

**Embassy of India
Kuwait**

Weekly Economic & Commercial Report

4 October to 10 October 2024

Embassy of India organized Tourism Event on 8 October 2024

With a view to enhancing travel opportunities to India, Embassy organized a tourism promotion B2B model event “Exploring Incredible India 2.0” on 8 October 2024 at Hotel Millennium, Kuwait. The event was inaugurated by Her Excellency Sheikha Intisar Salem Al-Ali Al-Sabah along with Ambassador of India to Kuwait, Dr. Adarsh Swaika. The Indian Exhibitors delegation included representatives from prestigious organizations like IRCTC, Taj Hotels & Resorts, Six Senses, MEDISAFAR, Somatheeram Ayurveda, Prakriti Shakti, CGH Earth Experience Hotels, Trail Blazer Tours, Gateway Malabar Holidays as well as Indigo and Air Akasa. The event attracted many Kuwaiti tour operators and travel agents. Indian exhibitors showcased India’s picturesque hill stations, serene beaches, historic forts, wildlife adventures and safaris in addition to niche medical tourism, yoga tourism, India’s healthcare and wellness centers. The B2B interactions with the Indian exhibitors revolved around India’s tourism offerings and potential opportunities for collaboration with Kuwaiti counterparts.

GCC market sinks over 2% amid geopolitical tensions

Driven by escalating geopolitical tensions in the region, the stock markets across the Gulf Cooperation Council (GCC) last week experienced a significant decline, with most indices plunging by more than 2 percent. The sharpest losses were seen in Saudi Arabia, where the main market index, TASI, dropped by a staggering 3.37 percent. The Kuwait Stock Exchange also experienced significant losses – the general market index dropped by 2.24%, which has recorded its largest decline in over three months and the Premier Market Index saw an even steeper decline of 2.66 percent. Despite all this, the Main Market 50 Index recorded modest gains of 0.73 percent. These events reignited concerns that the conflict could spill over into the wider Gulf region.

Kuwait’s trade surplus drops 0.88% in H1 2024 amid declining exports

As per Kuwait’s Central Statistical Administration, the trade surplus of Kuwait has decreased by 0.88% during the first half of 2024 compared to the same period in 2023. From January to end-June 2024, Kuwait recorded a trade surplus of KD 6.76 bn (US\$22.19 bn), slightly down from KD 6.82 bn (\$22.31 bn) in the first half of 2023. The drop in Kuwait’s trade surplus was largely driven by a 2.85% decline in the value of exports during the first six months of 2024 amounting to KD 12.29 bn as compared to KD 12.65 bn in 2023. Kuwait’s exports are predominantly composed of oil and its derivatives and oil-related exports, accounting for 91.8% of the country’s total exports, fell to KD 11.29 bn, down from KD 11.78 bn in the first half of 2023. On the import side, Kuwait’s market received goods worth KD 5.54 bn in the first half of 2024, a 4.97% decrease compared to KD 5.83 bn in first half of 2023. This drop in imports also contributed to the overall reduction in trade activity. The total volume of Kuwait’s trade exchange in the first

six months of 2024 amounted to KD 17.83 bn, reflecting a 3.52% decline from KD 18.48 bn in 2023.

KPC confirms plan to spend \$410bn

The Managing Director (Planning and Finance) of Kuwait Petroleum Corporation (KPC) has confirmed that KPC plans to spend \$410bn on its long-term energy strategy. One of the strategy's aims is to raise its overall oil production capacity to 4 million barrels a day (b/d) by 2035. It has also been confirmed that \$110bn would be spent on transition projects requiring cooperation of the Kuwaiti banking sector and international banks. A total of US\$300bn is expected to be spent on conventional energy projects, such as the development of oil and gas production as well as refinery projects.

KUFPEC awards a contract to Ernst & Young

Kuwait Foreign Petroleum Exploration Company (KUFPEC) has awarded a consultancy contract to UK-based financial services firm Ernst & Young (EY). The value of contract is KD145,000 (US\$470,000). Scope of contract covers a feasibility study, studying quantitative risks and consultancy services. KUFPEC is responsible for Kuwait's upstream investments in overseas oil and gas projects. The company is currently active in countries including Australia, Canada, Egypt, Malaysia, Indonesia and Pakistan.

KOC makes significant strides in long-term energy goals hunt

Kuwait Oil Company (KOC) has made significant strides in its journey towards achieving long-term energy goals, particularly the target of reaching 17 gigawatts of power by 2050. One of the major initiatives under this vision is enhancing energy efficiency. This effort is a part of the company's broader energy transformation plan which focuses on sustainable practices and reducing operational costs. KOC has also initiated a technical feasibility study to form a renewable energy portfolio to evaluate the practicality of integrating renewable energy technologies such as wind and photovoltaic (solar) energy. The ultimate goal is to generate one gigawatt of clean energy. KOC has also made notable progress in environmental rehabilitation by successfully removing 7 million square meters of unexploded ordnance and contaminated soil, remnants of the Gulf War. This cleanup operation has freed up land for further development and enhanced the quality of the Kuwaiti environment.

GCC railway to take crucial step forward

The Gulf Cooperation Council (GCC) railway network project is set to take a significant step forward by getting ready to award a contract to prepare the operational plan study for the scheme. GCC General Secretariat has set a

deadline of 2030 for the project to be operational. The bidding firms must have experience in developing operational plans for railway projects, rail transport and logistics services, standards, collecting, analysing and modelling data. The GCC railway project has continued to make progress since announcement in January 2021. According to the overall plan, the railway line will stretch over 2,177 KM, connecting GCC states, starting from Kuwait, Saudi Arabia, Bahrain, Qatar, UAE and finally to Muscat. The rail length within the member states is 684km in UAE, 663km in Saudi Arabia, 306km in Oman, 283km in Qatar, 145km in Kuwait and 36km in Bahrain.

With regards,

(Davinder Punj)
Second Secretary (Commerce)