

**Embassy of India
Kuwait**

Weekly Economic & Commercial Report
20 September to 26 September 2024

World India Food 2024 – Kuwaiti participation

World Food India 2024 (WFI) with the theme “processing for prosperity” took place at New Delhi from 19-22 September 2024. It brought together investors, manufacturers, producers, food processors, buyers, exporters, policy makers, stakeholders of the global food ecosystem under one roof. Embassy disseminated the information to Ministries of Foreign Affairs, Commerce, Chambers and other relevant authorities and requested for Kuwaiti participation. President of Kuwait’s Union of Consumer Cooperative Societies along with its Head of the Pricing, Import and Collective Purchasing Committee Kuwait and also a representative from Kuwait’s Public Authority for Food and Nutrition (PAFN) participated in WFI-2024. Kuwaiti Ambassador in India has stated in media that Kuwait looks to India for improving its food infrastructure.

KFH completes historic merger with formerly AUB-Kuwait

Kuwait Finance House (KFH) has successfully completed the merger with the formerly Ahli United Bank, Kuwait. Following its landmark cross-border acquisition of Ahli United Bank, Bahrain, KFH has concluded the largest-ever merger in Kuwait’s banking sector. KFH has solidified its standing as a leader in the Islamic banking industry, positioning it for inclusion on the list of the world’s 100 largest banks within the next decade. KFH will solidify its position by becoming the most reliable, sustainable, and technologically advanced bank of its kind worldwide. KFH has a global reach with around 640 branches across 12 countries, notably Kuwait, Bahrain, Türkiye, Egypt, UK and Germany. KFH also tops all banks and companies listed on Boursa Kuwait in terms of market capitalization which exceeds KD 12 bn (US\$39 billion).

5th LPG Train of Kuwait project completed participation

The fifth Liquefied Petroleum Gas Train of Kuwait National Petroleum Company (KNPC), one of the largest Projects for Kuwait in terms of importance and productivity, has been commissioned at Mina Al-Ahmadi Refinery. It aims to boost hydrocarbon production. It produces 805 mmscfpd of Gas and 106 mbpd of Condensates and LPG to boost the LPG plant’s total capacity to 3,125 mmscfd of Gas and 332 mbpd of Condensates and LPG consecutively with 30% increase. It produces Propane, Butane, Methane, Ethane and Kuwait Natural Gasoline (KNG). These gases are of high importance due to their use in petrochemicals industries.

Propane and butane gases are used domestically to supply homes and local businesses with gas cylinders intended for cooking, and in various other industries. The condensed natural gasoline product is sent as feedstock to gasoline production units. Project used 14,000 tons of steel, over 2 million meters of electric cables, 3.67 million meters length of pipes and claimed to have been completed free of any critical accidents.

Kuwait must cap expenses at KD 24.5b in 3 fiscal years

As per a recent report by Al-Shall, a Kuwait-based business consultancy firm, Kuwait faces significant economic challenges due to its heavy reliance on oil revenues which exposes the state to fluctuations in the global oil market. Report emphasizes the urgent need for Kuwait to impose a ceiling on public expenditures, recommending a limit of 24.5 billion dinars over the next three fiscal years. This strategy aims to mitigate risks and promote fiscal discipline during uncertain times. The report highlights Kuwait's economy as heavily dependent on volatile oil market conditions. Despite substantial savings amassed during previous oil booms, the country has struggled to diversify its income sources. According to US rating agency, 'Fitch Ratings' Kuwait's sovereign rating stands at AA- with a stable outlook, strong external buffers from savings but highlighted weaknesses in economic reform and public finance restructuring.

MEWRE is heading towards total Kuwaitization

According to figures released by Kuwait's Ministry of Electricity, Water, and Renewable Energy (MEWRE), 1,133 Kuwaitis have been appointed in the technical and administrative sectors during the last 8 months of 2024. The statistics reveal that the current Kuwaitization rate in the specific ministry has increased to 97.6 percent in August 2024. The total number of MEWRE employees is 35,506, out of which 34,666 are Kuwaitis and 840 non-Kuwaitis. This means there was a decrease of 22 expatriates due to the Kuwaitization policy and retirements during the mentioned period. Appointments in MEWRE are processed through the Civil Service Commission, based on the established frameworks and regulations.

Kuwait's MEWRE to upgrade power grid with fiber optics

Kuwait's Ministry of Electricity, and Water & Renewable Energy (MEWRE) has completed a plan to develop and modernize the electricity transmission network in the South Abdullah Al-Mubarak city project, which is currently at a 52.32 percent occupancy rate. This plan includes a project to supply, install, and extend underground fiber optic cables comprising 48 fibers, spanning a total length of 1,500 kilometers within the electricity transmission network. The new cables will be installed between existing main transformer stations. Project will replace

traditional ground wire across 800 kilometers of high-voltage lines with an optical ground wire that contains 48 fibers. In addition, the plan includes supplying and installing end cabins for the optical fiber cables. It is expected that the project will be executed through multiple contracts, which will be offered via the Central Agency for Public Tenders (CAPT) to specialized companies interested in competing.

Road tender talks get CAPT approval

The Central Agency for Public Tenders (CAPT) of Kuwait has approved the request of the Ministry of Public Works to hold a negotiation session with companies whose offer for 18 road repair tenders were accepted. On 19 August, Ministry sent a letter to CAPT requesting to set the date for negotiations regarding prices and some technical issues pertaining to the tenders. CAPT also asked the bidders to extend the initial insurance for all companies participating in the tenders as per Article 46 of Public Tenders Law no. 49/2016, indicating a number of companies were excluded due to failure to meet the conditions. The tenders are divided into two groups: one group will be implemented by the Public Authority for Roads and Transportation (PART) and the other group by the Ministry's Roads Engineering Sector, which is responsible for internal roads. The scope of the project aims to protect the marine environment by preventing sewage flows from being diverted to Kuwait Bay through the connection of the sewage network.

CMA launches first phase of 'Fintech' regulatory review

Kuwait's Capital Markets Authority (CMA) has launched first phase of its evaluation of the regulatory framework for financial technology (Fintech) services from Sept 25 to Nov 25, 2024. It focuses on financial technologies encompassing services like securities-based crowdfunding and automated investment advisors. Its primary objective is to conduct a thorough review of the regulatory framework regarding the application process for practicing Fintech services under the supervision of CMA. To encourage broad participation, the Authority has invited all individuals, institutions, and entities subject to its regulations, as well as any stakeholders interested in the Fintech sector, to engage in a survey. 2 month survey aims to gather opinions and suggestions that will aid in enhancing the regulatory framework for financial technology services in Kuwait.

With regards,

(Davinder Punj)
Second Secretary (Commerce)