

KIF 2018 highlights lucrative investment opportunities in Kuwait for private sector and foreign investors

Kuwait, March 21, 2018: An interactive session on the second day of the Kuwait Investment Forum (KIF 2018) highlighted the focus of the country to drive digital transformation and presented investments opportunities in diverse sectors ranging from ICT projects, new city developments, modern oil industries, road and transport projects, industrial development, tourism and sports facilities.

The session on **‘Investment Opportunities: Lucrative Options in Dynamic Sectors’** was addressed by: Eng. Salim Muthib Al-Ozainah – Chairman of the Board and Chief Executive Officer of the Communication and Information Technology Regulatory Authority, Kuwait; Dr. Khaled Mahdi – Secretary-General, Supreme Council for Planning and Development; Mr. Mutlaq Al Sanei – General Manager, Kuwait Authority for Partnership Projects; Eng. Ahmed Al-Hassan – Director-General, Public Authority for Roads and Transportation, Kuwait; Mr. Abdulkarim Taqi – General Manager of Public Authority for Industry, Kuwait; Mrs. Wafaa Yousef Al-Zaabi – Managing Director for Planning and Finance, Kuwait Petroleum Corporation; Mr. Abdulwahab Ahmed Al-Marzouq – Chief Executive Officer, Touristic Enterprises Company, Kuwait; Eng. Manaf Al-Hajeri – Chief Executive Officer, Kuwait Financial Centre (Markaz); Mrs. Hadeel Bin Naji – Deputy Director-General for Investments & Private Sector Projects, Public Authority for Housing Welfare, Kuwait; and Ms. Ebru Özdemir – Chairwoman, Limak Investments, Turkey.

Eng. Salim Muthib Al-Ozainah said: “The Middle East has not reached its full potential in global communications traffic due to existing connectivity and infrastructure limitations. While the annual growth rate was 40% in eight years through the Internet of Things, Smart Cities and cloud computing, the Middle East region is projected to reach 2 zettabytes of data by 2020. By accessing markets such as Iran and Iraq, we want to underline our credentials in the digital economy globally. Attractive laws and benefits, neutrality & open access, and easy access to all regional market are our strengths that will appeal to global investors in our ICT sector.”



Dr. Khaled Mahdi said: “The New Kuwait plan will address all concerns regarding our growth strategy. We have tech-savvy young human capital with 82% mobile penetration, strong ratings and the fundamentals for a prosperous future. We had a very structured development plan starting with legislative reforms from 2010 to 2015, to infrastructure building, increased private sector engagement, building a knowledge-based economy and building the New Kuwait. One of our key priorities must be to address the gaps relating to human capital development to prepare our nation for the Fourth Industrial Revolution. We are also focused on strengthening our SME sector, with the National Fund not serving now as a funding agency but as an incubator. We offer several incentives for youth to drive their entrepreneurship, including commercial sabbaticals.”

Mr. Mutlaq Al Sanei said: “We have notable success stories in public private partnerships, and we are committed to promoting PPPs, especially in aligned with the Vision 2035. The key sectors that the Kuwait Authority for Partnership Projects is involved in are power, real estate, solid waste management and water/wastewater. With the PPP law passed as early as 2008 and revised in 2014, we have a transparent approach to supporting such projects with a focus on guaranteeing investor rights and obligations.”

Eng. Ahmed Al-Hassan said: “We have over 82 projects at total value of over KD634 million being implemented from 2013 to 2026. These are in four different sections with current projects – all 24 of them – valued at KD2.6 billion. With 14 tenders to be floated this year, we are focused on strengthening our roads and bridges infrastructure as it is integral to achieving Vision 2035. Within five years, we are 2007 to 2013, we spent KD545 million but in past five years, total amount increased to KD1.6 billion. That shows how much money we are investing in completion of projects, highlighting that government has decided to upgrade infrastructure. We are now KD458 million this fiscal year, and another KD500 million next year.”

Mr. Abdulkarim Taqi presented an overview of the Al Nayeem Industrial city, offering easy access to the Mubarak Al Kabeer Port, and with the capability to attract international expertise in establishing and managing the city of Nayeem. “It marks our focus on shifting from creating industrial zones to smart integrated cities, that complements the goals of Kuwait 2035. The Al Nayeem Industrial City will focus on diversifying our industrial base, bringing high-end technology and creating higher value-add. It will be an innovative, green city development, powered by solar energy, and with smart buildings.”



Mrs. Wafaa Yousef Al-Zaabi said: “We have a clear strategy to promote investment by the private sector. Our current focus, outlined in our strategic direction for 2040, is to develop upstream activity to increase crude production oil capacity to 4.75 million bpd by 2040 and also to increase natural gas production to 2.5 bcf/d. We are targeting 2 million bpd refining capacity by 2035, and maximising value of integrating refining and petrochemical processes, in addition to expanding downstream derivatives and specialty chemicals. Our expected CAPEX for the next five years is US\$114 billion and an additional US\$394 billion to 2040. Nearly 76% of our CAPEX will be on domestic upstream.”

Mr. Abdulwahab Ahmed Al-Marzouq said: “The overall contribution of the tourism sector to Kuwait’s economy is currently poor when compared to other countries in the Gulf region with total contribution to GDP at only 5% valued at US\$6.6 billion and 137,000 jobs created. However, Kuwait has the biggest internal domestic demand and the largest outbound expenditure per capita on travel and tourism in the entire Gulf region. Developing a national tourism sector is a key pillar of the New Kuwait, and we are reaching out to the private sector to join hands in several ambitious projects.”

Mrs. Hadeel Bin Naji described the opportunities for the private sector to take part in the housing projects under PAHW, stating the authority had handed over 45,749 units in the past five years, representing over 47% of the units handed over from 1956 to 2013. “The key shift in our operations is to enhance our capacity from developing districts to cities, and seeking to deliver them in partnership with the private sector. Our long-term strategy is to develop sustainable housing and to provide urban communities with a secure livelihood for Kuwaiti citizens.” She said that the ongoing five major projects of PAHW have ample opportunities for the private sector to partner in areas including retail, healthcare, hospitality and residential developments, among others.

Ms. Ebru Özdemir explained that the work on the Kuwait International Airport Terminal Phase 2, which the Turkish company is developing, is progressing as per schedule with several construction milestones already achieved. She said the forward looking and open development approach of Kuwait is a driver for inward investments, and said her company will work with Kuwaiti entities and investors to explore opportunities in new markets.

Eng. Manaf Al-Hajeri introduced the panelists and said the lucrative opportunities in Kuwait in several high-growth areas will support foreign direct investment and greater private sector collaboration highlighting the role of the government in serving as a facilitator.



At the event, several projects that open doors for investments in high-growth were highlighted. These include:

- Kuwait's National ICT Plan is to build a regional telecom corridor cable that links Kuwait and Iraq to Turkey.
- Plans to expand the regional corridor to reach areas such as Fujairah, Jeddah and Oman, as well as to create an Internet Exchange Point for the region.
- Kuwait's Touristic Enterprises Company has several projects including the VIP Terminal at the Kuwait International Airport, with an investment of KD16.97 million
- Developing the RAs Al Ardh Club in an area of over 35,750 square metres, at a cost of KD7.69 million
- The Messilah beach development valued at KD12.41million; and the Egaila Beach at KD9.15 million; and rest areas at a cost of KD2.79 million
- The Sahabiya Park is also being rejuvenated at a cost of KD12.85 million in addition to a Touristic Park at KD6.05 million
- The Balat Waterfront project is developed at KD95 million, with three districts for culture, well-being and leisure
- 82 projects at total value of over KD634 million being implemented from 2013 to 2026
- Most projects started this year valued at KD1.2 billion will be completed by 2021-22.
- Several new projects will be tendered next year to finish by 2021, costing over KD331 million.
- In addition, nine tenders KD1.7billion will be issued in 2020, to be finished between 2023-26.
- The new Al-Nayeem Industrial City, which will dedicate 30% space to medium industry, 22% to light industry as well as other amenities such as hotels, leisure centres and more; 33% of land will be devoted to metal works, 24% in mining, 17% textile, paper & wood, and 13% in chemicals.
- Kuwait Petroleum Corporation's focus is on upgrading existing refining capacity with several projects coming online soon including the Clean Fuels Project and several opportunities for the private sector including foreign investors
- KPC is also expanding overseas with projects in Vietnam and Oman and potential investments in Asia in refining and petrochemical processes.
- KPC is building a solar plant of 1.5GW by 2020.
- KPC has implemented a Local Content strategy to boost private sector participation with the goal of offering at least 10 opportunities by 2025, and enhance PPPs by at least four opportunities by 2020 and another five by 2025. The contribution of local content has already reached US\$4.5 billion.
- Another key plan is to open 43 fuel stations through local SMEs.



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.

KIF2018 has remarkable confirmed guest speakers including prominent public officials, leading Kuwaiti business and financial community, as well as prominent international business executives. For more details, visit: kif.kdipa.gov.kw

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Note to Editors

About Kuwait Investment Forum 2018:

Under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, the second edition of the Kuwait Investment Forum (KIF2018) to be held March 20 and 21, 2018, at the Jaber Al-Ahmad Cultural Centre (JACC), Kuwait City, supports the concerted efforts to boosting Kuwait's economy and improving its business competitiveness.

The two-day forum is co-organised by the Kuwait Direct Investment Promotion Authority (KDIPA), and the Kuwait Chamber of Commerce and Industry (KCCI). It aims to reaffirm the government's interest in promoting and facilitating value-added investments into Kuwait's dynamic market, which focuses on the private sector leading economic activity, innovation and competitiveness.

Supporting the Kuwait Vision 2035, KIF 2018 will provide an interactive platform that brings together high-ranking government officials, local and foreign investors, industry leaders and executives, consultants and financial institutions, to showcase developments that underline Kuwait's business environment, investment opportunities, and emerging trends.

www.kif.kdipa.gov.kw

About Kuwait Business Climate:

Among the drivers of Kuwait's investment landscape are its central location, effortless connectivity, high quality of life, modern infrastructure, robust legal framework, strong macroeconomic fundamentals, sound banking system and low political risk. Kuwait ranks 30 of 137 countries for its overall macroeconomic environment, as per the World Economic Forum Global Competitiveness Report 2017-18, in addition to being ranked as the world's third most attractive tax regime.



The country ranks 96th in the World Bank Ease of Doing Business Report, higher than the Middle East average, and has an Economic Freedom Score of 62.2, making it the 5th freest in the region. With its uniquely democratic and stable government, Kuwait benefits from a National Constitution that embraces liberal, democratic values.

