KUWAIT’S PLAN FOR THE FUTURE

INTERNATIONAL CONFERENCE ON INNOVATIONAL AND ECONOMIC DIVERSIFICATION IN GCC’S NATIONAL DEVELOPMENT PLANS

14 MARCH 2018, KUWAIT
NEW KUWAIT 2035
KUWAIT NATIONAL DEVELOPMENT PLAN

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KUWAIT: THE COUNTRY

- **Area**
  - total: 17,818 sq km
  - land: 17,818 sq km
  - water: 0 sq km

- **Boundaries**
  - total: 475 km
  - border countries (2): Iraq 254 km, Saudi Arabia 221 km
  - Coastline: 499 km
  - Mean elevation: 108 m, Highest point: 300 m

- **Population**
  - Total: about 4.3 millions
  - Ethnic groups Kuwaiti 31.3%, other Arab 27.9%, Asian 37.8%, African 1.9%, other 1.1%
KUWAIT AT A GLANCE

2017 KUWAIT at a Glance

NEW KUWAIT’S DEVELOPMENT PLAN
- 28 Programs
- 279 Projects

TELECOM & POPULATION
- Internet Users: 82.1%
- Phone Subscriptions: 2.32

INVESTMENT RATINGS
- Rated: A
- 3rd Highest Investment Grade

ECONOMY & GROWTH
- GDP Per Capita: $36,811
- Real GDP Growth: 2.6%
- Inflation Rate: 1.22%
- Non-Oil Activity: 3.5%

HUMAN CAPITAL & LABOR FORCE
- Labor Force: 69.5%
- Youth Unemployment: 16.8%
- Human Development Index HDI: 0.926
- Gender Development Index GDI: 0.993

High Investment Rating
- High usage of High Speed Internet and Mobile
- Better Growth in non-Oil sector
- Low Inflation Rate
- High GDP
- High Human Development Index
THE EVOLUTION
ECONOMIC BACKGROUND
THE OLD KUWAIT

- Major Economic Activities
  - Pearl Fishing
  - Trading
  - Small and Medium Businesses
- General Characteristics
  - All Private Sector
  - Efficient and Productive Labor Market
  - Low GDP per Pax
  - Small Government
- Social Safety Network

Small but Sustainable Economy
THE MODERN KUWAIT

- Major Economic Activities
  - Petroleum Industries
  - Investments

- General Characteristics
  - Public Sector domination
  - Limited Private Sector (government dependent)
  - Lower productivity Labor Market
  - Very High GDP per Pax

- Wealth Distribution

Sustainability is at risk
THE FUTURE SUSTAINABILITY FORMULA

Sustainability practices of the Past + Prosperity Sources of the Present = Sustainable Prosperous Future
THE FUTURE
“[To] transform Kuwait into a financial and trade hub, attractive to investors, where the private sector leads the economy, creating competition and promoting production efficiency, under the umbrella of enabling government institutions, which accentuates values, safeguards social identity, and achieve human resource development as well as balanced development, providing adequate infrastructure, advanced legislation and inspiring business environment.”
WHAT IS NEXT?

The Evolution of planning toward New Kuwait 2035
THE PILLARS OF NEW KUWAIT

- Effective Public Administration
  - Institutional Governance
  - Anti-corruption policy
  - New Master Plan (4th)
  - E-Government
  - Increase Capacity
- Creative Human capital
- Sustainable Diversified Economy
  - Basic Education Reform
  - Labor Market Reform
  - Inclusion of Special Needs
  - Social Safety Net
  - Sustainable Fiscal-economic
  - Knowledge Economy
  - Privatization
  - SME
  - FDI
  - PPP(P)
  - Logistics Infrastructure
    - Sea ports
    - Air ports
    - Roads and Rail
  - ICT infrastructure
  - Bed Capacity
  - Healthcare System reform
  - NCD Control
- Strong Progressive Infrastructure
- High Quality Healthcare
- Sustainable Living environment
  - Renewable Energy
  - Integrated Waste Management
- Exceptional International positioning
  - Global Competitiveness

Among the top 35% countries in all GCIs by 2035
THE ECONOMIC ENABLERS OF KUWAIT ECONOMY

**SME**
- The National Fund for Small and Medium Enterprises (National Fund)
- SME Fund will finance up to 80% of capital
- $7 B Fund
- 3 years – Commercial Sabbatical
- Incubators-driven

**FDI**
- Kuwait Authority for Direct Investment Promotion Authority
- Attract Foreign Investors to the country
- So far $2 B and more
- 100% Foreign ownership
- Many other benefits
- Responsible for improving Kuwait combativeness

**PPP**
- Kuwait Authority for Public Private Partnership (KAPPA)
- Public and Private ventures
- 12 projects in the pipeline
- One successful implementation, shanal alzour, IPO soon

**Privatization**
- Supreme Council for Privatization – Execution office
- 20 years plan for privatization
- 38 government entities
- Two-steps: corporatization then privatization (PPP)
- North Shuaiba power station (first project)
SDG ALIGNMENT WITH KUWAIT NATIONAL DEVELOPMENT PLAN
FUTURE PROJECTS
MEGA PROJECTS IN MAJOR SECTORS

- **Health**: 9%
- **Energy**: 11%
- **Gas & Oil**: 42%
- **Logistics**: 22%
- **Education**: 9%
- **SME**: 7%

![Diagram showing the distribution of mega projects among major sectors](image)
T2 TERMINAL – STAGE 2

- **T2 Terminal – Stage 2**
  - Client: Civil Aviation Authority
  - Type: EPC
  - Size: KD 600 millions
  - Outcome: Apron, Taxiways and others
  - Initiation: 2018-2019
  - Awarded for construction
  - International Operator
  - For the operation of the Airport
  - T2 Terminal construction for stage 1 (current status)
FUTURE MAJOR INFRASTRUCTURE PROJECTS

- **Alkhairan Power Plant**
  - Client: Minister of Electricity and Water
  - Type: PPP
  - Size: 1800 MW – 125 Million Gallons
  - Outcome: Electrical Energy and distilled water
  - Initiation: 2019-2020
  - In progress
FUTURE MAJOR INFRASTRUCTURE PROJECTS

- **Kuwait National Railroad**
  - Client: Ministry of Transportation
  - Type: PPP
  - Size: 570 km (max)
  - Outcome: Railroad
  - Initiation: 2018-2019
  - Consulting phase (Current Status)
FUTURE MAJOR INFRASTRUCTURE PROJECTS

- **Stage 2 and 3 Shmal Alzour Power Plant**
  - Client: Minister of Electricity and Water
  - Type: PPP
  - Size: 4800 MW – 280 Million Gallons
  - Outcome: Electrical Energy and distilled water
  - Initiation: 2018-2019
  - In progress
FUTURE MAJOR SUSTAINABLE LIVING ENVIRONMENT PROJECTS

- **Real-estate Development Projects (Public Housing Welfare Authority) new Strategy**
  - Nawaf Alahmad City
  - South of Muelle City
  - Commercial District of Sobah Alhmad City
  - Commercial District of Jaber Alhmad City
- Different business models
- Initiatives and investments are welcome
FUTURE MAJOR SUSTAINABLE LIVING ENVIRONMENT PROJECTS

- **Dibdiba Renewable Energy Complex**
  - Client: Kuwait Petroleum Corporation
  - Type: EPC
  - Size: 1000 MW - $1.2 B
  - Outcome: Clean Electrical Energy
  - Initiation: 2018-2019
  - The 32-square-kilometer plant,
    - The plant will
      - save burning 5.2 million barrels of oil a year
      - reduce carbon emissions by 1.3 million tons annually

- **Alabraq Renewable Energy – PPP project**
MAJOR ECONOMY PROJECTS

- **Zour Refinery and Olefins 3 Complex**
  - Client: Kuwait Integrated Petrochemical Industries Company
  - Type: EPC
  - Size: 945k ton PP, 1.4m ton Para xylene, 421k ton Benzene 2m ton Gasoline,
  - Outcome: petrochemical and petroleum derivatives
  - Initiation: FEED for petrochemical plant is completed
Health Care Sector Reform

- Operation of new hospitals, starting with Jaber Alahmad Hospital
  - Approx 1100 beds

Kuwait Health Care for Hospital Management company

- Owned by KIA
- 150 millions KD investment
- To solicit investor/operator
FUTURE MAJOR ECONOMY PROJECTS

- **6 Labor Cities**
  - **Client:** Kuwait Municipality
  - **Type:** PPP
  - **Size:** approx. 20,000 ppl
  - **Outcome:** 6 Multi-use zones city for laborers
  - **Initiation:** Masterplan completed
FUTURE MAJOR HUMAN CAPITAL PROJECTS

- **Kuwait Fire Academy**
  - Client: Kuwait Fire Department
  - Type: PPPP or Private Sector
  - Size: KD 150 Millions
  - Outcome: Fire Fighters, specialist, leaders
  - Initiation: 2018-2019

- **Kuwait Medical Sciences Campus**
  - Client: Kuwait University
  - Type: EPC
  - Size: KD 300 Millions
  - Outcome: MDs, Researchers
  - Initiation: 2019-202

- **Sabah Al-Salem Campus Research Park**
  - Client: Kuwait University
  - Type: EPC (infrastructure)
  - Size: Scalable
  - Outcome: Innovation and commercialization hub
  - Initiation: 2020-2021

- **People with Special Needs Educational Complex**
  - Client: Public Authority for Disabilities
  - Type: PPPP, publicly funded design
  - Size: KD 100 Millions
  - Outcome: Educational Facility for people with special needs
  - Initiation: 2020-2021
FUTURE MAJOR ECONOMY PROJECTS

- Silk City and Islands Development
  - Client: Silk City and Bobyan Island Authority
  - Type: Special/Multiple Free Zone/FDI
  - Size: 5 major Islands Outcome: Multi-use zones
  - Initiation: Concept is initiated

- Islands
  - Bobyan: Logistical
  - Warba: Eco reserve
  - Failaka: Cultural
  - Ouha: Natural resort
  - Miskan: Security zone
THE KUWAITI SPECIAL INGREDIENTS

- Institutions within a constitution
- Existing Infrastructure to be upgraded to a world class
- Visionary Leadership
- The commitment
THE COMMITMENT
Thank you ...