Kuwait's central location in building cross-border supply chains key to promoting trade, say experts at KIF 2018

Date: March 21, 2018

Kuwait, March 21, 2018: Kuwait's central location plays a key role in building cross-border supply chains that can ramp up trade and build a prosperous economy, said experts at a discussion on 'Trade Facilitation: A Driver for Development' on the opening day of the Kuwait Investment Forum 2018 (KIF 2018). Discussing the factors central to fostering trade facilitation, the panel highlighted Kuwait's ecosystem of logistics services, and the nation's leading position in integrated logistics services.

Sheikh Salman Al-Humoud Al-Sabah, Director-General of Kuwait's General Directorate of Civil Aviation; Mr. Jamal Al Jalawi – Director-General, Kuwait General Administration of Customs; Mr. Osamah Al-Nisf – Board Member, Kuwait Chamber of Commerce and Industry; Mr. Majed B. Jamaluddin – Board Advisor and Chief Economist at Kuwait Chamber of Commerce and Industry; and Mr. Tarek Sultan – Chief Executive Officer and Vice Chairman, Agility Kuwait, stressed that advancing land, sea and air transport facilities are central to driving development.

Highlighting the investment landscape in the aviation sector, Sheikh Salman Al-Humoud AlSabah said that the Kuwait International Airport recorded a growth of 17 per cent in passenger arrivals and 34 per cent in cargo in 2017, underlining that public private partnerships have a central role in expanding aviation services. He said, in approved future projects, for the coming 20 years, Kuwait will execute infrastructure development projects at an expected investment of nearly $20 billion, of which terminal 2 is the most important. "Increased cooperation in different fields, such as managing and operating terminal, airlines catering, fuelling, aircraft maintenance, air navigation services as well as passenger and cargo handling will be provided by private sector."

Among the highlights of the expansion programme for the aviation sector of Kuwait are:

- The construction works in Terminal 2 & Terminal 3 has started and is expected to be completed in 2022 with a capacity of 25 million passengers annually

- The new terminal is expected to create 12,000 job opportunities for engineers and skilled workers especially young Kuwaitis, and to achieve additional annual revenues of $300 million.

• The new Cargo City at Kuwait International airport (First phase) is one of the most important projects in the State's developmental plan, built on 3 million square meters, it will be the largest cargo city in the middle east. Its first phase will have 67 freighter stations of A380 and B747.

• KU has a planned to modernize and expand its fleet of aircrafts to meet its expanded network, which will help the company increase its market share in the region. The #KIF2018 2 approximate cost of the modernization plan is $5 billion. The company bought (10) B777 at $2 billion cost and leased (15) A350 at $3 billion cost.

• Passenger traffic in Kuwait is expected to reach 42 million passengers; a new airport in the northern part of the country with 25 million passenger annual capacity is planned. The expected investment to would be around $12 billion and will offer 4,000 job opportunities.

• Aiming at upgrading Kuwait airport classification from CAT 2 to CAT 3 complying with International Civil Aviation organization recommendations, a special tunnel is planned to link the cargo city with Terminal 2 to ease movement inside the airport. The expected cost of this project is $6 billion.

• Kuwait Directorate General of Civil Aviation intends to build fourth runway at the cost of $450 million.

Mr. Jamal Al Jalawi focused on the enhancement of customs services. He said: "We are taking strong initiatives to minimize the cost of customs and to digitize document clearance to facilitate faster operations. The private sector can play a key role in driving this, and we are already working with private sector partners on various aspects that enhances our operational efficiency. We are also working with the government to remove any contradictions pertaining to the customs regulations."

Mr. Tarek Sultan, said with the US$100 billion in infrastructure investments, the government is already focused on driving growth and addressing the gaps. "Complexity is a component of opportunity, and we see, in our work with partners, how challenges are being converted into opportunities. In helping achieve the goals of Vision 2035, it is important to empower the youth and to create opportunities in the ecommerce sector. The new economic zone envisaged as part of the vision will accelerate this."

Mr. Majed B. Jamaluddin said: "The first task is to develop as a commercial centre, which in turn, will also position Kuwait as the financial hub, and stronger trade facilitation initiatives will not only accelerate trade but also decrease costs, opening up new opportunities for growth. Ports are important to our history, and our future will depend on port activity."

Mr. Osamah Al-Nisf highlighted the role of innovation in strengthening the economic diversification initiatives that support the New Kuwait, adding that it is important to underpin strong performance indicators across the logistics, aviation and ports

sectors. He said that public private partnerships will play a central role in shaping the new development narrative of the country.

Held under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber, KIF 2018 is co-organised by the Kuwait Direct Investment Promotion Authority (KDIPA), and the Kuwait Chamber of Commerce and Industry (KCCI) at the Bayan Palace and the Jaber Al-Ahmad Cultural Centre (JACC).

The event builds on the positive momentum gained globally following the country's commitment to the Kuwait 2035 roadmap that aims to transform the nation into a world-class financial and commercial centre. For more details, visit: kif.kdipa.gov.kw

For more information, please contact:

Fatma Al-Sabah
Head of Public Relations
KDIPA

f_alsabah@kdipa.gov.kw