Country Profile

State of KUWAIT

ICDT 2025

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General data

General info

- Capital: Kuwait City
- Type of State: Parliamentary Monarchy
- Location: Middle East - Area: 17,818 Km^2
- Time zone: GMT + 3

Demography

- Population : 4,934,510 – 2024
- Natural increase: 5.6% - 2023
- Official and business language: Arabic

currency

- Kuwaiti Dinar (KD)
- 1 USD = 0.31 KD – June 2025.

macro economy

- GDP: 159 MM USD – 2024 Growth: - 3.6% - 2023
- GDP per capita: 31 640 USD - 2024
- Employment rate of people aged 15 and over: 72.2 % - 2016

International trade

- Imports - 2024: USD 38.15 MM
- Exports – 2024: USD 76.27 MM

FDI

- FDI stocks in 2023: USD 16.64 MM
- Inward FDI flows in 2023: 2.11 MM USD

Strong facts

- Strong banking system
- High standard of living
- Significant financial reserves to offset the impact of low energy prices on the economy

GDP growth

In 2024, Kuwait's economy contracted by approximately 2.8%, primarily due to extended oil production cuts under the OPEC+ agreement.

Looking ahead, the International Monetary Fund (IMF) projects a rebound in 2025, forecasting a 2.6% growth in real GDP. This anticipated recovery is expected to be driven by the gradual easing of oil production cuts and a modest expansion in the non-oil sectors. Inflation rates are projected to moderate to around 3.0% in 2024, down from 3.6% in 2023, as demand pressures ease and food prices stabilize.

Kuwait's economic outlook hinges on global oil market dynamics and the successful implementation of structural reforms aimed at diversifying the economy and enhancing fiscal sustainability.

The Investor shall have the right to transfer abroad his profits, capital or proceeds resulting from the disposal over his shares or participation in the Investment Entity or the compensation set forth in this Law. Moreover, employees in the Investment Entity shall have the right to transfer their savings and entitlements abroad.

The Kuwait Economic Zones (KEZs) offer an integrated competitive clusters with robust and sustainable growth potential, lucrative investment opportunities, dynamic innovative solutions, differentiated services, and adequate infrastructure for easy access to local and international markets.

Doing Business in Kuwait

Kuwait presents a promising environment for business, especially for foreign investors. The government's "New Kuwait Vision 2035" aims to diversify the economy beyond oil, focusing on sectors like infrastructure, technology, and services. Recent reforms have made it easier for foreign companies to establish operations; notably, Law No. 1 of 2024 allows them to set up branches without needing a local agent.

The country boasts a strategic location with access to major markets in the Middle East. Its well-developed infrastructure, including the modernized Port of Shuwaikh and Kuwait International Airport, facilitates trade and logistics. Additionally, Kuwait has a young, educated population, providing a skilled workforce for various industries.

The financial sector is robust, with strong regulatory frameworks ensuring stability. Furthermore, the government offers incentives such as tax exemptions and customs duties relief to attract foreign investment. These factors, combined with ongoing efforts to improve the business climate, make Kuwait an attractive destination for businesses looking to expand in the region.

Main sectors of activity

0.4 % — Share of Agriculture in GDP
It employs 1.8% of the population

44.9 % — Share of industry in GDP
It employs 22.1% of the population

54.7 % — Share of Services in GDP
They Employ 76.1% of the population

Sector Strategies

Kuwait Vision 2035 aims to transform the country into a regional and international financial and commercial hub. Kuwait strives to become an attractive destination for investement, where the private sector drives the economy, by creating competition and promoting production efficiency. This promising vision sees light under the aegis of a supportive institutional body, which reinforces national values, preserves social identity, achieves social development, and provides an essential structure for fostering a business-friendly environment.

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The main aspirations of the Vision include:

- Restoring Kuwait's regional leadership role as a financial and commercial hub and reviving the central role of Kuwait's private sector in leading development.
- Rebuilding the country's important and different capacities, bodies and institutions. In addition to empowering labor and productivity.
- Providing new infrastructure, appropriate legislation and a conducive business environment for the development and stability of human resources.

Infrastructure

Maritime

Kuwait has seven main ports, which are located on the southern half of the 499 km long coastline bordering the 17,820 km long Persian Gulf.

Kuwait has two main ports, Ash Shuwaikh and Ash Shuaiba, three oil terminals, Mina Al Ahmadi, Mina Al Shuaiba and Mina Al Abdullah2, two small coastal ports Doha and Khor al Muffatta and a single naval base in Ras al-Qulayah, and another container port on Bubiyan .

Airport

The main airline company is Kuwait Airways which was established in 1953 followed by the private airline Jazeera Airways. Kuwait International Airport (operating in Kuwait City) is the primary hub of Kuwait Airways, in addition to Jazeera Airways. The latter provides regular flights from Kuwait International Airport to destinations in the Middle East, India and Europe.

Railway

Kuwait intends to develop a rail system that will link Kuwait City to Kuwait Airport, seaports and other GCC countries. The Kuwait National Rail Road (KNRR) project is part of this initiative.

Energy

Kuwait possesses the 7th largest oil reserves in the world and is estimated to have 6% of the world's crude oil reserves.

In addition, the country has 2.2% of the Middle East's gas reserves equivalent to 0.9% of world reserves.

Promising Sectors

01 **Infrastructure** : Kuwait allocated more than USD 103 billion in the second Kuwait Development Plan (2015/16 - 2019/20) and has dedicated a similar amount in the new five-year development plan for infrastructure development in sectors such as electricity, water, transport infrastructure (ports, aviation and rail) offering opportunities to investors.

02 **Environmental services:** as for sanitation and waste management, the government is actively seeking the participation of the private sector.

03 **Chemical manufacturing:** Kuwait plans to double its chemica production capacity for ethylene and polyethylene, which will allov investors to form strategic partnerships/alliances with leading loca players

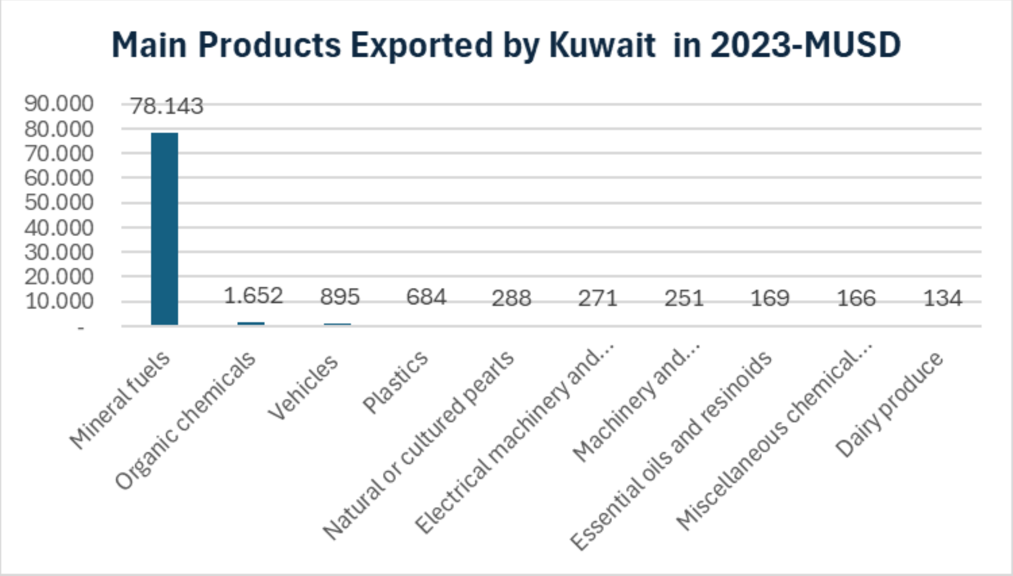
04 **Education & Training: Kuwait's education expenditures are expected to increase from USD 6.8 billion to USD 10.5 billion. Kuwait seeks to attract leading global educational institutions to achieve international enrollment levels and quality academic standards.**

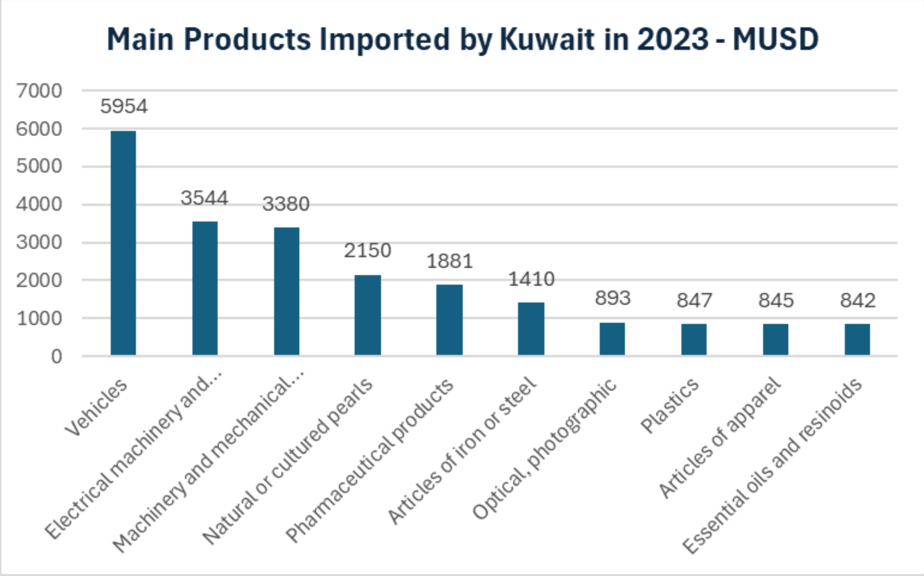
05 **Health:** third largest total health care expenditure in the GCC. a total of USD 1.3 billion in private sector investment (6% annual growth between 2013 and 2019) provides opportunities for specialty hospitals and lifestyle clinics catering to a growing affluent population.

06 **Housing:** pipeline of several large housing projects, including integrated townships. Opportunities for development planning, construction contracts, asset and facility management.

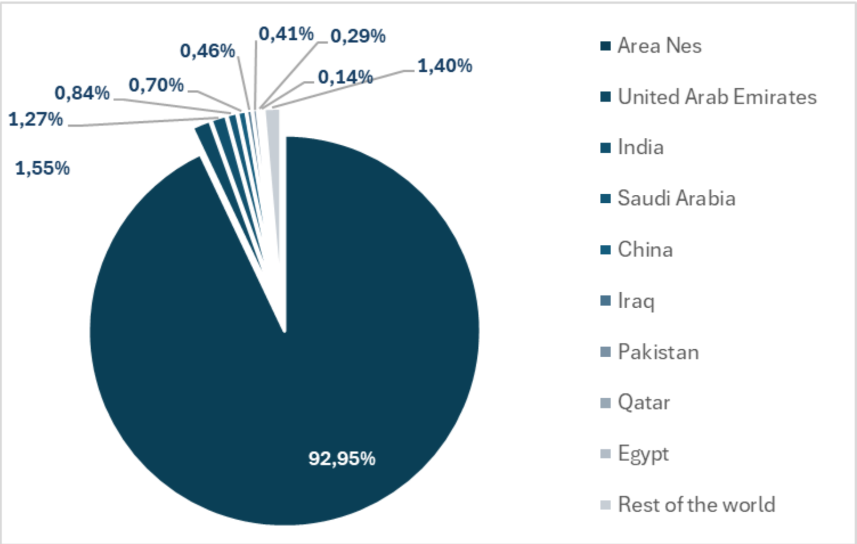
07 **Logistics:** Development of a transport infrastructure including ports, airports and railways in order to become a regional trade hub.

International trade

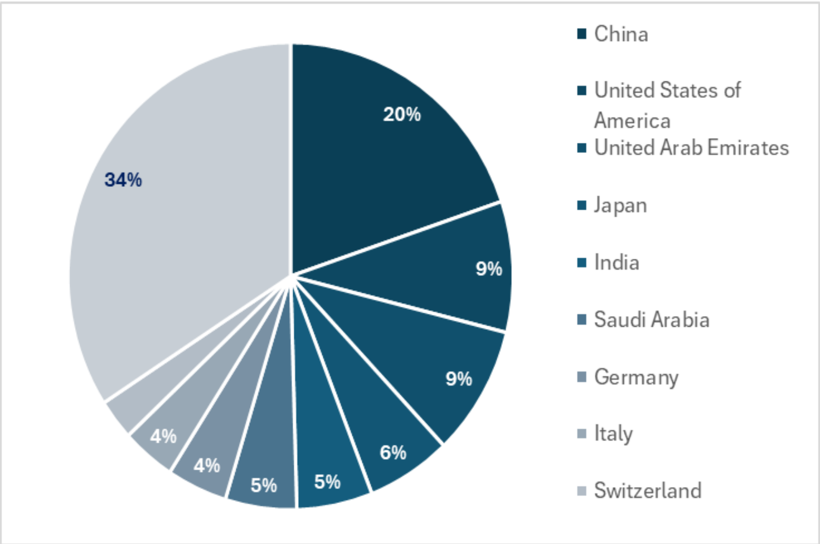




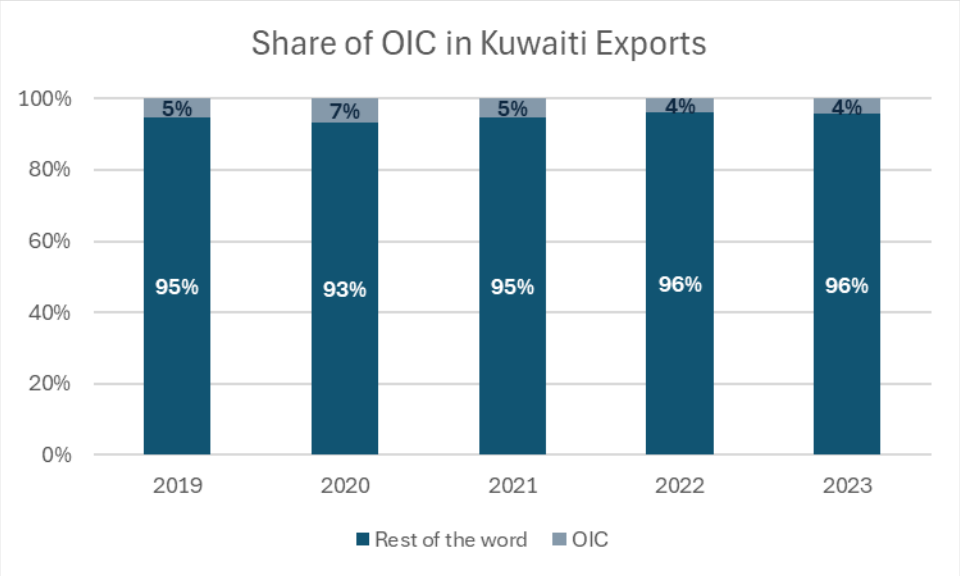
Main Customers of Kuwait in 2023

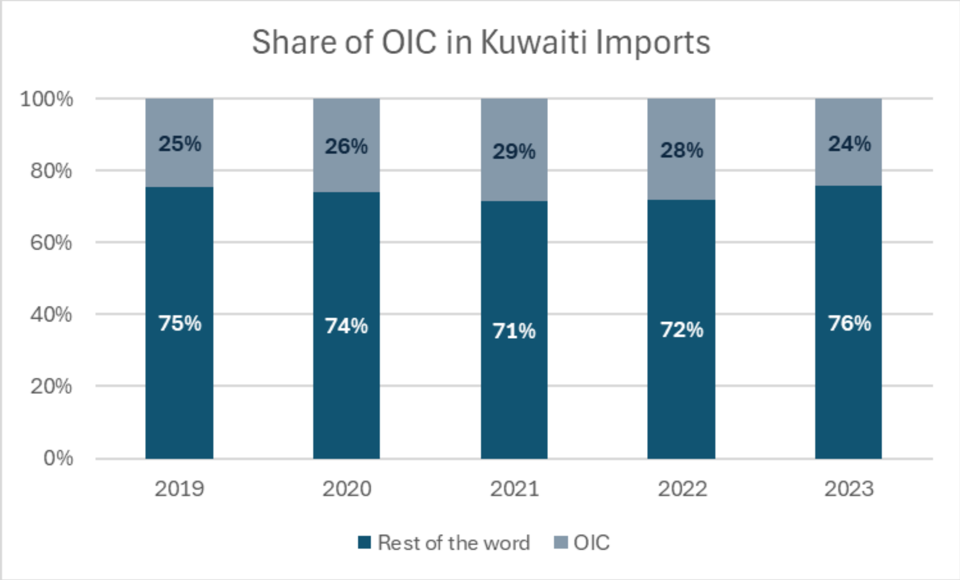


Main Suppliers of Kuwait in 2023



Intra-OIC Trade





Top 10 Customers, OIC Members in 2023

1. United Arab Emirates
2. Saudi Arabia
3. Pakistan
4. Qatar
5. Egypt
6. Jordan
7. Oman
8. Bahrain
9. Malaysia
10. Türkiye

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5. Indonesia
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7. Oman
8. Iran
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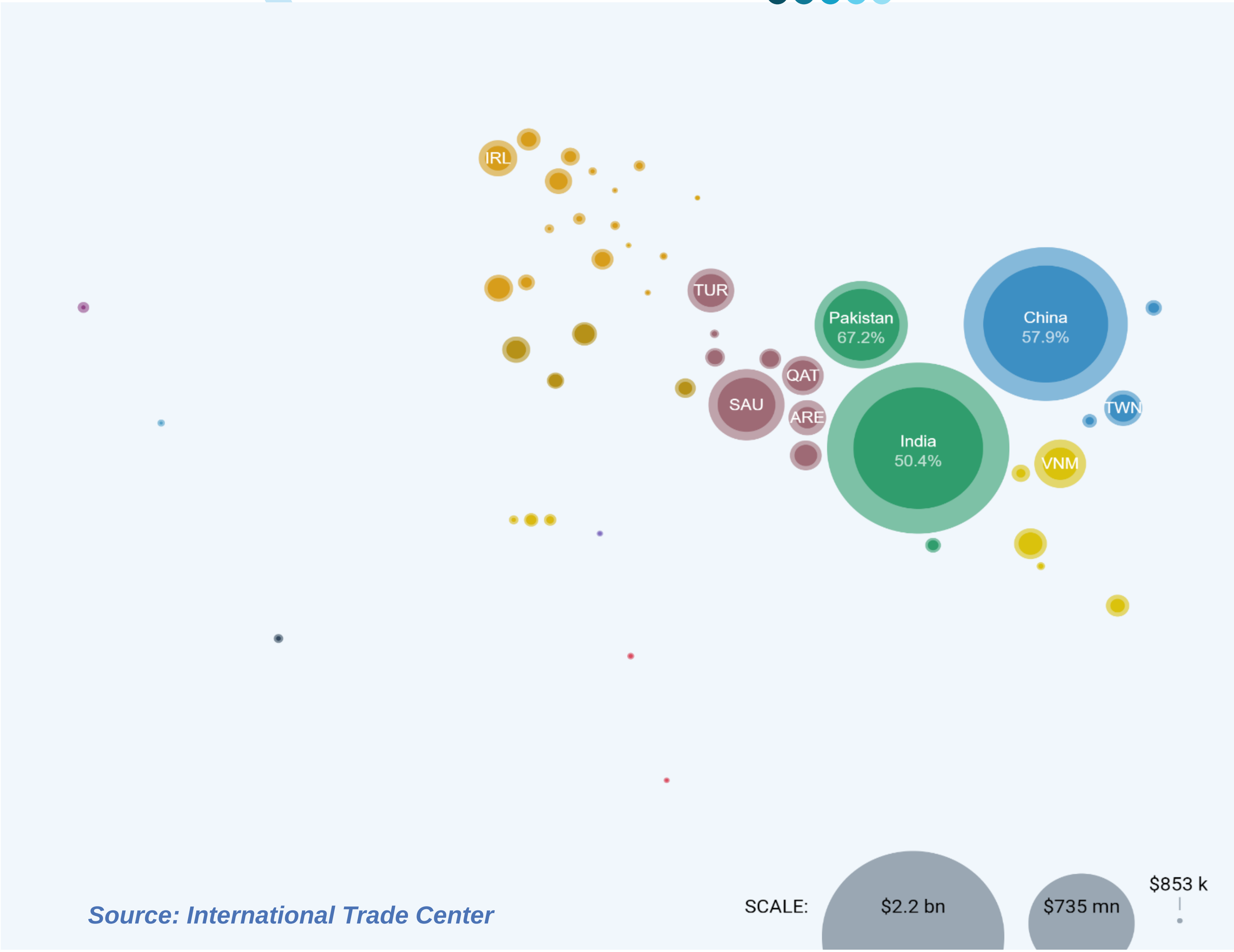
Kuwait's Export Potential by Country of Destination



Source: International Trade Center

Markets with potential for Kuwait's exports

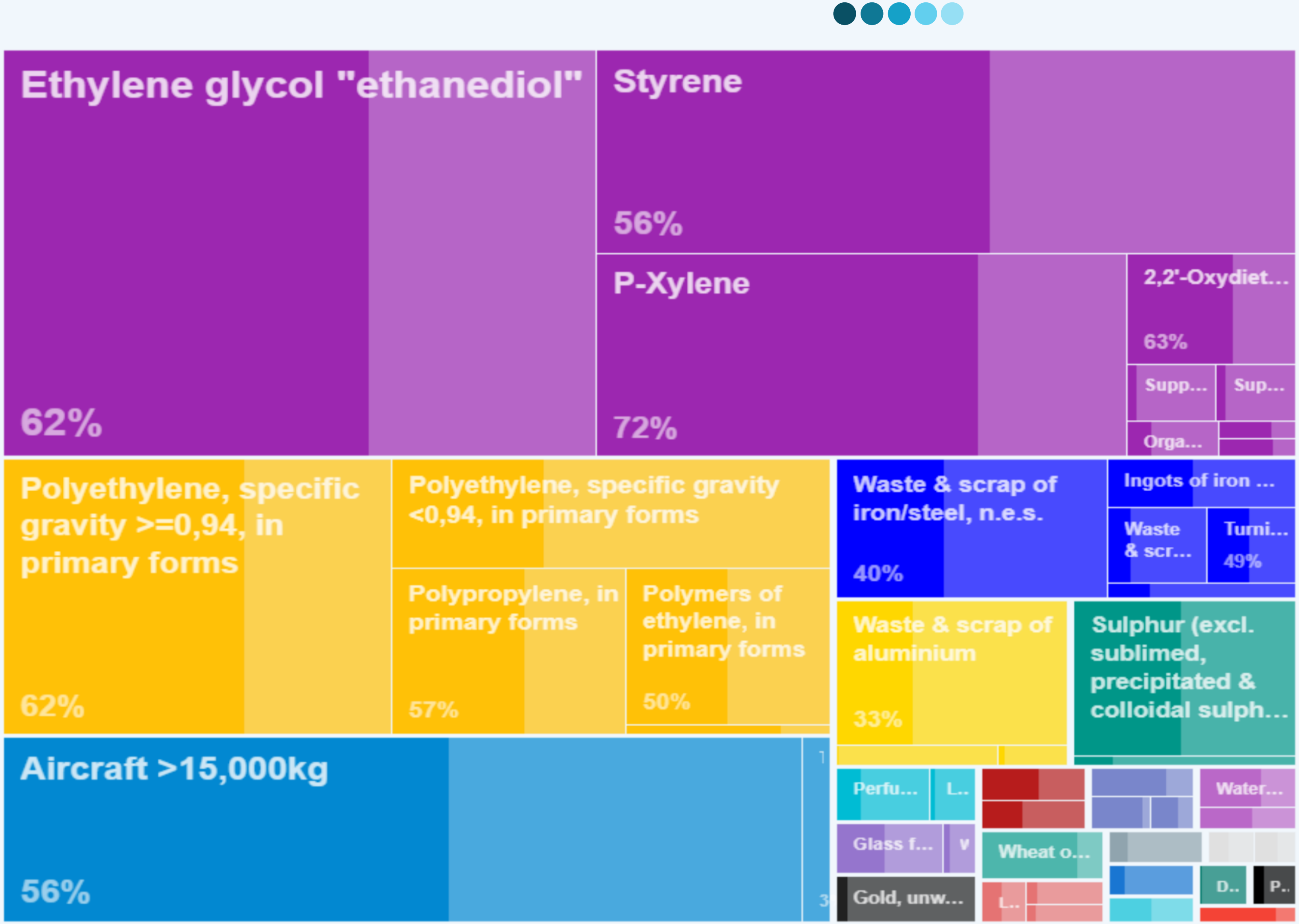
Legend

- Export potential
- Realized potential

- South Asia
- East Asia
- Middle East
- EU & West Europe
- Southeast Asia
- Northern Africa
- Western Africa
- North America
- South & Central America
- Southern Africa
- Caribbean
- East Europe & Central Asia
- Central Africa

Within the OIC region, the Markets with the highest export potential are located in South Asia, Southeast Asia and the Middle East.

Kuwait's Export Potential by Product



Kuwait's products with potential

Legend

- Export potential
- Realized potential

- Chemicals
- Plastics & rubber
- Aircrafts, spacecrafts & parts
- Ferrous metals
- Metals (except ferrous & precious)
- Mineral resources
- Beauty products & perfumes
- Glass articles
- Precious metals
- Dairy products
- Food products n.e.s. (processed or preserved)
- Beverages (not alcoholic)
- Cereals (processed)
- Live animals (except poultry)
- Jewellery & precious metal articles
- Paper products
- Machinery, electricity
- Pharmaceutical components
- Fruits
- Miscellanous manufactured products

The products with the greatestexport potential are Chemicals, Plastics and Rubber, Aircraft, Metals and Jewelery

Source: International Trade Center

Market Access

Investing in Kuwait

Customs Duties and Taxes

Average rate: 4.7%
Average rate of agricultural products: 5.1%
Average rate of non-agricultural products: 4.6%

Trade agreements

Member of the WTO and the Gulf Cooperation Council (GCC)
Pan Arab Free Trade Area (PAFTA)
EFTA - Gulf Cooperation Council (GCC)
Gulf Cooperation Council (GCC) - Singapore

Fairs and Exhibitions

For more information, visit the website:
https://www.eventseye.com/fairs/c0_salons_koweit.html

Public markets

Kuwait Tenders are published on the website: https://capt.gov.kw/en/

Why Kuwait

Substantial government resources; quality infrastructure; competitive production costs (Energy, Human Capital); promotion of the private sector.

Special Economic Zones

Abdali Economic Zones in the north, an industrial and commercial hub.
AlNa'ayem Economic Zones on the road to the Saudi Kingdom's border port connected by the planned GCC Railway, a focal point for the growth of land-intensive industrial activities and renewable energy technologies
AlWafra Economic Zones, in the south, a hub for incubating, launching and connecting innovative businesses

Implemented Measures

Exemption from income or other taxes for a period not exceeding ten years. Exemption from any expansion of an Investment Entity. The right to transfer abroad its profits, capital or proceeds from the sale of its shares or interest in the Entity.

Contacts

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Kuwait Authority For Partnership

www.kapp.gov.kw

The Central Agency for Public Tenders

https://capt.gov.kw/