



KUWAIT

What's happening in this economy

- Kuwait is a small wealthy trading nation.
- Six per cent of the world's proven oil reserves are located in Kuwait.
- Kuwait's economy is dependent on the oil sector, accounting for 55 per cent of its GDP and 90 per cent of government revenue.
- The Kuwait Investment Authority (KIA) is the fourth largest sovereign wealth fund in the world with assets worth A\$870 billion and drives non-oil revenue growth. In 2018, KIA generated record foreign investment income of A\$30 billion, following higher returns on overseas investments.
- Kuwait imports nearly all of its major manufactured products and consumer goods. Almost 98 per cent of its food is imported.
- The Government is seeking to diversify the economy away from the oil sector and transform the country into a regional financial and commercial hub for the northern Gulf – a central pillar of the government's wide ranging New Kuwait Vision 2035.
- New Kuwait Vision 2035 is the government's long-term economic development policy to attract foreign investment, build private sector growth and lift capacity in the fields of renewable energy, information technology and the services sector.
- Infrastructure development is a key component of the economic development plan. The government has spent USD60 billion in infrastructure investment with a further USD100 billion in future investment to implement the plan. Major projects include: expansion of the Kuwait International Airport; sea port infrastructure development; sustainable water and electricity power generation (including renewables); public housing and improved education and health services.
- Small and Medium Enterprises (SMEs) account for just 3 per cent of GDP. The government has established a USD6.6 billion capital fund (SME Fund) to encourage private sector growth by financing up to 80 per cent of SME start-up capital through low-interest loans.
- Fitch Ratings and Standard and Poor's re-affirmed Kuwait's credit AA rating with a stable outlook. Kuwaiti equities are expected to attract foreign investors following the Kuwait Stock Exchange's (Boursa Kuwait) inclusion in the FTSE Russell Emerging markets index and the global index compiler MSCI's upgrade of the stock exchange to emerging market status in 2019.

Key facts and figures - 2018

- Population: 4.6 million (includes over 3.0 million foreign workers).
- GDP growth: 1.7%.
- GDP per capita: USD30,389.
- Political system: Democratic constitutional emirate ruled by the Sabah family.
- Two-way trade: A\$653 million - Australia imports fertiliser from Kuwait and exports a range agricultural products including wheat, dairy and food products and, education and travel services.
- Two way Investment was worth A\$10.8 billion.
- Kuwait's investment in Australia was worth A\$10.7 billion and mostly in infrastructure, real estate, portfolio and resources.



Trade, investment and commercial opportunities and activities

- Australia's bilateral trade relationship with Kuwait is significant, with two-way trade amounting to about A\$653 million in 2018 (excluding exports trans-shipped through Dubai).
- Kuwait is a large and growing market for Australian wheat, dairy, meat, fruits and vegetables. In 2018, Kuwait imported 20 per cent and 44 per cent of Australia's wheat and dairy exports to the Middle East.
- Kuwait is a major investor in Australia. The Australia Embassy in Kuwait estimates investment of about USD16 billion dollars in a range of sectors including infrastructure, real estate, equities and resources.
- The KIA is estimated to have investments of about USD8 billion in Australia. The KIA regards Australia as an attractive investment destination with opportunities in renewables, healthcare, transportation and brownfield infrastructure.
- The Kuwait Foreign Petroleum Exploration Company (KUFPEC) has around USD7.7 billion invested in Australia in a number of oil and gas fields and is a partner in the Wheatstone LNG project. KUFPEC and Woodside Energy are developing potential oil and gas exploration projects in the North West Shelf.
- There are business opportunities for Australian companies across the Kuwaiti economy – notably in the energy sector (including renewables), non-oil infrastructure (e.g. construction of transport facilities, utilities (power and water)), healthcare, educational institutions, knowledge-based industries, higher education/vocational training, agribusiness, aquaculture, food, and environmental remediation and restoration.
- Kuwait is Australia's fourth largest Middle East and North Africa higher education services market with approximately 500 Kuwaiti students studying in Australia in 2018.
- Two private education providers - Australian College of Kuwait and Box Hill College of Kuwait – have well-established campuses in Kuwait with a combined total of approximately 4000 students. These institutions have quality assurance and accreditation with Australian institutions.

Trade policy/negotiations

- Kuwait became a GATT signatory in 1963 and has been a WTO 'developing country' member since 1995.

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