

Summary

Manama, Bahrain 8-10 May 2018

Country Investment Lunch – Kuwait

10 May

Key points

- The Kuwaiti government created the Kuwait Direct Investment Promotion Authority (KDIPA) to increase private-sector involvement in the economy.
- The country has initiated 30 megaprojects in nine sectors and has five more in the pipeline.
- The KDIPA has created a major free zone and a major economic zone, each in three locations.

Synopsis

Kuwait has a very large financial buffer, making it financially stable and able to mitigate oil price fluctuations. It has a favourable growth rate of 2.93% and inflation is low, at 3.5%. The country shows strong macroeconomic performance and low competitive factor costs in electricity and water. It also has a low corporate tax rate of about 15%.

Increasing private-sector involvement is one of the government's main priorities. The government created the Kuwait Direct Investment Promotion Authority (KDIPA), a modern FDI entity, to provide incentives to investors to pursue projects that are aligned with Kuwait's interests. Projects can be in any sector, although some activities remain excluded, such as petroleum extraction. Foreign companies, however, may partner with a Kuwaiti company to access them. The incentives include 100% full ownership of capital; exemptions from customs duties; bilateral treaty benefits in terms of taxation; the ability for companies to employ their own foreign labour; and strong data protection for project information. Additionally, companies can transfer money and assets abroad and can transfer ownership. The four easy steps in the investment licensing procedure are: choose the appropriate application form; complete the form and provide legal documents; submit the application and pay the fees; receive approval. KDIPA provides support throughout the application process and continues to provide aftercare services to facilitate all business needs.

Investors can pursue business opportunities in one of three forms: as a Kuwaiti company with up to 100% foreign equity; as a licensed branch of a foreign company; or as a representative office preparing market studies or production possibilities.

In line with KDIPA, the country has initiated 30 megaprojects in nine sectors, including in oil and gas, urban development, housing, tourism, education, health and environmental services. Five megaprojects are currently in the pipeline, including the construction of six cities aiming to be financial and information hubs.

KDIPA has created a major free zone and a major economic zone, each in three locations. It has announced 32 approved projects totalling \$2.7 billion in investments and the hiring of more than 1,000 Kuwaitis. Sectors include information technology, oil and gas, medical, construction and consulting.

Session panellist

Kuwait Direct Investment Promotion Authority

Commenté [FST1]: Please add the name of the presenter here.

Disclosures

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