

Infrastructure & Construction Sector

Sector Overview

Kuwait invests substantially in infrastructural projects to meet the rising demand of the growing population, and economic growth. Infrastructure is also prioritized by the development of several new economic and industrial zones in the country that are expected to cater to different competitive industries and businesses. Numerus subsectors are linked to this sector such as Desalination plants, Power Generation plants based on both fuel & renewable energies and Economic & Industrial Zones.

Pillars of Kuwait National Vision 2035

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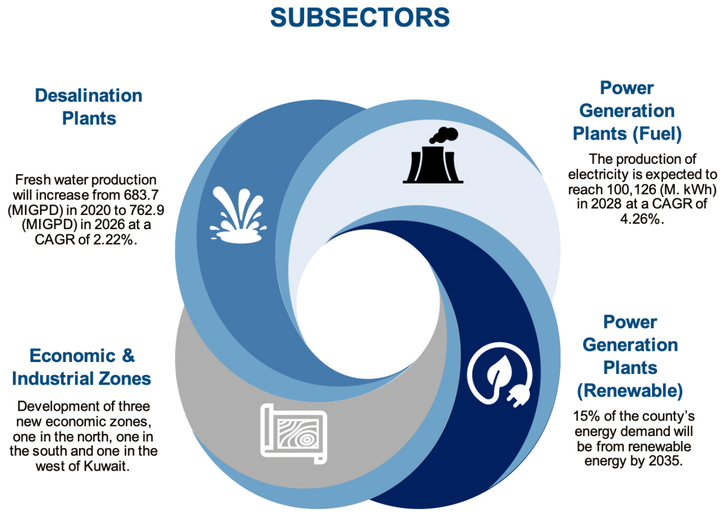
Developed Infrastructure Pillar
Sustainable Living Environment

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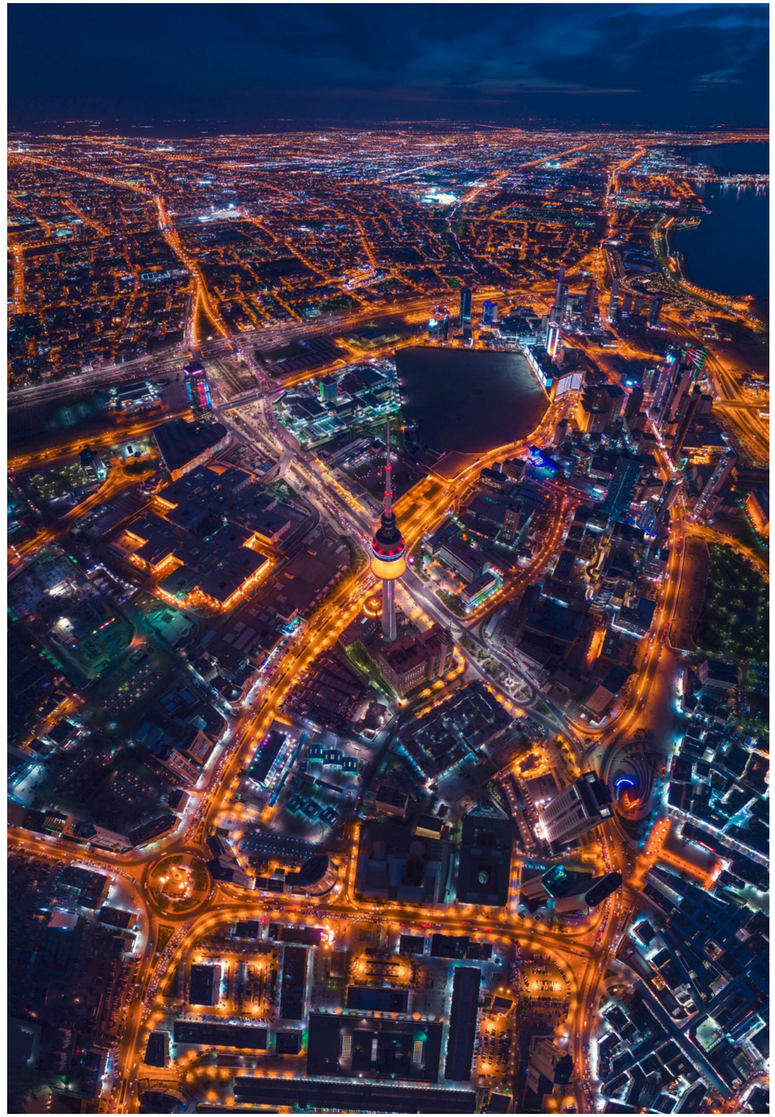
Sustainable Development Goals (SDGs) 2030

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Goal 6: Sustainable Management of Water Resources & Sanitation
Goal 7: Affordable & Clean Energy
Goal 9: Industry, Innovation & Infrastructure
Goal 11: Sustainable Cities & Communities
Goal 12: Responsible Consumption & Production



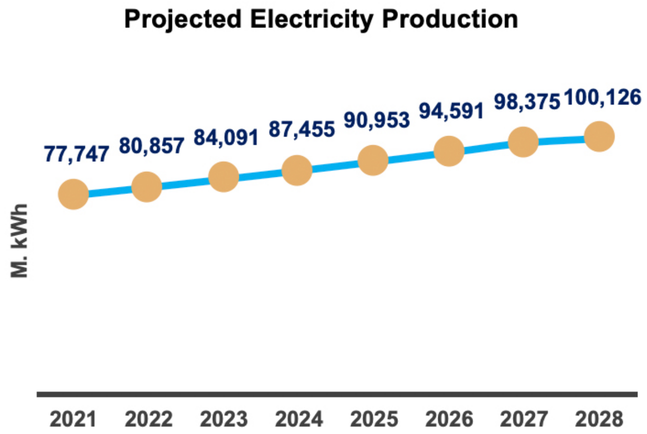
Kuwait offers interested investors a host of mega investment opportunities in infrastructural projects in the field of electricity generation, water desalination, renewable energy, and establishing economic and industrial zones to attain the goals of the National Vision 2035 and its development plans.



Power Generation (Fuel)

MARKET FACTORS

- The total production of electricity in the year 2020 was 74,757 (M. kWh), which has increased at a CAGR of 1.63% from 2016 at 70,085 (M. kWh). The total production is expected to reach 100,126 (M. kWh) in 2028 at a CAGR of 4.26%[1].



- Kuwait per capita energy consumption reached 38.8 kWh per day in 2020 and 14,207 kWh per year in 2020[1].

- Kuwait peak load demand was 14,960 MW in 2020. The peak load is expected to increase to 20,474 MW by the year 2028[1].

- Demand for electricity for air-conditioning services in Kuwait accounts for some 70% of residential electricity demand.

- Oil holds a major share in terms of fuel utilized for generating power, with natural gas occupying a smaller proportion. However, the country is rapidly moving away from oil to natural gas as a means of power generation. Under Kuwait commitment to the UN Framework Convention on Climate Change, it started adopting renewable energy as part of its energy mix to reduce carbon emissions.

- The following are fuel-based power plants in Kuwait[1]:

Station	Total Available Capacity (MW)
Shuwaikh Station	252
Shuaiba South Station	720
Shuaiba North Station	875.5
Doha East Station	1,122
Doha west Station	2,541
Az-Zour South Station	6,055.8
Subiya Station	7,046.7
Az-Zour North Station	1,540
Total Capacity	**20,153**

- Kuwait's electricity is subsidized by the government, making it one of the most competitive tariffs globally. Electricity rates in 2020[1] stood at:

Sector	Tariff/(kWh) USD
Government	0.083
Residential	0.007
Investment and commercial	0.017
Industrial and agricultural	0.017

- The Kuwaiti government recently adopted the PPP model for developing new independent power plants (IPPW) allowing for the participation of the private sector in power generation sector.

- The following projects are being developed under the PPP model[2]

Stations	Capacity (MW)
Az-Zour North IWPP (Phase 1)	1,500
Al Khairan IWPP (Phase 1)	5,400
Az-Zour North IWPP (Phases 2 & 3)	2,700

- Shuaiba North Station with an estimated value of USD 1.2 billion[3] is expected to be privatized on completion, making it the first existing utilities asset to be sold off to the private sector.

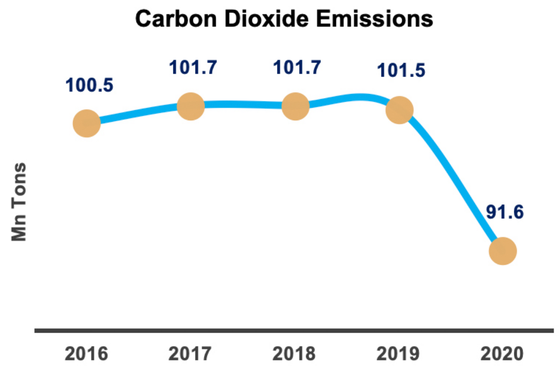
Sources: [1]MEW, [2]KAPP, [3]Energy and Utilities.



Power Generation Plants (Renewable)

MARKET FACTORS

- There is growing interest in power generation by utilizing resources that are mainly based on renewable energy, like the use of solar, wind, tidal power, and green hydrogen energy.



- The Kuwaiti government has set up an ambitious plan to generate at least 15% of the county's energy mix from renewable energy by 2035.[2]

- As part of Kuwait vision to move to a more sustainable form of energy generation, the following plants are being developed by the government on a PPP basis[5]

Renewable Energy based Power Plants	Capacity (MW)
Al Shaqaya Renewable Energy Project	3070
ISCC Plant at Al-Abdaly	300

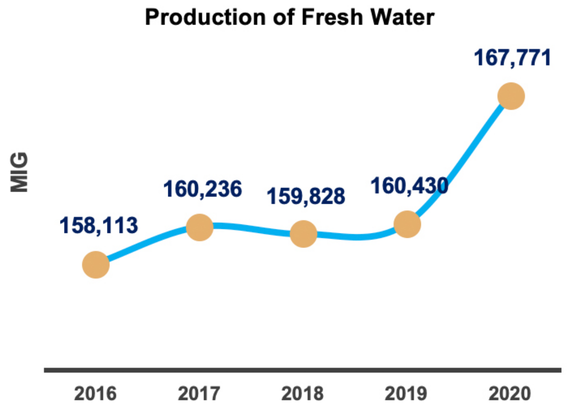
Sources: [1]British Petroleum, [2]Kuwait Institute of Scientific Research, [3]Saudi Green Initiative; [4]MEW, [5]Kuwait Vision 2035.



Desalination Plants

MARKET FACTORS

- The gross production of fresh water in the year 2020 was 167,771 MIG which has increased at a CAGR of 1.49% from 158,113 MIG in 2016[1].



- Kuwait's water tariffs are subsidized by the government, which makes it one of the competitive rates globally, as the water rates stood at in 2020[1]:

Sector	Tariff/(1000 IG) USD
Government	13.3
Residential	2.7
Investment and commercial	6.6
Industrial and agricultural	4.2

- Kuwait's desalination facilities supply almost 90% of its freshwater requirements in the residential sector and 60% of the demand in the industrial sector.

- The following are the desalination plants in Kuwait[1]:

Stations	Total Available Capacity (MIGPD)
Shuwaikh Station	48.5
Shuaiba South Station	30
Shuaiba North Station	45
Doha East Station	42
Doha West Station	170.4
Az-Zour South Station	140.4
Subiya Station	100
Az-Zour North Station	107
Total Capacity	**683.7**

- The Government has already increased the capacity of the Doha West Plant and is in the process of increasing the capacity of the Al-Zour South and Subiya Plants.

- The installed capacity of desalination plants is expected to increase from 683.7 MIGPD in 2020 to 762.9 MIGPD in 2026 increasing at a CAGR of 2.22%[1].

- The Kuwaiti government has adopted the PPP model for developing new IWPP plants involving the participation of the private sector in water production.

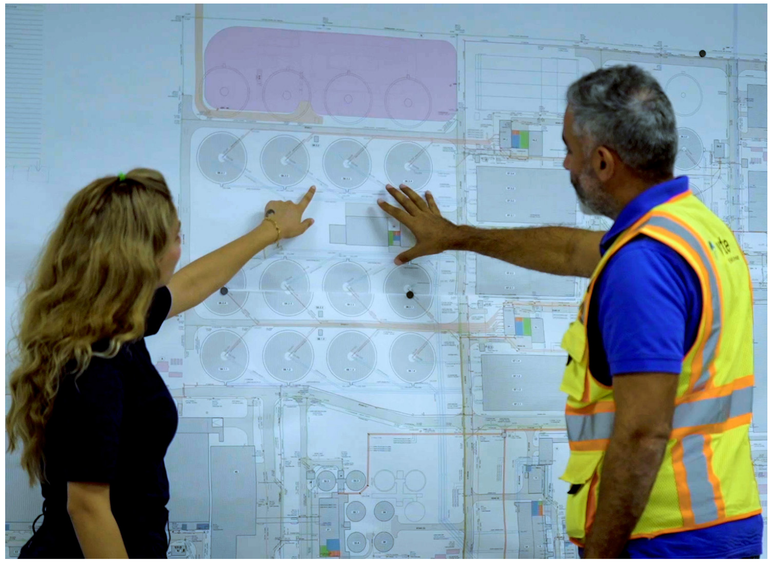
- Some of the projects currently developed under the PPP model include[3]:

Stations	Capacity (MIGPD)
Az-Zour North IWPP (Phase 1)	102
Al Khairan IWPP (Phase 1)	125
Az-Zour North IWPP (Phase 2 & 3)	165

- As part of Kuwait Vision 2035 Development Plan, the Shuaiba North Station is to be privatized, which will help in increasing its efficiency and thus the production capacity of fresh water.

- Kuwait stands as the 3rd largest producer of desalinated water in the GCC only behind Saudi Arabia and the UAE. The demand for fresh water in the GCC is expected to increase by 62% by the year 2025.[2]

Sources: [1]MEW, [2]MEED, [3]KAPP, [4]Kuwait Institute of Scientific Research.



Economic & Industrial Zones

MARKET FACTORS

- Economic Zones are an inclusive concept of competitive clusters that cater to logistics, manufacturing, trading, and other activities. The Economic Zones in Kuwait are subject to the laws and regulations of the Kuwait Direct Investment Promotion Authority (KDIPA), and incentives granted by KDIPA while adhering to the country legal framework, rules, and initiatives.

- The areas allocated to the economic zones and the specific designated uses of the areas are provided below[1]:

Area	Designated Activities
Al Abdali area near the northern part of the Arabian Gulf	Coke and petroleum products, logistics and storage, waste management and other activities
Al Naim area located in the western region	Basic industries, environmental concentrated industries
Al Wafra area located in the southern region	Cross-border economic activity

- **Al-Abdali Economic Zone**: KDIPA obtained the approvals for the final master plan design from competent government authorities; and a Council of Ministers Decision No. (1010) of 2021 assigned KDIPA the task of coordinating with competent authorities to proceed with the option to directly auction the tender for the implementation, investment, and utilization of Al-Abdali Economic Zone project. Several introductory visits to present Al-Abdali Economic Zone project were conducted to a number of foreign banks branches and foreign companies early 2022.

- **Al-Wafra Economic Zone**: KDIPA completed he projects tender documents for developing its masterplan through the Central Agency for Public Tenders (CAPT). KDIPA evaluated the received bids, and signed the contract with the winning consulting firm on March 28, 2022.

- **Al-Naayem Economic Zone**: KDIPA discussed the project with the Public Authority for Industry (PAI), who has an adjacent industrial zone, to consider jointly developing these two zones, along with other potential options.

- **Shuwaikh Free Zone**: is Kuwait's first free trade zone that was established in accordance with Law No. 26 of 1995 aiming to encourage and facilitate the re-export and transit trade to enhance Kuwait commercial regional position. KDIPA was assigned the task to manage Kuwait free zones along with its economic zones by a Council of Ministers Decision No. 907 of 2016. Later, another Council of Ministers Decision No. 1337 of 2018 cancelled the free zone status from Shuwaikh free zone and re-classified it as state property.

- **Al-Nuwaiseeb Free Zone**: is: a new free zone project under development by KDIPA who prepared the needed tender documents of al-Nuwaiseeb Free Trade Zone, following the issuance of a Council of Ministers Decision No. (412) of 2018 to proceed with the option of utilizing a usufruct of a third party - a specialized company. KDIPA communicated with Kuwait Ministry of Foreign Affairs, to address the Kuwaiti-Saudi Joint Committee to provide its feedback on Al-Nuwaiseeb free zone project.

Sources: [1]KDIPA.





Healthcare & Pharmaceutical Sector

Sector Overview

Kuwait has one of the highest healthcare expenditures in the GCC. The growing population of the country, the fast lifestyle, and increasing health issues are placing huge demands on the healthcare infrastructure of the country. Kuwait is a welfare state and medical treatment is provided free for the Kuwaiti nationals in the public sector. Kuwait's healthcare expenditure budgeted for the year 2021–2022 amounted to a massive USD 8.9 Bn.

Pillars of Kuwait National Vision 2035

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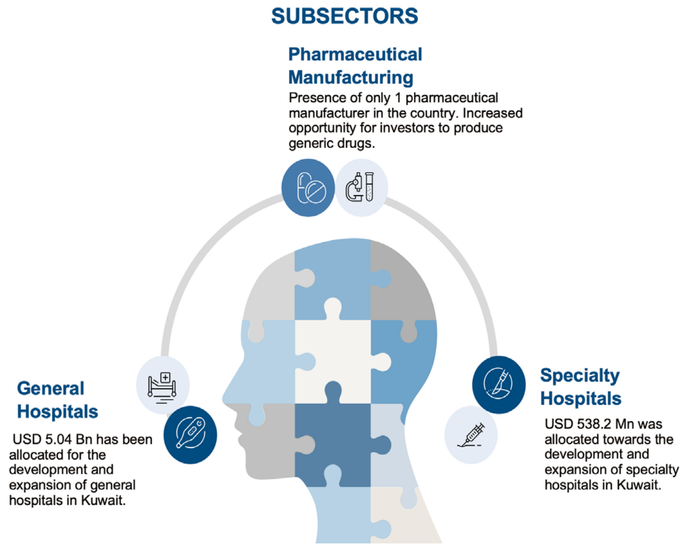
High Quality Healthcare Pillar

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Sustainable Development Goals (SDGs) 2030

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Goal 3: Good Health & Well-Being



Kuwait offers interested investors a host of mega investment opportunities in the field of healthcare sector in pharmaceutical manufacturing, general hospitals, and specialty hospitals to attain the goals of the National Vision 2035 and its development plans.

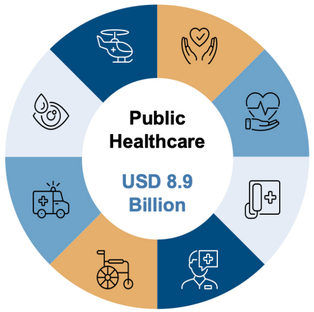


General Hospitals

MARKET FACTORS

- Kuwait is a welfare state where healthcare services in government hospitals are provided to Kuwaitis for free including catering to any ailments that need to be treated internationally. Expatriates are also provided healthcare services in government hospitals at subsidized rates.

- An amount of USD 8.9 Bn was allocated towards public healthcare in the state budget for the fiscal year FY 2021/2022 which was approximately 12.93% higher than the allocated expenditure for the fiscal year FY 2020/2021 budget.[1]

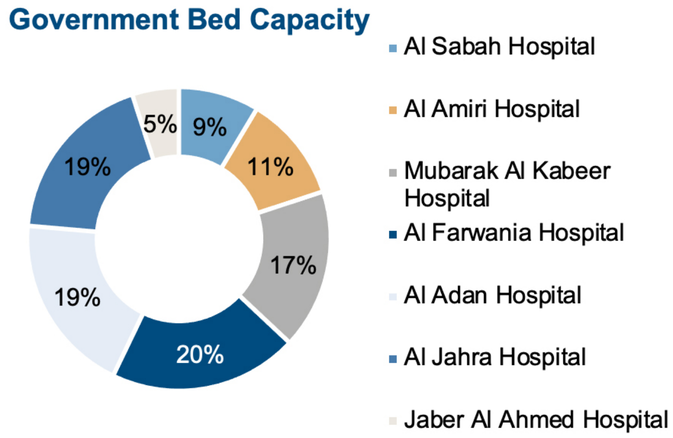


- As per the latest available information in the World Bank database, Kuwait has a ratio of 2.04 beds/1000 people, higher than the GCC ratio of 1.7 beds/1000 persons, and the MENA region ratio of 1.4 beds/1000 persons, but below the ratio in the OECD countries ratio which stood at 5.2beds/1000.[2]

- There is a number of General public and private healthcare hospitals in Kuwait including:

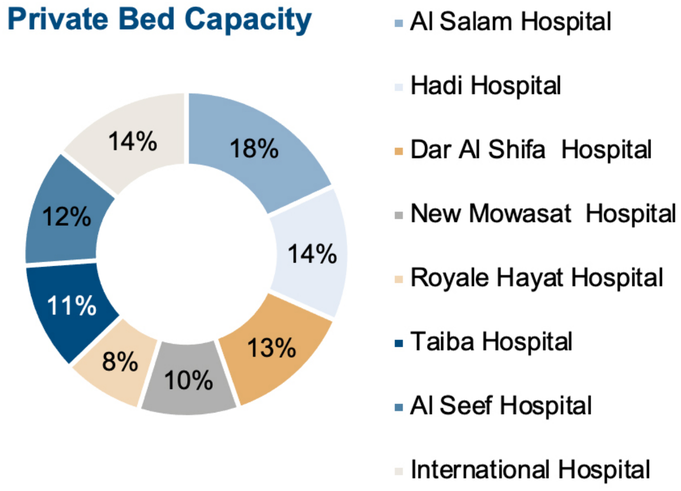
Government Hospitals[3]

Names	Bed Capacity
Al Sabah Hospital	362
Al Amiri Hospital	478
Mubarak Al Kabeer Hospital	718
Al Farwania Hospital	849
Al Adan Hospital	810
Al Jahra Hospital	785
Jaber Al Ahmed Hospital	210
Total	**4,212**



Private Hospitals

Names	Bed Capacity
Al Salam Hospital	180 [4]
Hadi Hospital	135 [5]
Dar Al Shifa Hospital	130 [6]
New Mowasat Hospital	100 [7]
Royale Hayat Hospital	80 [8]
Taiba Hospital	110 [9]
Al Seef Hospital	120 [10]
International Hospital	140 [11]
Total	**995**



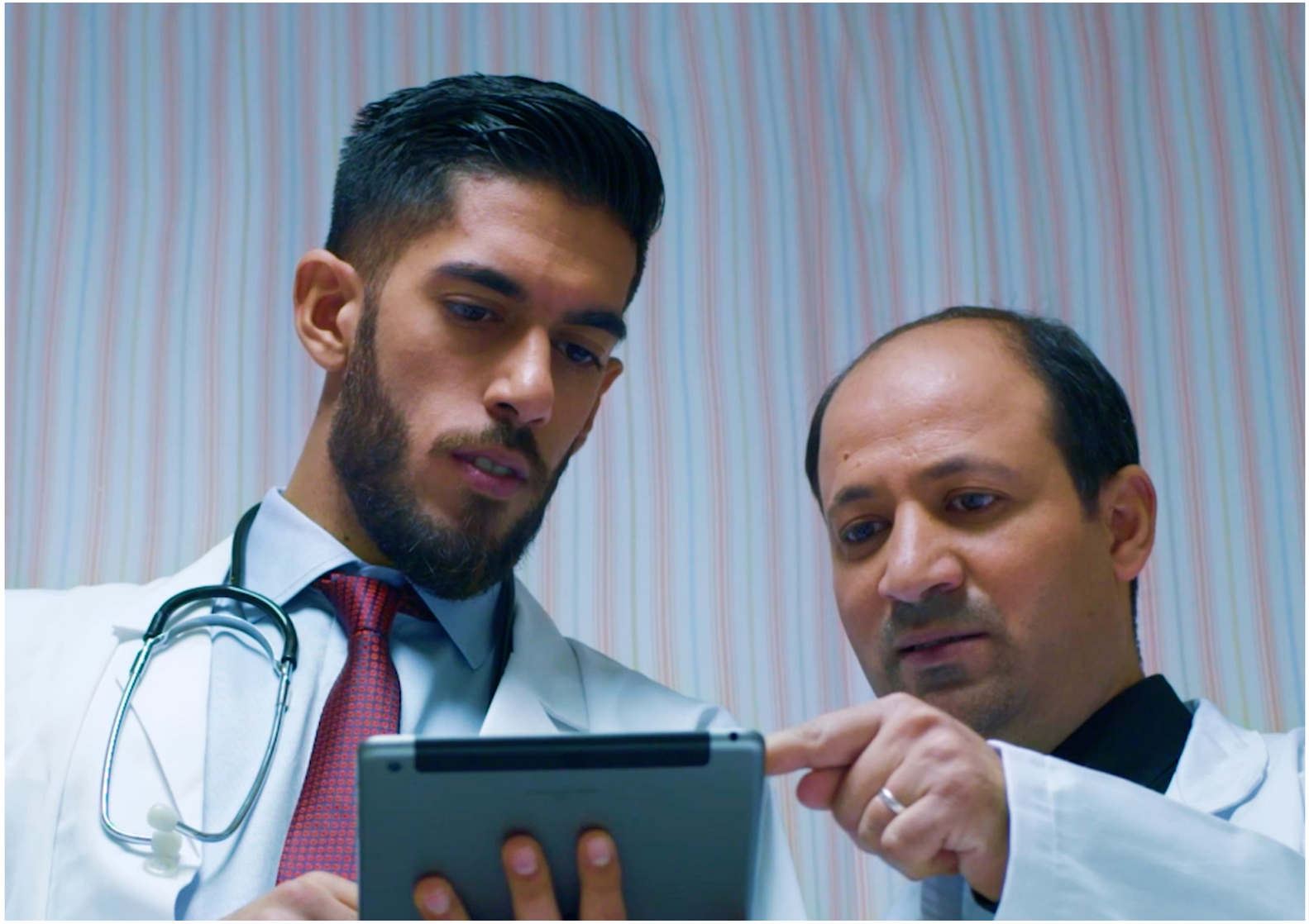
- Public healthcare insurance is a must for all expatriates in the country. Private healthcare insurance is accessible to all, several large-scale corporations in the country provide health insurance to their employees as part of their compensation and benefits.

- A number of new general hospitals have been developed or expanded and others are under development or expansion to provide quality healthcare in Kuwait. Some of them are[12]:

Names	Bed Capacity	Bed Capacity Cost (USD Mn)	% of GDP
Sheikh Jaber Al Ahmed Hospital	1,168	1,010	0.86%
Sabah Al Ahmed City Hospital	500	498.3	0.42%
New Al Sabah Hospital	617	595	0.50%
Al Jahra Hospital (Expansion)	+386	1,295.7	1.10%
Al Farwaniya Hospital (Expansion)	+233	880.7	0.75%
Al Adan Hospital (Expansion)	+637	771.1	0.65%

- Two additional hospitals are being built in Ahmadi and Jahra areas with a joint capacity of 600 beds on a PPP basis by the Kuwait Health Assurance Company (KHAC) – also known as (Dhaman) to be completed by the end of 2022. The total cost of development is expected to be around USD 538.2 Mn. These hospitals will provide health care for expatriates employed in the private sector.[13]

Sources: [1]MOF, [2]World Bank, [3]CSB, [4]Al Salam Hospital, [5]Hadi Hospital, [6]Dar Al Shifa Hospital, [7]New Mowasat Hospital, [8]Royale Hayat Hospital, [9]Taiba Hospital, [10]Al Seef Hospital and [11]International Hospital, [12]Kuwait Vision 2035 Development Plan, [13]Dhaman Hospitals



Specialty Hospitals

MARKET FACTORS

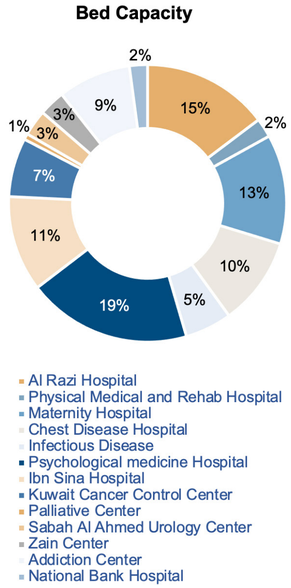
- A significant portion of the Kuwaiti population within the age group of 45 years and above suffers from a vast number of non-communicable diseases, which have been on the increasing end. Such diseases are mostly related to hereditary, lifestyle and dietary issues.

- A World Health Organization (WHO) report has noted that one in five adults is obese in the GCC.[1] As per the Global Obesity Observatory, published by the World Obesity Federation, Kuwait ranks amongst top 15 out of 200 countries globally in terms of obesity among adult males, 14th globally in terms of obesity among for adult females, 9th globally in terms of obesity among male children, and 14th globally in terms of obesity among female children.[2]

- The Kuwaiti healthcare system caters to people with specific ailments or medical conditions that require specialized treatment. Some of the specialty hospitals in the country are[3]:

Government Specialized Hospitals

Names	Specialty	Bed Capacity
Al Razi Hospital	Orthopedic	467
Physical Medical & Rehab Hospital	Physical Medical and Rehab	71
Maternity Hospital	Maternity	406
Chest Disease Hospital	Chest Disease	327
Infectious Disease	Infectious diseases	173
Psychological medicine Hospital	Psychology	607
Ibn Sina Hospital	Spinal	355
Kuwait Cancer Control Center	Cancer	218
Palliative Center	Life threatening illnesses	22
Sabah Al Ahmed Urology Center	Urology	96
Zain Center	ENT	96
Addiction Center	Addiction	270
National Bank Hospital	Pediatrics	67
Total		**3,178**



- The government spends a substantial number of resources to sponsor medical treatments for Kuwaitis with life threatening ailments. Kuwaitis can seek treatment for diseases in designated Arabic and foreign countries, the costs of which are covered by the government upon approval of treatment abroad by the General Medical Council.

- A number or private hospitals in the country have departments that cater to specialized diseases. In fact, private hospitals have witnessed a tremendous rise in the number of outpatients seeking consultancy related to cardiology, neurosurgery, and gastroenterology.[4]

- A number of specialty hospitals are being developed to provide quality healthcare in Kuwait that include[5]:

Names	Bed Capacity	Cost (USD Mn)	% of GDP
Children's Hospital	792	863.8	0.73%
Maternity Hospital	780	727.6	0.62%
Communicable Disease Hospital	224	188.4	0.16%
New building at Kuwait Cancer Center	618	584.4	0.50%
New building at Ibn Sina Hospital	296	332.2	0.28%

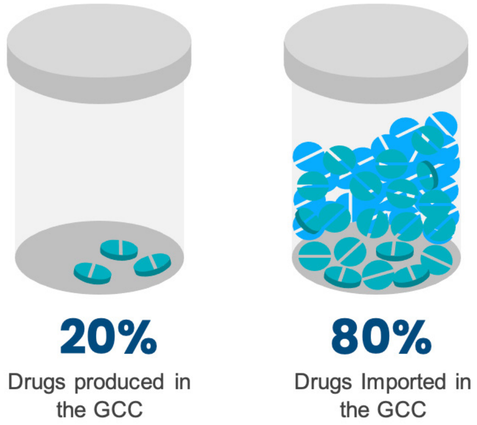
Sources: [1]WHO, [2]Global Obesity Observatory, [3]CSB, [4]OBG, [5]Kuwait Vision 2035.

Pharmaceutical Manufacturing

MARKET FACTORS

- The GCC market for pharmaceuticals is forecasted to grow to USD 20 Bn by 2025.

- The nature of the pharmaceutical markets among GCC members is identical and it is characterized by a huge demand for patented drugs that make up almost 75% of the total pharmaceutical market size in the GCC. It is estimated that around 80% of the drugs in the GCC are imported mainly from the USA and the EU.[2]



- Kuwait has one local manufacturing company operating namely the Kuwait Saudi Pharmaceutical Industries Company. This company was formed based on a partnership with the erstwhile Astra Pharmaceuticals (Swedish Company). The Company makes around 120 generic products that revolve around painkillers and antibiotics. These products are distributed locally and exported to the GCC and MENA region.

- A number of international pharmaceutical giants have a presence in the country including Pfizer, AstraZeneca, Bayer, Novartis and Johnson and Johnson. However, they are only able to distribute drugs in the country through partnerships with local distributors under their current licenses.

- The government usually retains control on the pricing of the drugs in the market through the Ministry of Health (MOH) and all private hospitals and pharmacies must abide by the pricing prescribed by the MOH.

- Kuwait Direct Investment Promotion Authority (KDIPA) issued investment licenses to a number of companies to establish legal investment entities in Kuwait in the health sector of which Roche for the Trade in Medicines, Equipment, Devices and Medical Supplies that will support the local pharmaceutical industry.

Sources: [1]Globe News Wire, [2]OBG.





Housing & Urban Development Sector

Sector Overview

Housing and Urban Development sector includes a number of mega infrastructural projects undertaken by the government. These projects revolve around the development of new sustainable residential cities in Kuwait with the intention of providing quality modern living housing facilities for the Kuwaiti population. The projects undertaken are of massive scale that the government chooses to utilize and activate the public private partnerships (PPP) in the development of several components of these projects.

Pillars of Kuwait National Vision 2035

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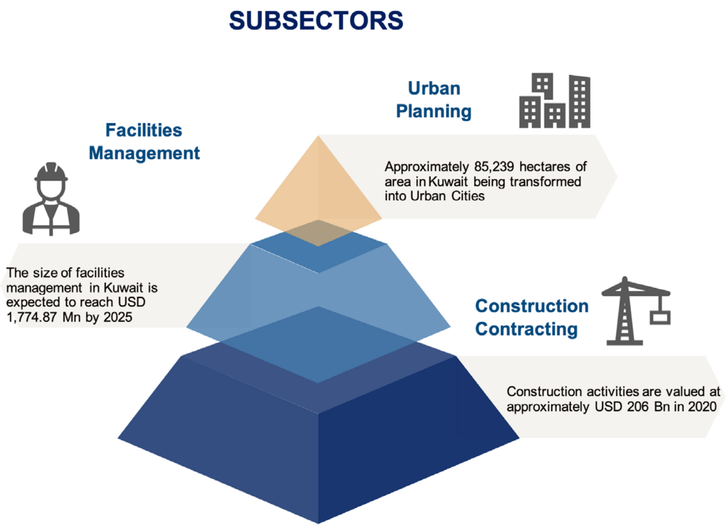
Sustainable Living Environment Pillar

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Sustainable Development Goals (SDGs) 2030

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Goal 11: Sustainable Cities & Communities
Goal 15: Life on Land



Kuwait offers interested investors a host of investment opportunities in urban planning, construction contracting, and facilities management projects in the field of housing and urban development to attain the goals of the National Vision 2035 and its development plans.



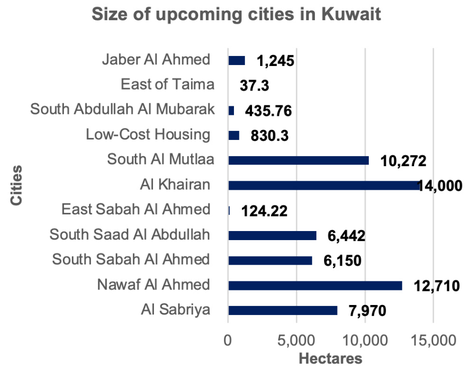
Urban Planning

MARKET FACTORS

- The Public Authority for Housing Welfare (PAHW) was established to provide the housing welfare services to eligible families, reduction of the waiting period for houses, and expanding the provision of various real estate products and services.

- PAHW collaborates with real estate developers to implement the development of a number of cities/housing projects. Some of the Projects are listed below[2]:

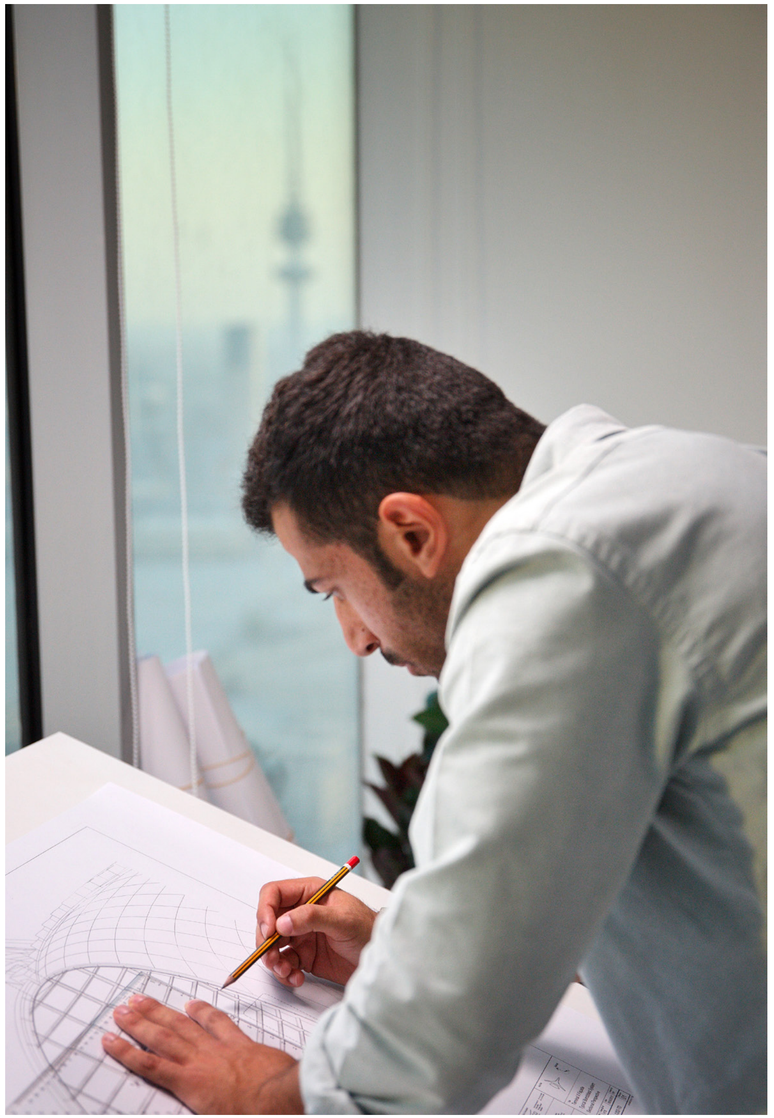
City Name	Areas (Hectares)
Al Sabriya	7,970
Nawaf Al Ahmed	12,710
South Sabah Al Ahmed	6,150
South Saad Al Abdullah	6,442
East Sabah Al Ahmed	124.22
Al Khairan	14,000
South Al Mutlaa	10,272
Low-Cost Housing	830.30
South Abdullah Al Mubarak	435.76
East of Taima	37.3
Jaber Al Ahmed	1,245



- Several real estate developers in the private sector have launched large scale projects at varying stages of development, of which:

Developer	Project Name	Area (Hectares)	Use
KIPCO	Hessah Al Mubarak	22.7	Multi Use[3]
Al Tamdeen Group	Madinat Al Hareer (Silk City)	25,000	Multi Use[4]

Sources: [1]PAHW, [2]Kuwait Vision 2035 , [3]KIPCO, [4]Al Tamdeen Group.



Construction Contracting

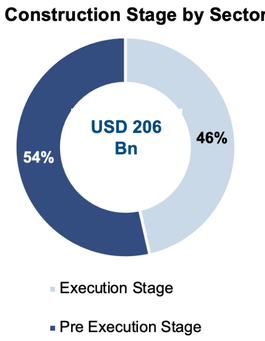
MARKET FACTORS

- The government has launched several infrastructural projects in the country within the real estate, healthcare, oil and gas, transport, and other sectors, to be procured at a value of approximately USD 206 Bn in 2020.[1] Most of the projects have been launched taking into consideration the young demography of the country and its growing needs for housing, electricity and water, transport, and healthcare.

- The real estate sector is the largest sector in demand for construction activities comprising 39% of the total, followed by the oil and gas sector at 25% and Air, Maritime and Transport in the third position at 24%.[1]

- Around 46% of the infrastructure projects were in the execution stage, the remaining projects at 54% were at varied stages of pre-execution including study, planning and design.[1]

- There is a large number of construction companies present in Kuwait, with varying ability to execute massive projects.



Sources: [1]Gulf Bank.



Facilities Management

MARKET FACTORS

- The size of the Facilities Management sector in Kuwait was estimated to be around USD 1.2 Bn in 2019. This is expected to grow to USD 1.99 Bn by 2030.[1]

- Kuwait has invested in infrastructure related to airports, hotels, and resorts. The need to provide tourists with facilities of international standards will increase the demand for effective facility management in the hospitality sector.

- Demand in this sector is driven from three different segments:
  - The government of Kuwait tendered many infrastructural projects including housing, schools, universities, and hospitals, mostly on a PPP basis. As part of such arrangement, the participation of a facility management company with international experience is a mandatory requirement.
  - Private residential owners with demand for high quality housing are expected to be catered to by professional facility managers.
  - Private companies intend to optimize their operations, there by outsourcing their non-core activities, that helps to reduce costs.
  - The rise of climate and environmental consciousness requires facility management services to be provided through eco-friendly solutions

- Major players within the facility management sector include local companies and several international companies, that include:
  - Tanzifco Company (W.L.L)
  - Magnaflux Corp.
  - Al Mulla Group
  - Alghanim International General Trading & Contracting Co. (W.L.L)
  - United Facilities Management Company (K.S.C.C)
  - ENGIE Services General Contracting for Buildings Company (W.L.L)
  - Al Mazaya Holding Company (K.S.C.P)
  - Ecovert FM
  - Kharafi National FM
  - PIMCO Kuwait

Source: [1]Business Wire.





Air, Maritime & Land Transport Sector

Sector Overview

Transport infrastructure projects in Kuwait envisions massive outlays in billions of Kuwaiti Dinars towards the expansion and development of transport infrastructure in the country. These projects will greatly benefit the population, improve international trade, and contribute to economic diversification.

Pillars of Kuwait National Vision 2035

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Developed Infrastructure Pillar

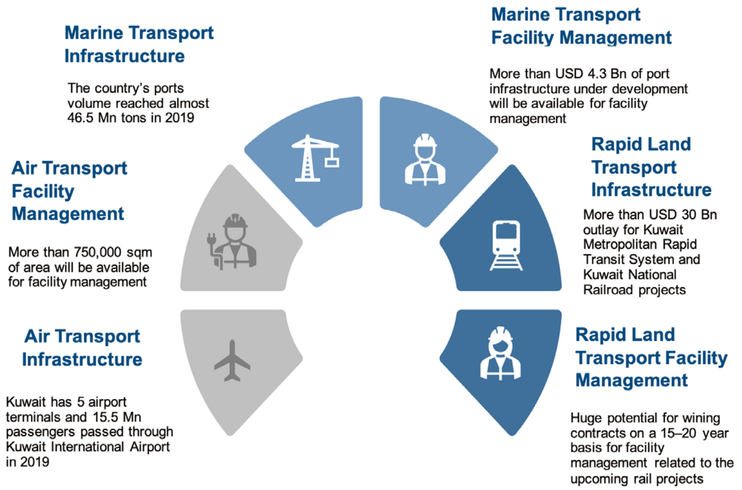
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Sustainable Development Goals (SDGs) 2030

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Goal 9: Industry, Innovation & Infrastructure
Goal 11: Sustainable Cities & Communities
Goal 15: Life on Land

SUBSECTORS



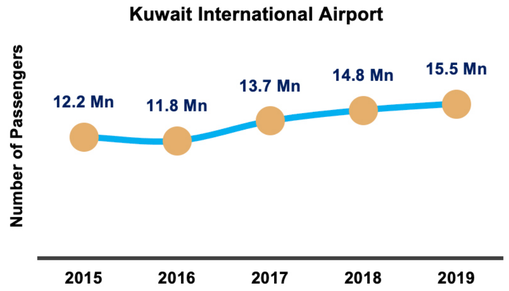
Kuwait offers interested investors a host of mega investment opportunities in air, marine and rail transport infrastructure, and facility management projects for interested investors to attain the goals of the National Vision 2035 and its development plans.



Air Transport Infrastructure

MARKET FACTORS

- Kuwait's annual number of air traffic passengers reached 15.5 Mn in 2019 as compared to 14.8 Mn in 2018, a hike of 4.38%.[1]



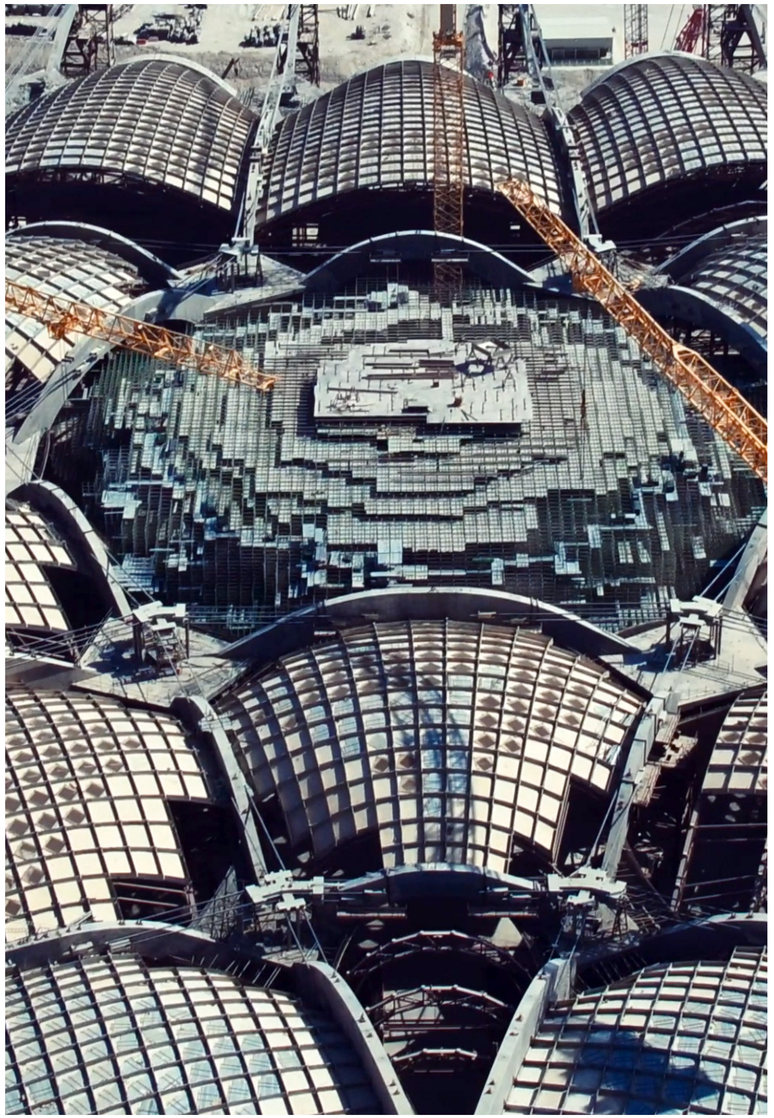
- The onset of COVID-19 pandemic in 2020 resulted in a dramatic fall in passengers because of lockdowns and travel restrictions implemented worldwide. Travel restrictions continued to be prevalent for a major part of 2021. However, the advent of vaccines to tackle COVID-19 and its administration worldwide have led to a dramatic fall in infections resulting in the lifting of travel restrictions. The gradual return to life normalcy in Kuwait and the steady increase of the capacity of passengers at the airport will result in passengers' levels returning to pre-COVID-19 pandemic levels.

- Kuwait International Airport (KIA) is presently comprised of 5 terminal buildings, as follows:
  - Terminal 1 – It is KIA main terminal used for housing arrival and departure flights, consists of 16 with an area of approximately 190,000 sqm.
  - Terminal 2 – is the upcoming new terminal of KIA. It is spread over 750,000 sqm. It will have 28 gates, 4,500 car parking lots and a 400-room air-side hotel. The airport can handle up to 25 Mn passengers annually. The airport is currently under construction and is being developed at a total cost of USD 4.3 Bn and expected to be completed by 2024.[2,3]
  - Terminal 3 – Sheikh Saad General Aviation Terminal is used exclusively by regional airlines. This terminal is currently closed due to work on Terminal 2.
  - Terminal 4 – Built in late 2018 and is used exclusively by Kuwait Airways. It covers an area of 55,000 sqm and has the capacity to handle up to 4.5 Mn passengers annually. It has a dedicated 2,400 car parking lots.
  - Terminal 5 - Built in mid-2018 and is dedicated to Kuwait's low budget airline Al-Jazeera Airways. It covers an area of 4,750 sqm and has a 350-car parking facility.

- Terminal 2 is expected to generate approximately 15,000 jobs for Kuwaitis once it is commissioned. It will be the face of Kuwait in the new era utilized to boost travel and tourism to the country.[4]

- The government has launched the development of the Eastern runway at KIA for receiving large aircrafts such as the A380 as well as adding a new control tower and bringing the latest navigation technologies.[5]

Sources: [1]CSB, [2]MPW, [3]Foster+Partners, [4]Kuwait Times, [5]Kuwait Vision 2035.

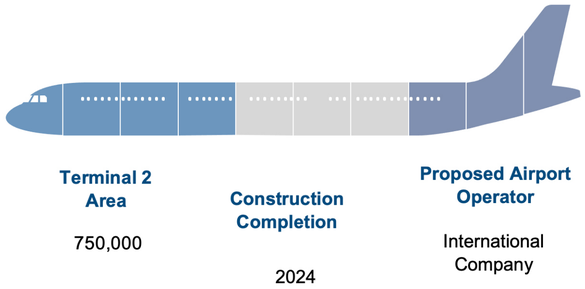


Air Transport Facility Management

MARKET FACTORS

- Companies specialized in Operation and Facility Management of airports are often utilized by the Civil Aviation Authority for managing the airport terminals. These companies include international and local companies.

- Kuwait is constructing a new terminal, KIA – Terminal 2. The terminal is expected to be completed by 2024 with an area of approximately 750,000 sqm. The airport is currently under construction and on completion, the FM of the airport is expected to be tendered to private players who are experienced in airport operations and FM.[1, 2]



- It was recently announced that the DGCA in Kuwait would launch a limited tender for procuring an international operator for Terminal 2. The tender encompasses a two-year training period for employees for operating the airport. It also includes reviewing all service presenters and contracts at the airport, ground services, passenger terminals and aviation operators for ensuring that all terminals operate as one system and one airport with connected facilities.[6]

Sources: [1]MPW, [2]Kuwait Vision 2035, [3]Airport Technology, [4]P&S Market Research, [5]Zawya, [6]Kuwait Times.



Maritime Transport Infrastructure

MARKET FACTORS

- International trade is vital to the economy of Kuwait. While Kuwait exports millions of barrels of oil per day, it conversely imports a lot of consumer, intermediate, and capital goods to sustain the demand of the local economy.

- Kuwait's main line of trade has been the sea. Kuwait has three main ports; their details are[1]:

Ports	Total Area (sqm)	Total Basin Area (sqm)	Total Piers	Warehouse Areas (sqm)
Shuwaikh Port	4.4 m	1.2 m	21	Open storage – 450,000 Warehouse storage – 170,000
Shuaiba Port	3.8 m	1 m	20	14,500
Doha Port	650,000	157,000	10	50,000

- The country's ports volume reached 34.8 Mn tons in 2020, lower than its level in 2019 which recorded almost 46.5 Mn tons showing growth at a CAGR of 3.03% from the year 2015 to 2019 when the total ports volume was 41.3 Mn tons.[2]

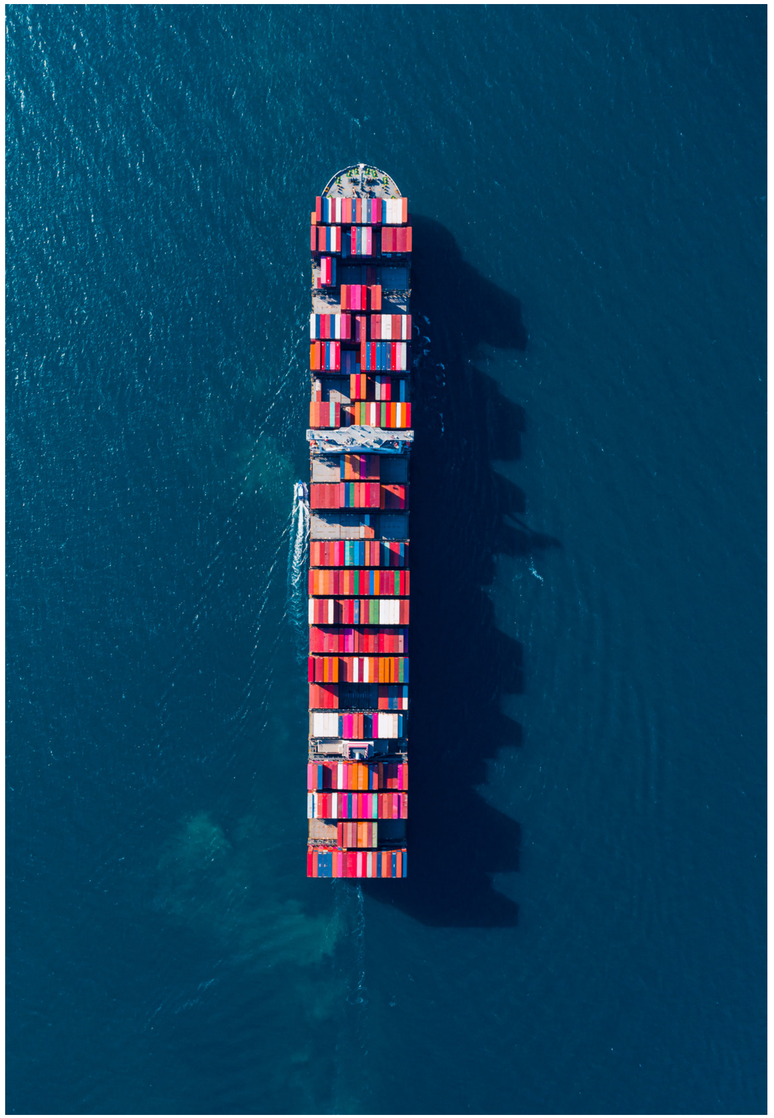
- The government launched substantial amount of investment to be injected into infrastructural developments including the expansion and renovation of existing ports and the development of new ports and facilities in the country. Some of the projects undertaken are[3]:

Projects	Cost (USD Mn)	% of GDP
Development and expansion of Shuwaikh Port	548.2	0.46%
Development and expansion of Shuaiba Port	358.8	0.30%
Development and expansion of the Doha Port	265.8	0.23%
Development of the new Mubarak Al Kabeer Port	3,291.7	2.79%
Connecting Ports to an Integrated System	6.6	0.01%
Deepening the navigation corridor between Ras Al-Ardh and Failaka Island, and deepening the island's transportation port	18.6	0.02%

- The development of a dry port is planned over a 1 Mn sqm area west of Shuaiba Port with a bridge linking the dry port to Shuaiba Port. Also in the pipeline is a smart port project.[4]

- Kuwait has several existing marinas including the Yacht Club, Souq Sharq Marina, Ras Al Ard Marina, Sabah Al Ahmed Sea City Marina, and Marina Beach. Two additional marinas are planned called Marafi Fintas and Al Mahboula Marina which will be developed over a land area of 365,000 sqm and a 1.8 km waterfront. It will be able to accommodate 2,000 boats, 800 yachts, shops, restaurants, and hotels.[5]

Sources: [1]CSB, [2]KPA, [3]Kuwait Vision 2035 , [4]International Shipping Agency Co., [5]Zawya.



Maritime Transport Facility Management

MARKET FACTORS

- The government of Kuwait is investing substantially in marine infrastructure through mega projects that are expected to boost international trade and contribute positively to the economic growth of the country.[1]

- The vast outlay of funds approximating to more than USD 4.3 Bn allocated towards ports infrastructure. This investment in marine infrastructure will only be viable if the ports and their facilities are maintained appropriately as maritime assets are always exposed to harsh environments. It is paramount that these assets are maintained with a future outlook to ensure that the assets function at the planned capacity and capabilities.

- The Marine Transport Facilities Management sector is at a basic stage in Kuwait. There is a scarcity in the market for specialists who can carry out planned and reactive maintenance of marine facilities. Marine facility management demands an operational understanding to ensure that assets can achieve their intended function.

Sources:[1]Kuwait Vision 2035.



Rapid Land Transport Infrastructure

MARKET FACTORS

- Kuwait had around 2,375,917 registered vehicles in December 2020, compared to 2,368,680 registered vehicles in December 2019.

- The government has proposed two strategic projects that represent a USD 30 Bn outlay and involve development over several phases that may require multiple levels of tendering, they are:
  - Kuwait Metropolitan Rapid Transit (KMRT) System Project which involves the development of a metro network in Kuwait. The metro rail system will stretch for 160 kms, connect the inner areas of the country and will be serviced by 68 stations from Kuwait City to the south and north regions. The construction of the metro will be over 5 phases. It is estimated to cost around USD 20 Bn[1] and will be built on a PPP basis with the government owning 10%, private investors owning 40% and the remaining 50% being raised through an Initial Public Offering (IPO).[2]
  - Kuwait National Railroad (KNRR) project involves the construction of a railway system that stretches over 5743 kilometers connecting Kuwait airport, seaports and other GCC countries. The project is expected to cost around USD 10 Bn and will be built on a PPP basis with the government owning 6%, private investors 44% and the remaining 50% being raised through an Initial Public Offering (IPO). 70% of the project's revenue is expected to be generated through freight although there are also provisions for passenger services.[4]

Sources: [1]Railway Pro, [2]Railway Technology, [3]KAPP, [4]International Railway Journal.



Rapid Land Transport Facility Management

MARKET FACTORS

- The KMRT project and KNRR rail project in Kuwait represent mega infrastructural projects undertaken by the government in land transport in the country.

- The operation and facility management of these projects will be a priority for the government when commissioned. Since there are no existing railway projects in Kuwait, the local market does not have experienced companies in rail operation and facility management.

- The Railway Facility Management Services sector is very promising in Kuwait, considering that operation and facility management contracts are tendered by the government on a long-term basis, similar to projects in other GCC countries.

Sources: [1]Gulf News, [2]Alstom, [3]Railway Technology.





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.

Pillars of Kuwait National Vision 2035

↓

Sustainable Diversified Economy Pillar

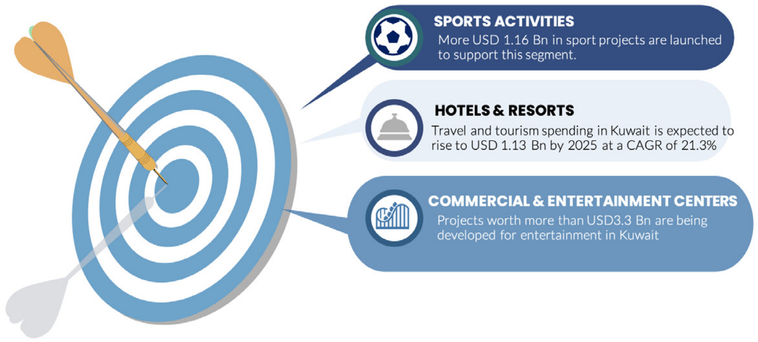
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Sustainable Development Goals (SDGs) 2030

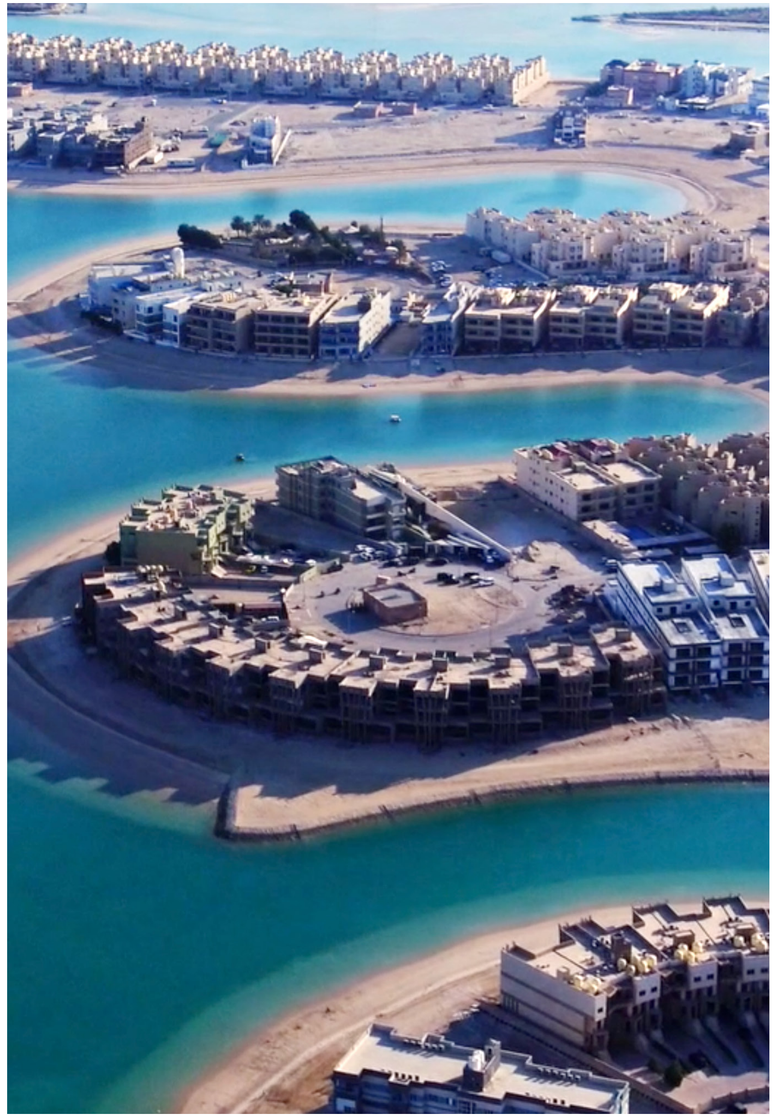
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Goal 8. Decent Work & Economic Growth
Goal 9: Industry, Innovation & Infrastructure
Goal 11: Sustainable Cities & Communities
Goal 12: Responsible Consumption & Production

SUBSECTORS



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 sporting facilities.

- The Public Authority for Sports is the government entity responsible for the promotion of sports and related activities in the country.

- 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:

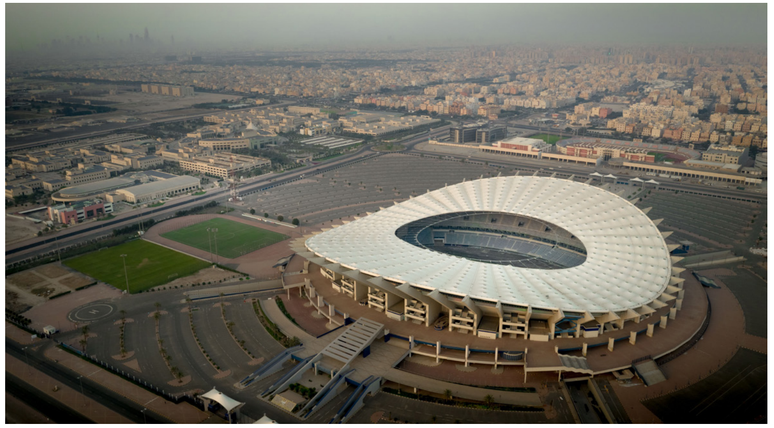
Games	Venue
Archery	National Archery Center
Basketball	All main sport clubs in Kuwait
Bowling	Kuwait Bowling Sporting Club, Cozmo Entertainment, Silver Towers, Hunting and Equestrian Club, Holiday Inn Hotel and Safir International Hotel
Equestrian	Hunting and Equestrian Club
Swimming	Swimming Pool Complex
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	– 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 – 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	– Bulldozer – Champions – Fitness First – Flex – Iron Man – Oxygen – Platinum – Ras Salmiya – Rush – Spark – Stretch – 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 sporting projects in the country, which include[2]:

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: [1]MOF, [2]Kuwait Vision 2035.



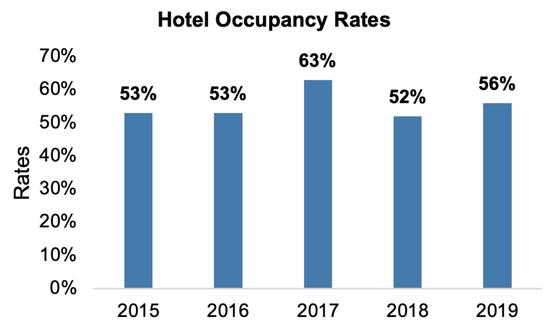
Hotels & Resorts

MARKET FACTORS

- In 2019, Kuwait had the following hotel inventory[1]:

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 are[5]:

Name	Opening Year	Location	Rooms	Star
Grand Hyatt	2022	360 Mall	302	5
Waldorf Astoria	2021	The Avenues Mall	200	5
International Hotel 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: [1]CSB, [2]Statista, [3]Hospitality News Middle East, [4]MEED, [5]Kuwait Hotel Owners Association (KHOA), [6]Marriott, [7]Hotel News Resource, [8]Hotelier Middle East, [9]Zawya, [10]The 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 include[3]:

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: [1]CSB, [2]AlJarida, [3]Kuwait Vision 2035.

