa City Stadium– Fahaheel Stadium
Health Clubs	<ul style="list-style-type: none">– Bulldozer– Champions– Fitness First– Flex– Iron Man– Oxygen– Platinum– Ras Salmiya– Rush– Spark– Stretch	<ul style="list-style-type: none">– Champions– Fitness First– Flex– La Femme– Lady’s Corner– Physique– PilatesAndMore– Rush– Skyline– Steam

- As per Kuwait’s Sports Strategy for the period 2021-2028, the main outputs include the following:
 - Establishing 6 stadiums in each governorate.
 - Developing a comprehensive Olympic sports city.
 - Developing sports schools for the talented.
 - Providing sports scholarships.
 - Developing a hospital for sports injuries.
 - Developing laboratories for medical tests that may be required.
 - Sponsoring 45 international, continental, and regional tournaments.

- Developing an international sports academy – accredited and specialized.
 - Integrating paralyzed people into sports clubs.
 - Changing laws to ensure that sports can be taken up as a profession and not just a hobby (contract based).
- The government has envisioned the development of several sport-ing projects in the country, which include²:

Project	Cost (USD Mn)	% of GDP
Jaber Al Ahmed International Stadium	398.7	0.34%
Implementation of the National Youth Policy	16.6	0.01%
Youth Centers	280.7	0.24%
Design of the Kuwaiti Sports Club for the Disabled	73.1	0.06%
Girls’ Clubs	16.6	0.01%
Specialized Clubs	84.7	0.07%
Gymnasiums	299	0.25%

Sources: ¹MOF, ²Kuwait Vision 2035.



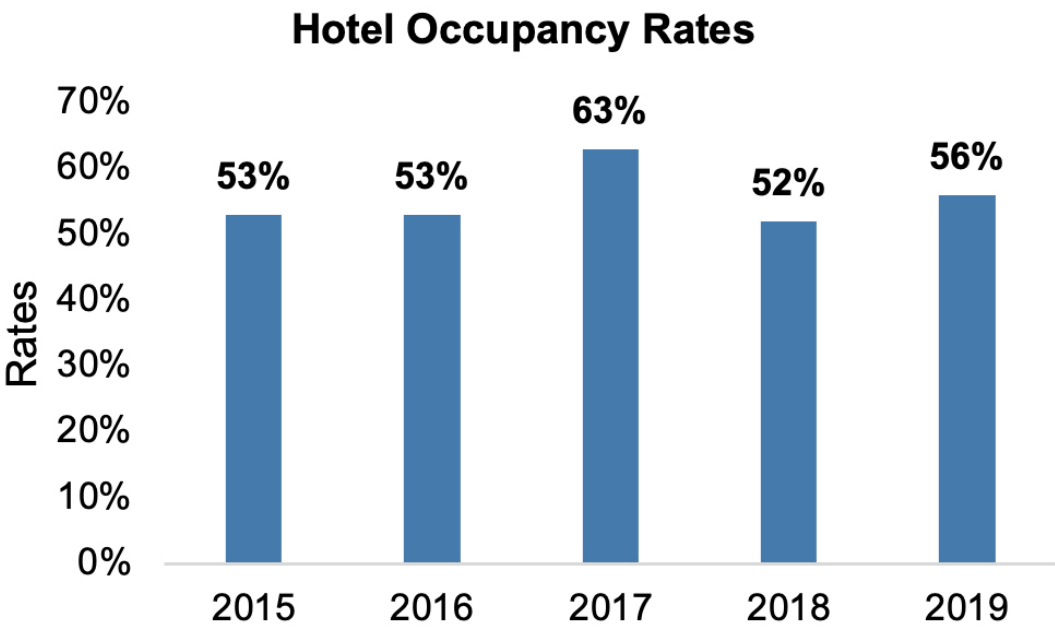
Hotels & Resorts

MARKET FACTORS

- In 2019, Kuwait had the following hotel inventory¹:

Class	Number of Hotels
5 Star	11
4 Star	9
3 Star	12
2 Star	4
1 Star	1
Hotel Apartments	38

- Occupancy rates of hotels in Kuwait were at 56% in 2019.² This dropped dramatically by almost 50% in 2020 following the COVID-19 pandemic. At the same time, it was estimated that 20-25 % of hotels’ staff had lost their jobs in Kuwait, which was estimated at around 2,500 people. The estimated losses to the hotel sector because of the pandemic in Kuwait was USD 340 Mn, including USD 121 Mn of losses in room revenues.³



- Following the pandemic, tourism is expected to rise, and Kuwait City hotels are expected to achieve an occupancy rate of 29% in 2021. Further, it is also expected that 8,400 new rooms will be available by 2023.⁴

- A number of new hotels were opened in 2021 and one hotel in 2022, which are⁵:

Name	Opening Year	Location	Rooms	Star
Grand Hyatt	2022	360 Mall	302	5
Waldorf Astoria	2021	The Avenues Mall	200	5
International Hotel	2021	Farwaniya	120	5
Farwaniya	2021	Farwaniya	120	5
St. Regis	2021	Kuwait City	122	5
Marriott Executive Apartments	2021	Kuwait City	174 ⁶	4
Novotel	2021	Al Sharq	160 ⁷	4
Staybridge Suites	2021	—	120	4
Hampton by Hilton	2021	—	110	4
Campanile by Golden Tulip	2021	—	178	4
Misk Hotel (Shaza)	2021	—	200	4
Swiss-Belhotel	2021	Al Sharq	200 ⁸	3

- Kuwait Investment Authority (KIA) approved in 2021 a capital increase of the country’s Touristic Enterprises Company (TEC) by USD 830.6 Mn. The new capital will be utilized by TEC for redevelopment plans of 11 key facilities, across five segments. They will include parks and family entertainment, hospitality, recreational clubs, highways rest areas and waterfront marinas. TEC also has plans for the redevelopment of three key projects, which include Nuwaiseeb Rest Area, Ras Al Ardh Club and Messilah Beach as well as upgrading some seafront facilities in Kuwait Bay.⁹
- Revenues from travel and tourism in Kuwait are expected to rise to USD 1.13 Bn by 2025 increasing at a CAGR of 21.34% from 2021.

- Kuwait is planning a mega-project to develop 5 islands at an investment cost of USD160 Bn, that include the islands of Boubyan, Failaka, Warba, Miskan and Owha. This development includes touristic and leisure areas with Venetian-like waterways, shopping centers, a world-class travel center and treatment centers.¹⁰

INVESTMENT OPPORTUNITIES

- There is immense potential for hotels and resorts giving rise to largescale infrastructural projects in this segment in Kuwait considering the large coastline of the country, which will further increase the influx of interested investors to participate in such projects. Also, the expansion of Kuwait International Airport is expected to boost travel and tourism in the country.

Sources: ¹CSB, ²Statista, ³Hospitality News Middle East, ⁴MEED, ⁵Kuwait Hotel Owners Association (KHOA), ⁶Marriott, ⁷Hotel News Resource, ⁸Hotelier Middle East, ⁹Zawya, ¹⁰The New Arab.



Commercial & Entertainment Centers

MARKET FACTORS

- Kuwait has a relatively small number of arenas for entertainment. They range from museums and malls to water theme parks, amusement parks and cultural centers.
- Kuwait has one of the highest per capita incomes in the world and a very young population, where more than 50% of the population is aged below 35 years.¹ The entertainment life is vibrant in the country with the youth frequently visiting such places creating continuous demand for entertainment activities in the country.
- Revenues in travel and tourism in Kuwait are expected to grow from USD 522 Mn in 2021 to USD 1.13 Bn by 2025 increasing at a CAGR of 21.34% from 2021. In addition, the rising number of tourists from other GCC countries is expected to increase demand for entertainment options in the country.
- Some of the existing entertainment centers include:

Types	Places
Zoo	Kuwait Zoo
Aquarium	The Scientific Center
Water Theme Park	– Aqua Park – Messila Water Village
Indoor Entertainment	– Future Kid – Infinity Zone – Kid Land – Kuwait Magic – Cosmo
Amusement Park	– Lagoons – Play Land – Hawally Park
Branded Theme Park	– 99 Village – Cartoon Network World

Cultural Centers	– Sheikh Jaber Al-Ahmad Cultural Centre – Sheikh Abdullah Al Salem Cultural Centre – Palace History Museum
Malls	– The Avenues Mall – Marina Mall – Souq Sharq Mall – Al Kout Mall – 360 Mall – Gate Mall – Al Asima Mall

- A new leisure segment innovative concept was launched recently. The most prominent feature of the concept includes mobile trucks station in the Sabiya area at the end of Jaber Bridge. It will cover an area of 1 Mn sqm and include 400 projects. The main categories of projects will be:
 - Food trucks area: which contains cafes and snacks.
 - Retail trucks area: which contains retail sales, desert & marine appliances.
 - Activities trucks area: which contains lighting, laser, TV, and live radio stations.
 - Sports area: which contains walking pathway, cycling pathway and services pathway.
 - Leisure activities area: which contains e-games, kid’s games, and car cinema.
 - Other activities area: which contains rental plots and other activities.Leasing in any of the above areas will be through a mobile application.²
- Other projects undertaken include³:

Project	Cost (USD Mn)	% of GDP
Development of the Sulaibikhat Bay	5.1	0.004%

Development of the Jahra Waterfront (Jahra Corniche)	448.5	0.38%
Blajat Development (Sea Front)	330.2	0.28%
The New Entertainment City	1,993.4 – 2,657.8	1.69% – 2.25%

INVESTMENT OPPORTUNITIES

- The government of Kuwait is actively involved in promoting investment opportunities in the implementation of commercial and entertainment centers and facilities that are expected to be in demand in the future in various venues like cinemas, camping, museums, scientific centers, parks, heritage sites/ cultural activities, fishing, desert camping, expos / festivals, photography and art & crafts centers, and shopping. Interested investors can take advantage of the growing market of commercial and entertainment centers.

Sources: ¹CSB, ²AlJarida, ³Kuwait Vision 2035.

