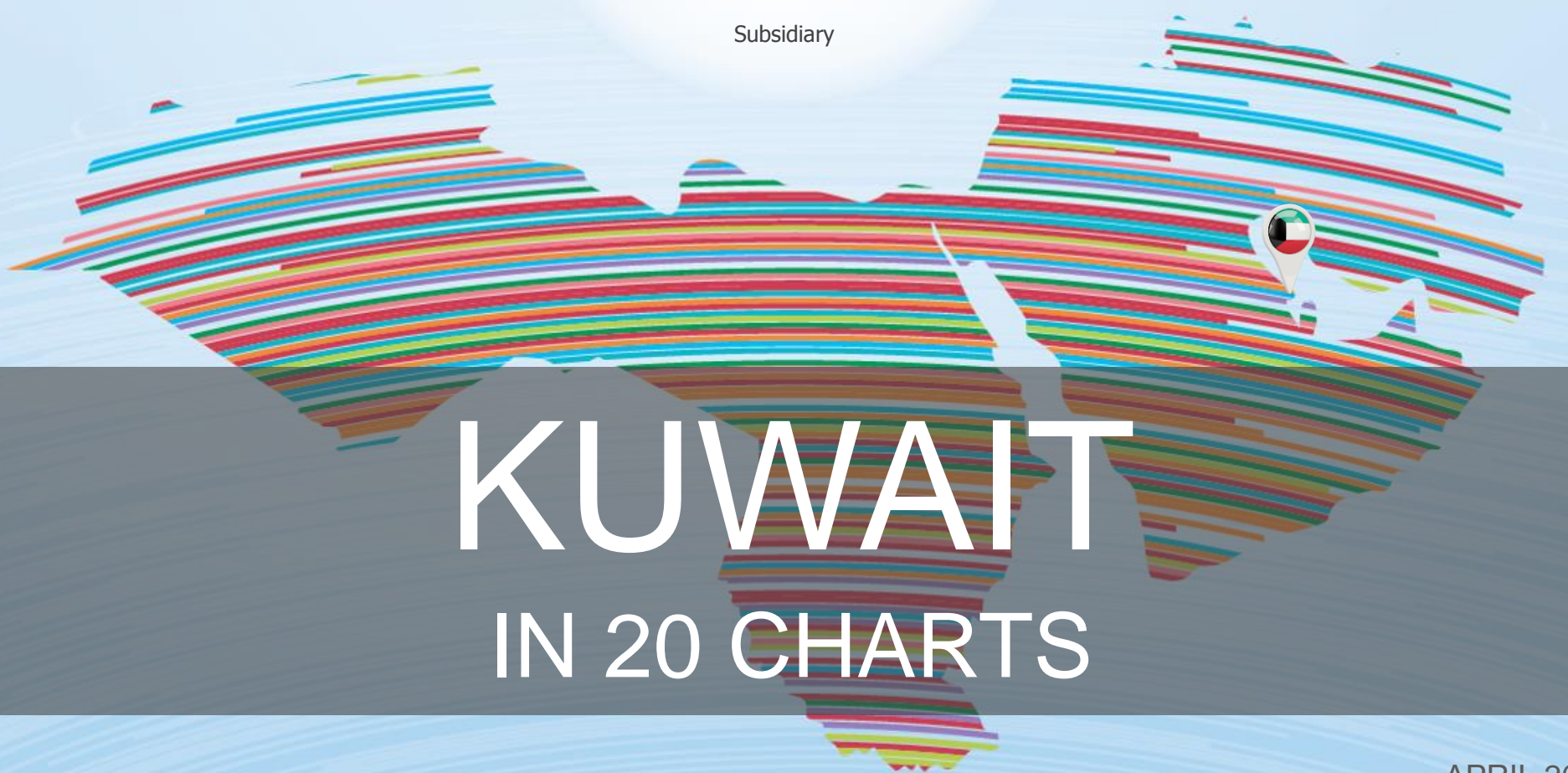


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Subsidiary



KUWAIT

IN 20 CHARTS

APRIL 2018



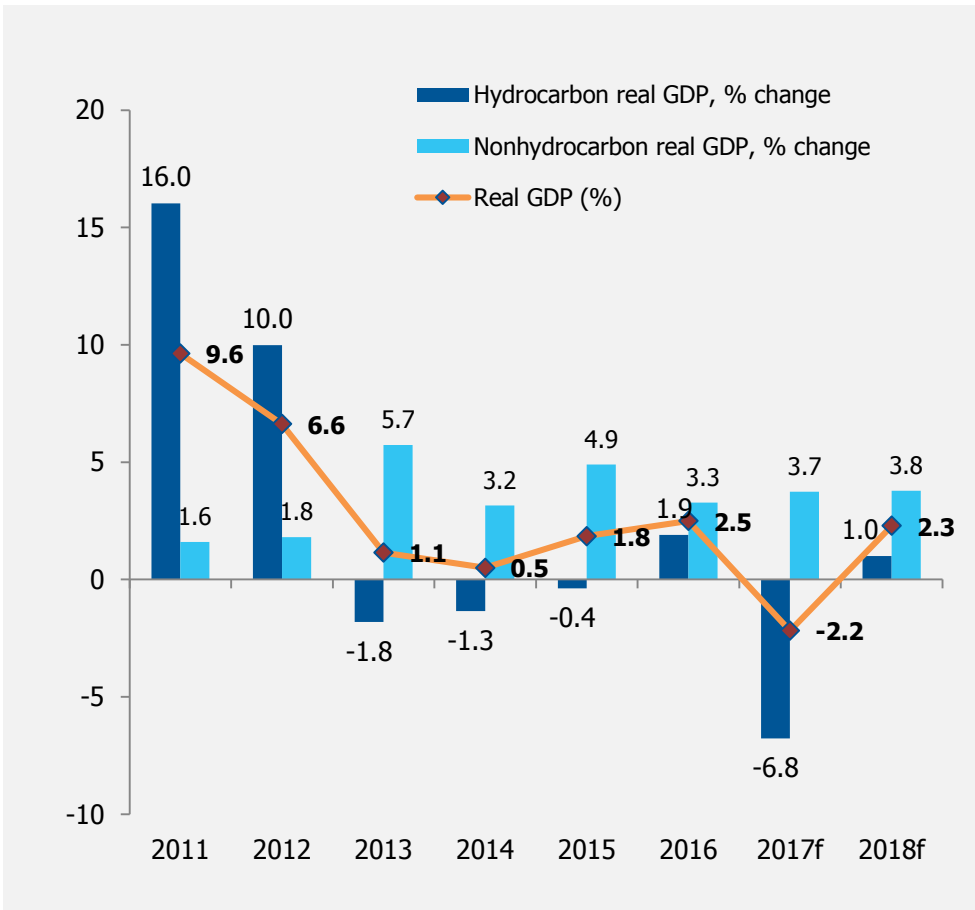
KUWAIT

IN
20 CHARTS

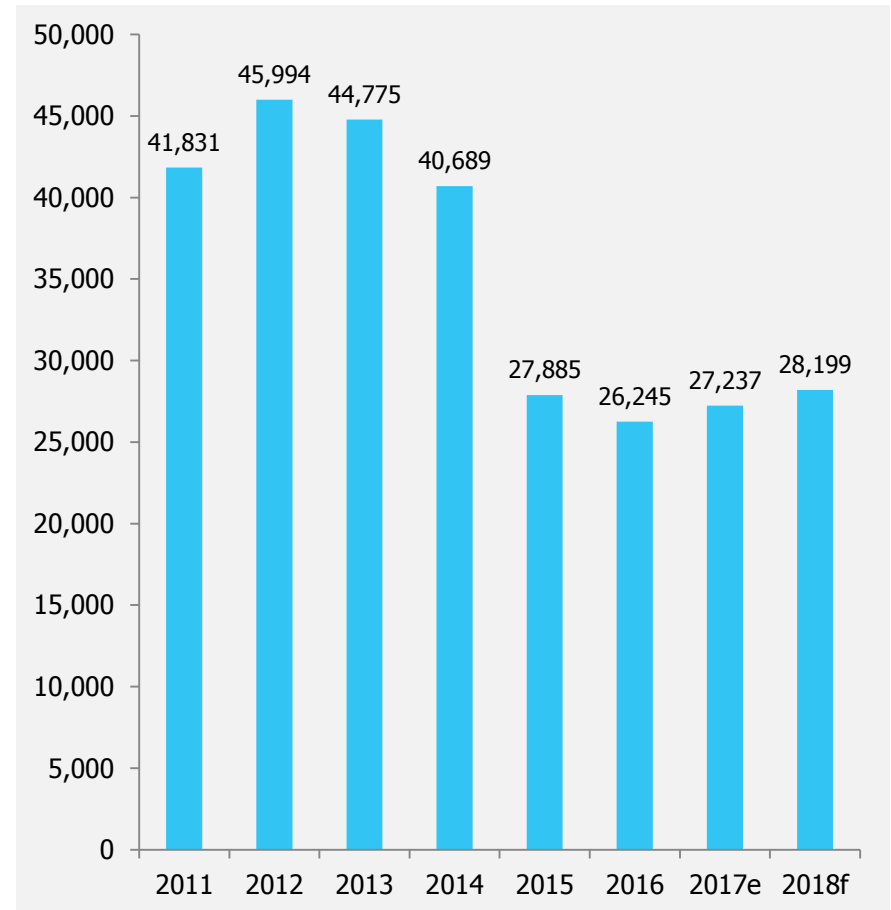
Source: IIF, IMF

Non-Hydrocarbon growth has remained resilient

GDP Growth Rates %



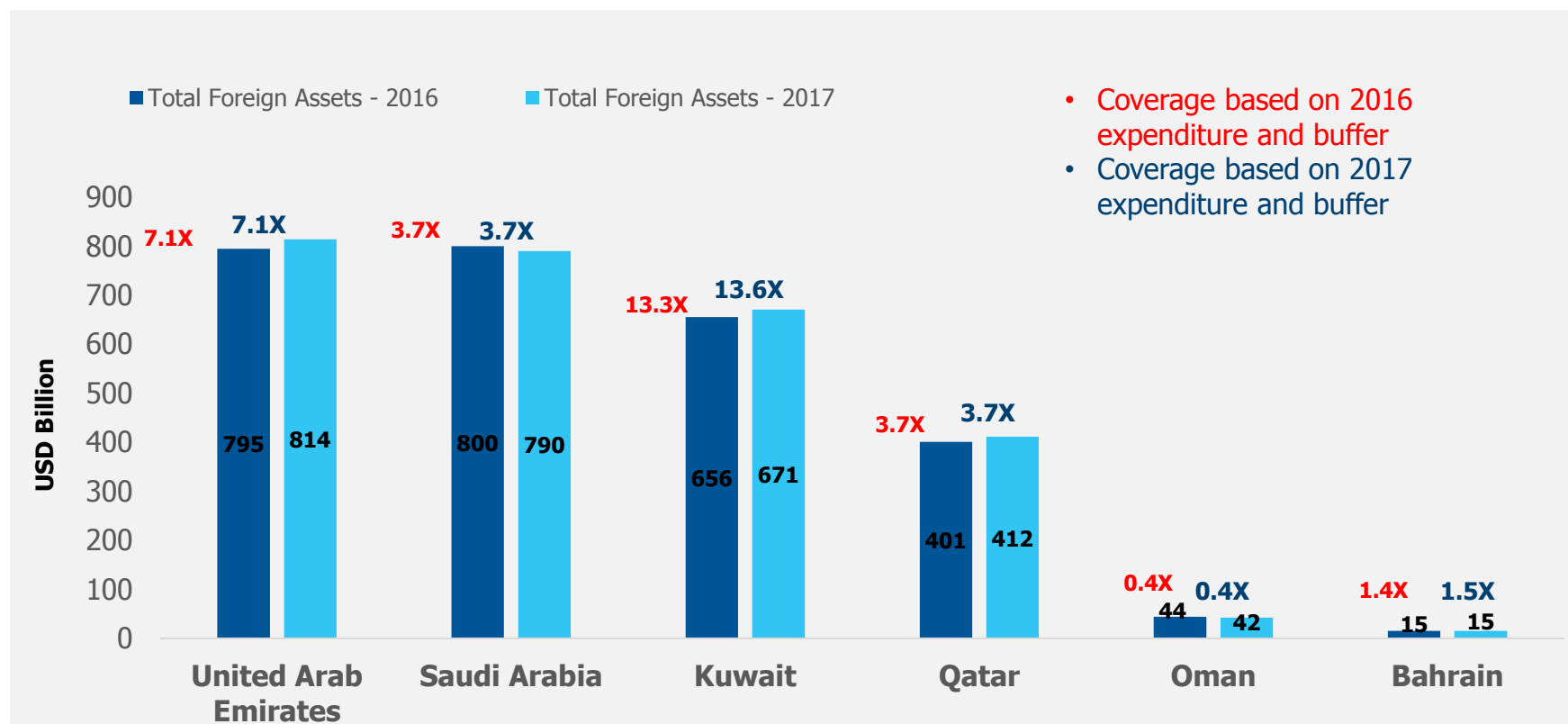
GDP per capita (USD)



Source: IIF, IMF

Presence of substantial reserves is a significant factor

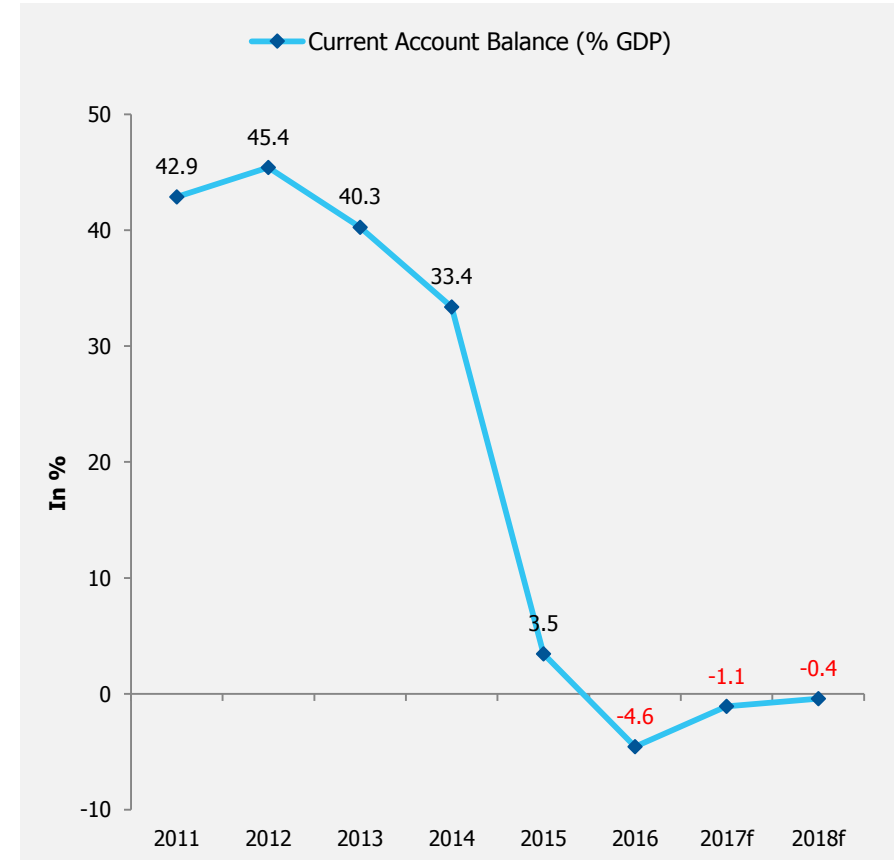
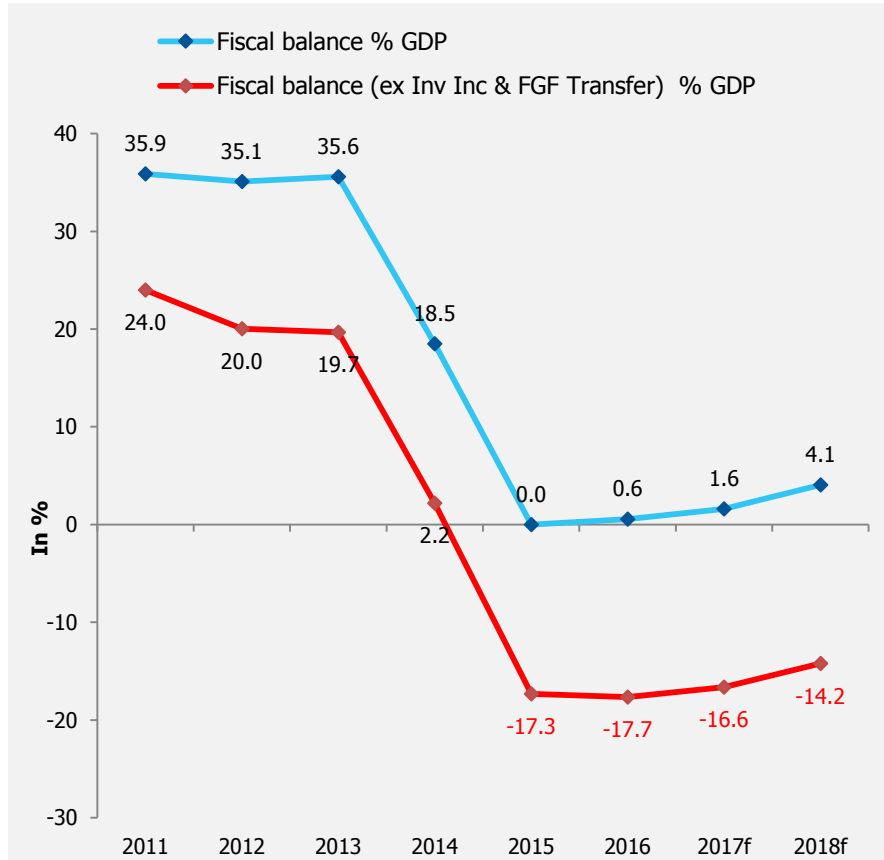
□ Fiscal Buffers (USD bn) & Expenditure Coverage



Note: Total Foreign Assets - The total value of financial assets of residents that are claims on nonresidents and gold bullion held as reserve assets.

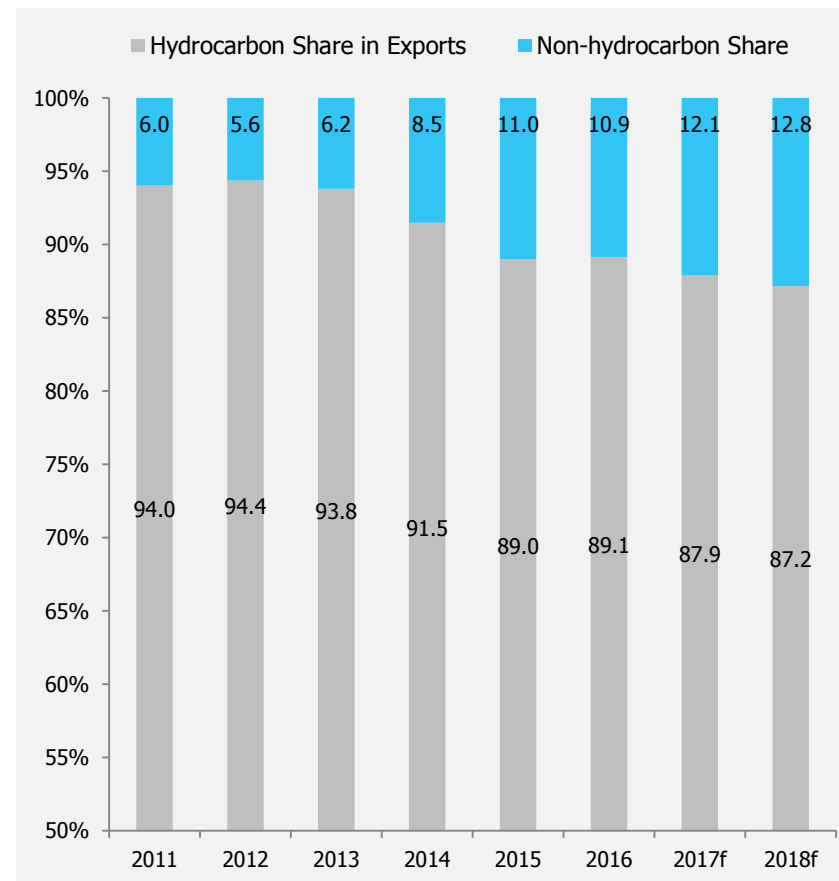
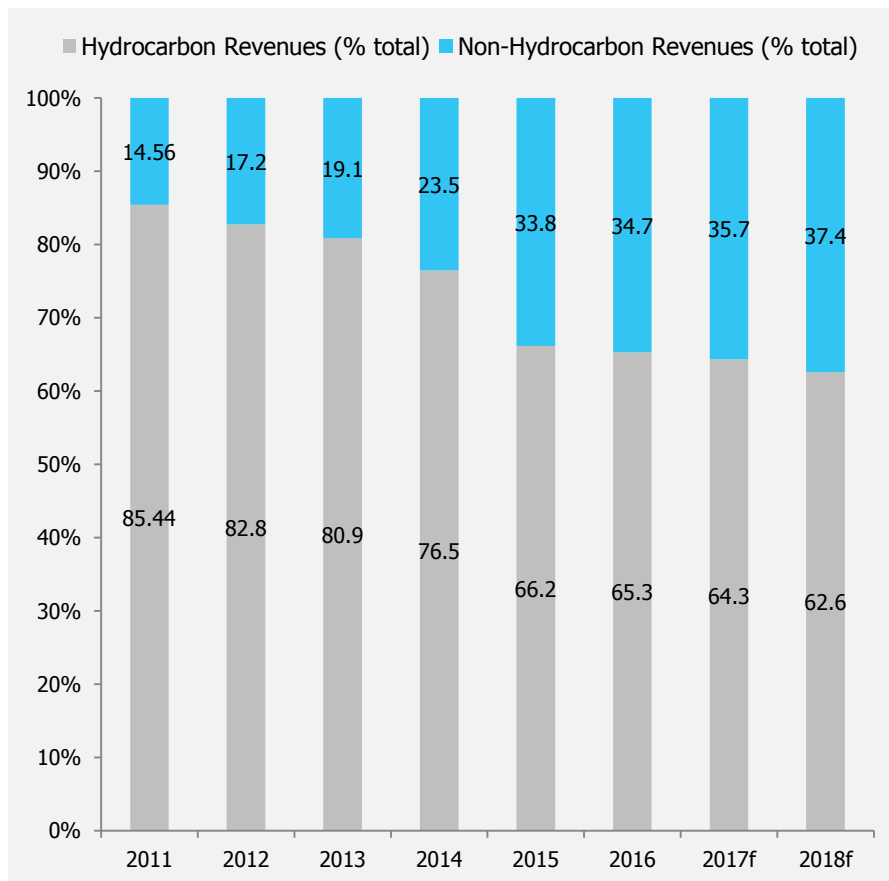
Source: IIF, Marmore Research

Fiscal position has improved on back of spending restraint



Source: IIF

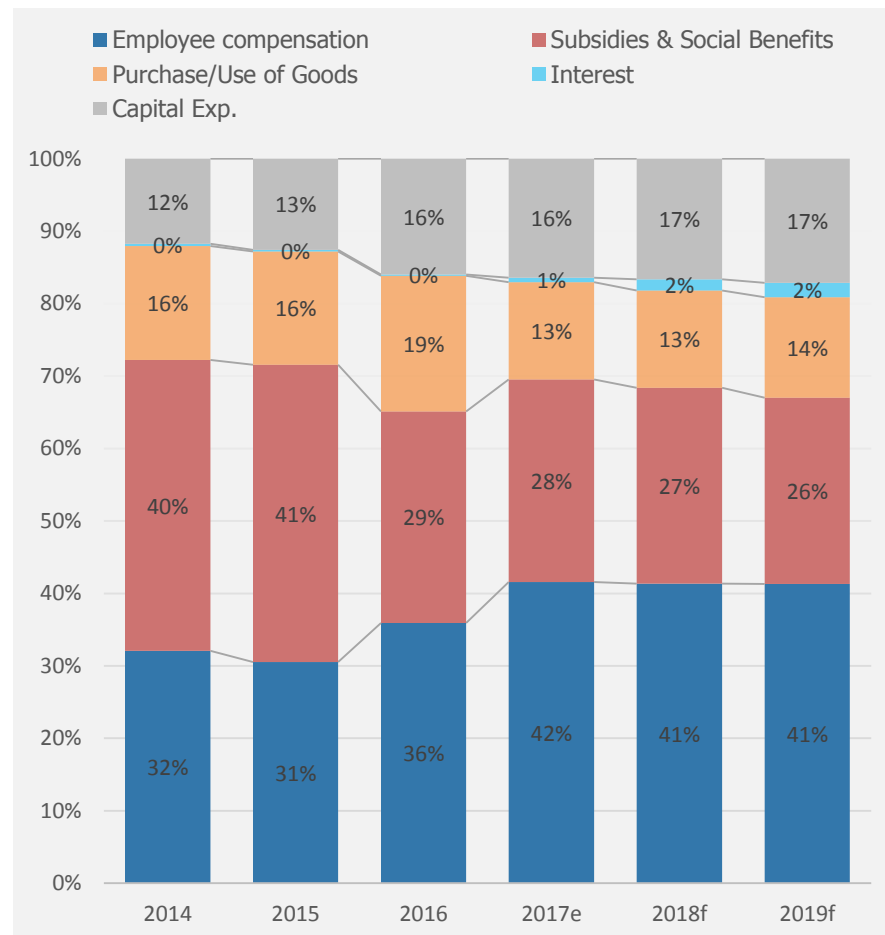
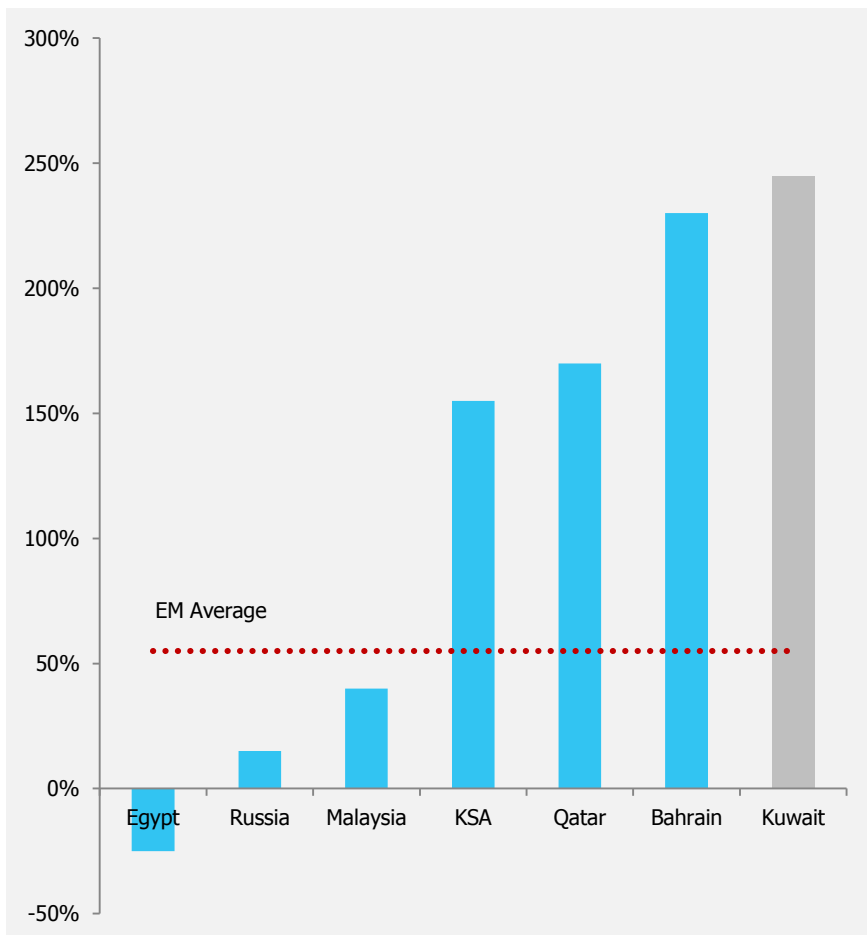
Steady progress witnessed on diversifying the revenue streams



Source: IIF

Employee compensation continues to account for most of the government expense

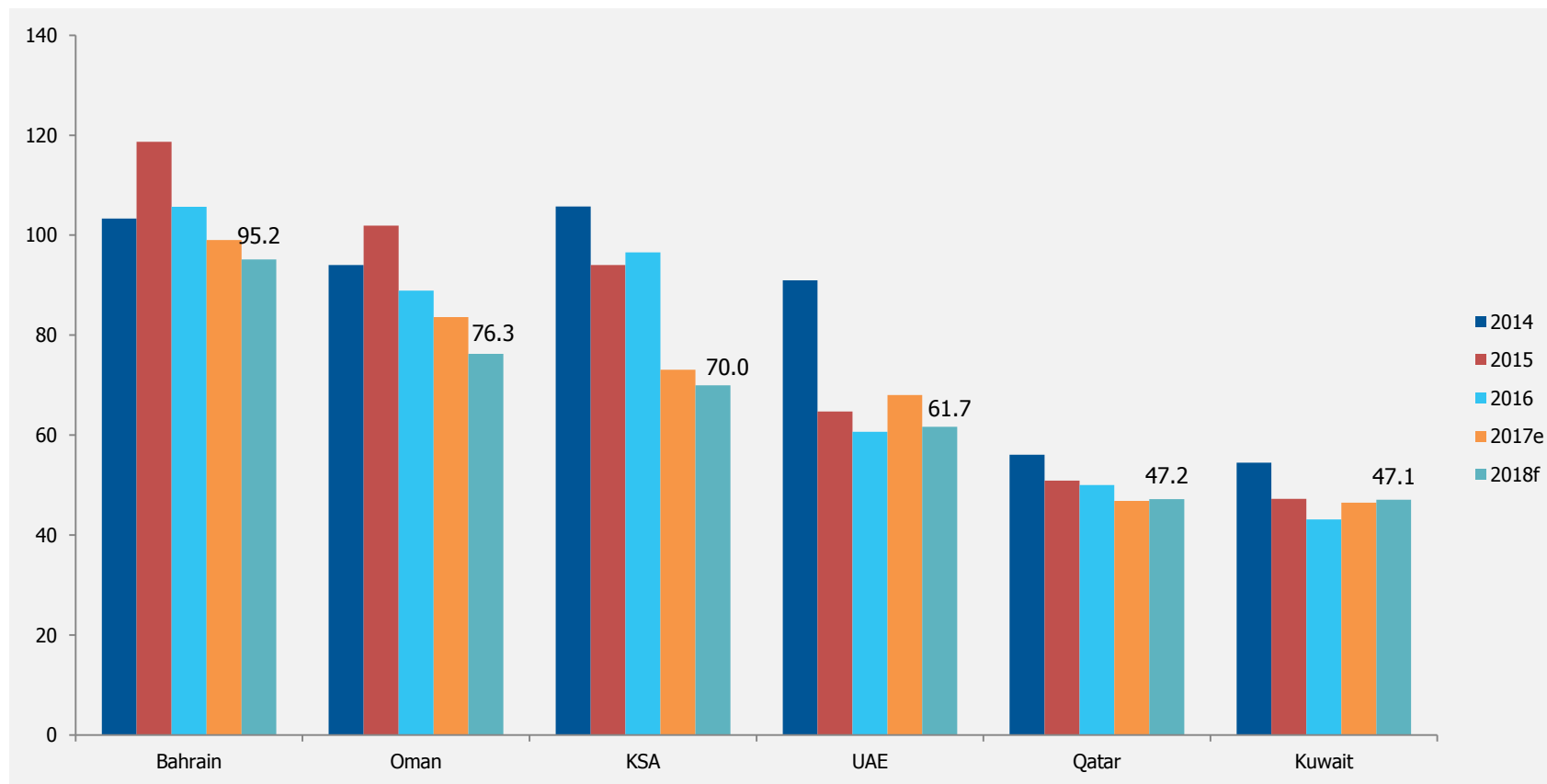
□ Salary Premium in Public Sector over Private, %



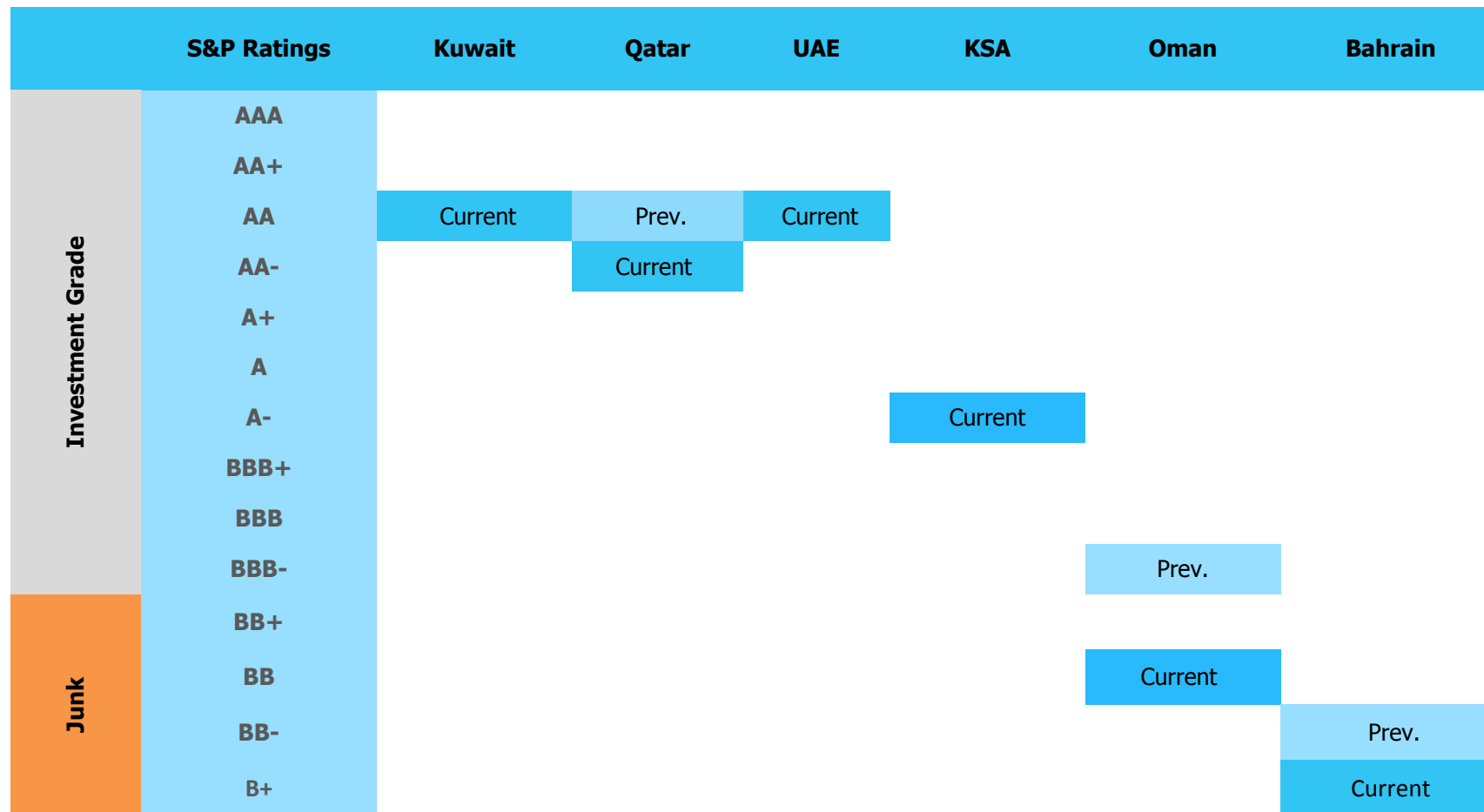
Source: IMF

Kuwait better placed to sustain lower-for-longer oil price environment than its GCC peers

□ Fiscal Breakdown Oil Price (USD/bbl)



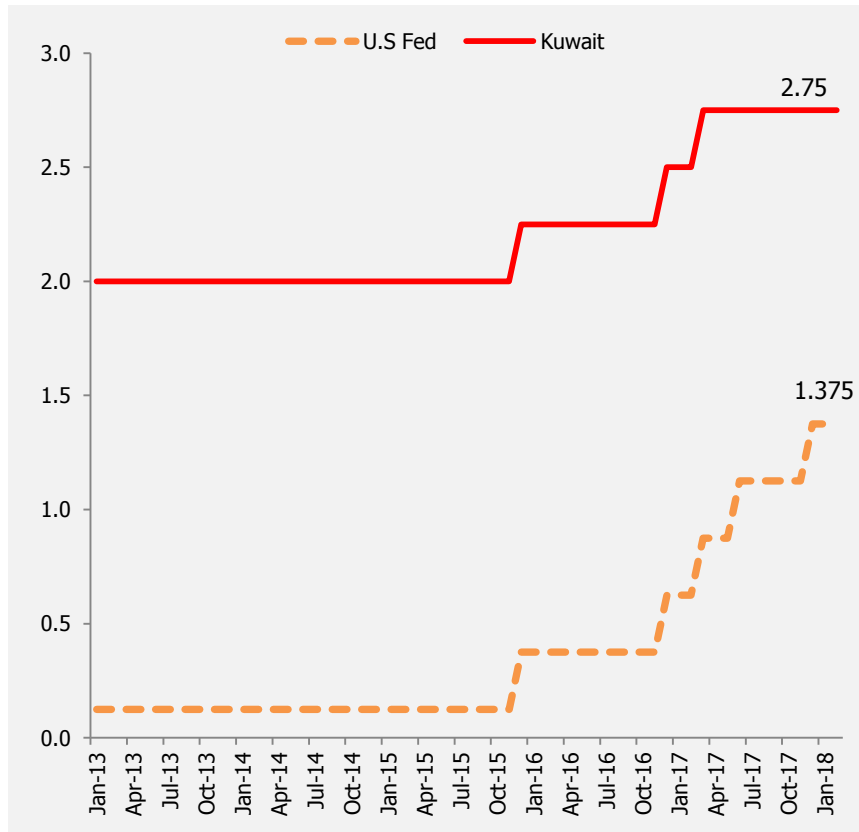
Credit rating has remained resilient



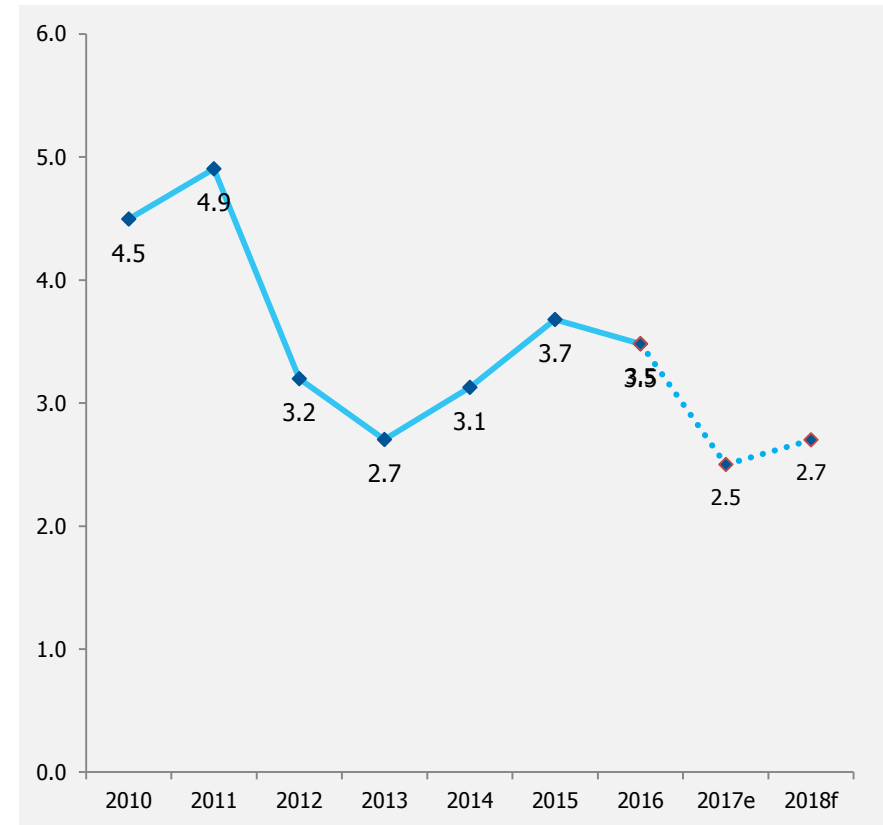
Source: Reuters, S&P

While interest rates & inflation are well aligned

☐ Key Policy Rate (%)



☐ Inflation, Average Consumer Prices, %

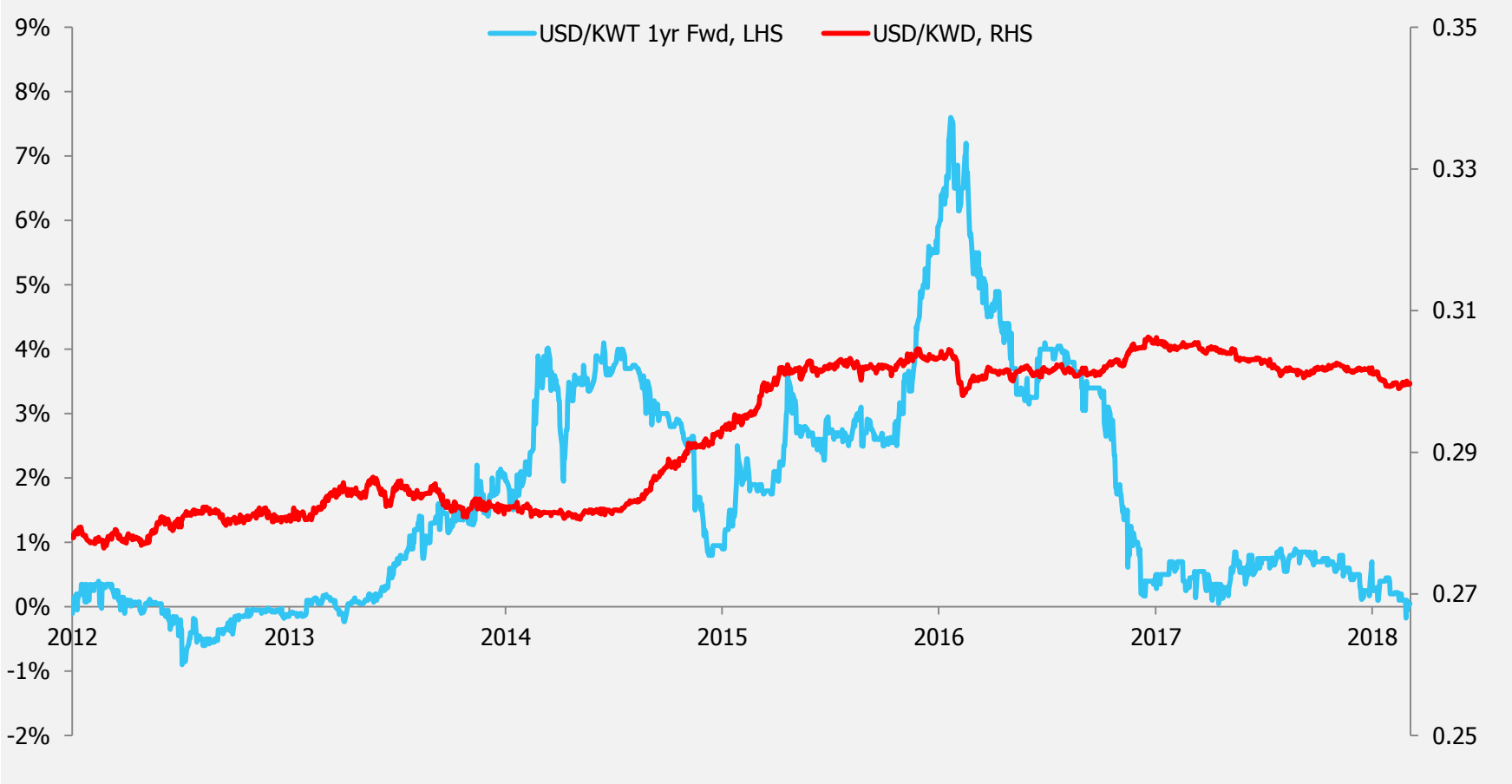


Note: For Kuwait discount rate is the key policy rate

Source: Reuters

Currency pressures have abated

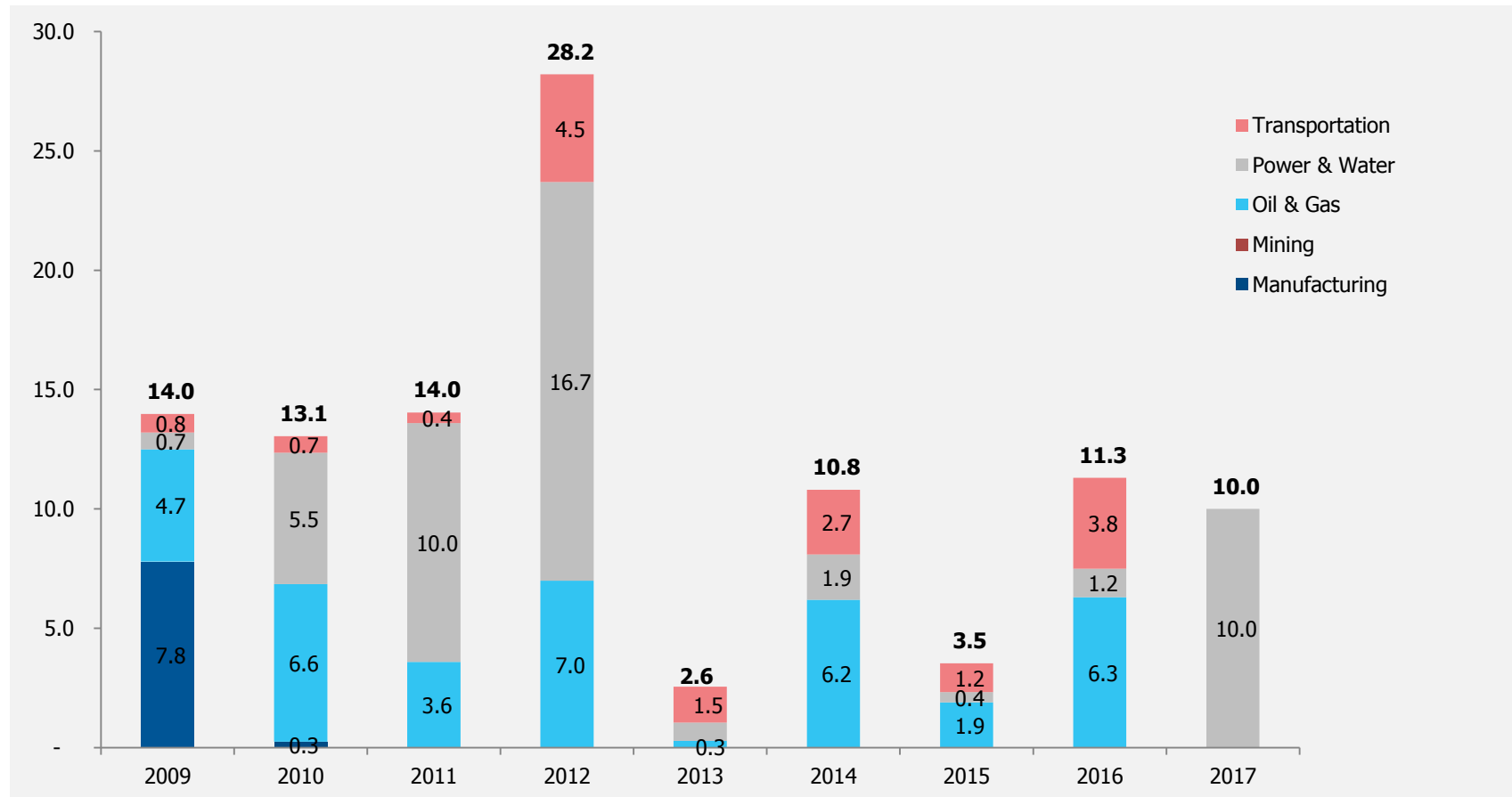
Currency



Source: Reuters

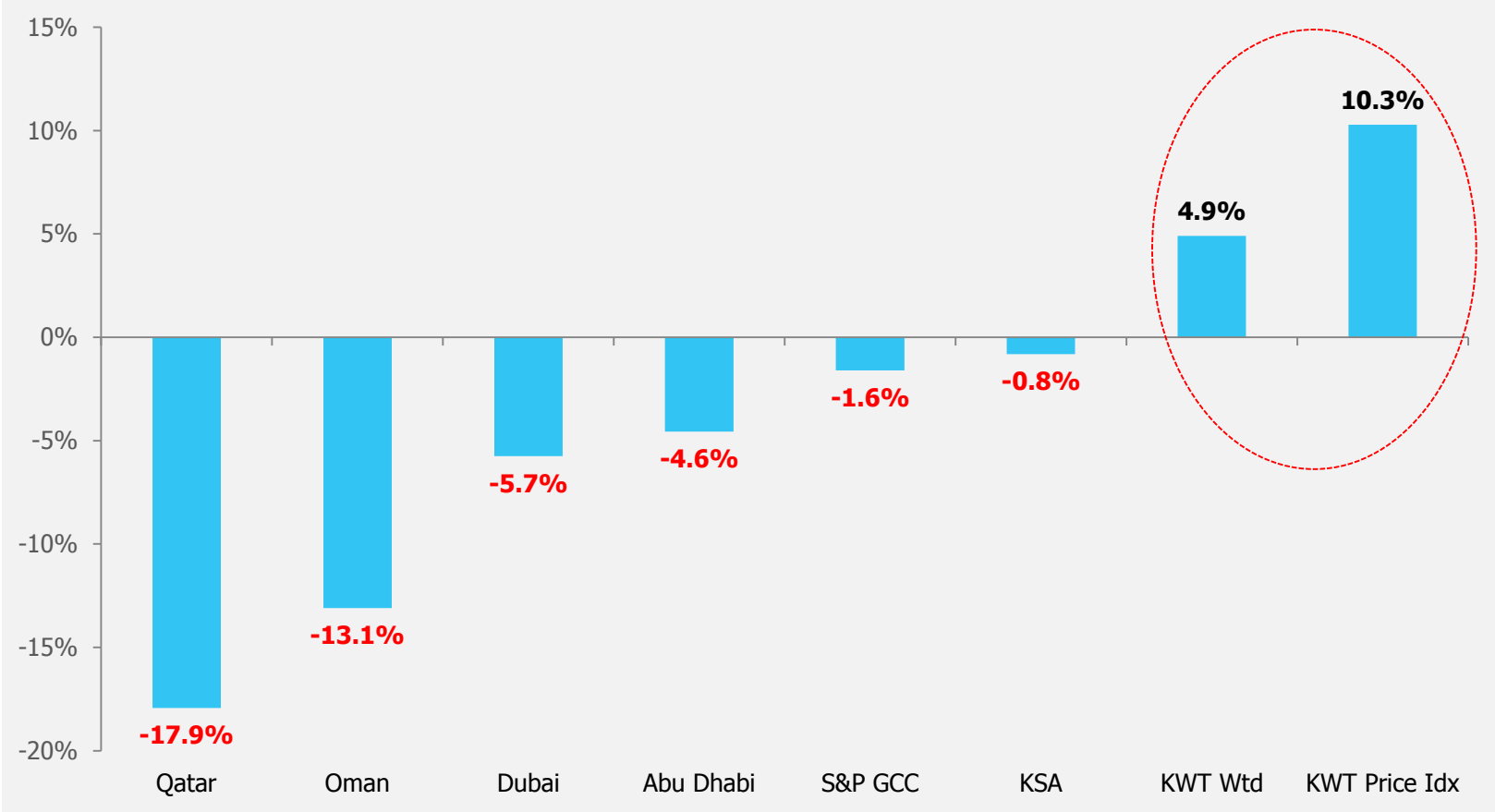
Project activity has picked up momentum

Value of Projects started by Year (USD bn)



Source: Reuters; Note: the list excludes real estate projects

Boursa Kuwait outperformed its peers in 2017



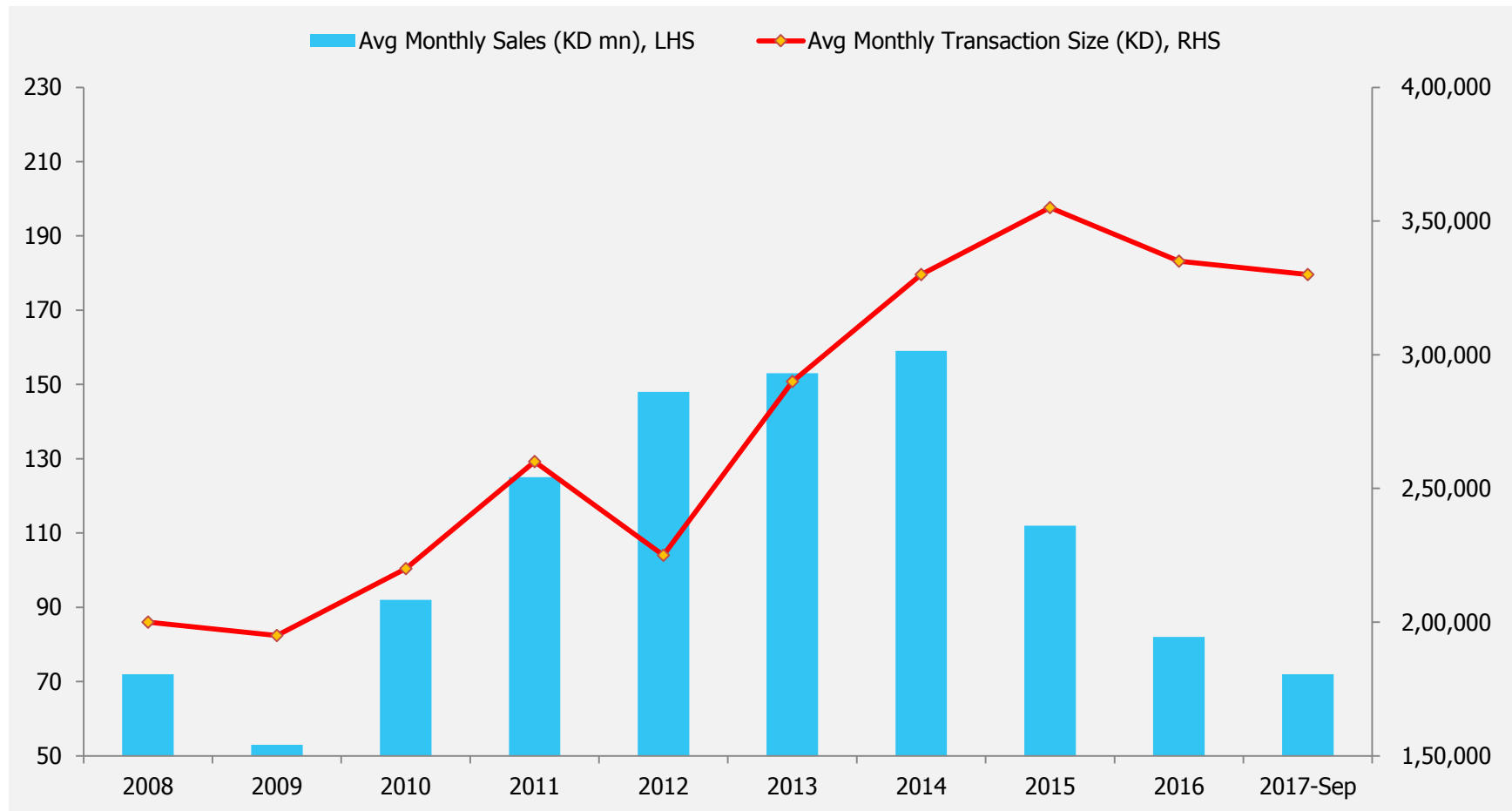
Sources: Reuters

Sovereign bond offers attractive yields

❑ 10 Year Sovereign Bonds – A Comparison of Yield to Maturity (YTM)

S&P Rating	Country	Yield to Maturity	Issue date
AA	Belgium	0.81	17-Jan-17
	New Zealand	1.01	12-Jan-17
	France	1.28	22-Mar-17
	South Korea	2.87	12-Jan-17
	UAE (Abu Dhabi)	3.19	03-Oct-17
	Kuwait	3.50	13-Mar-17

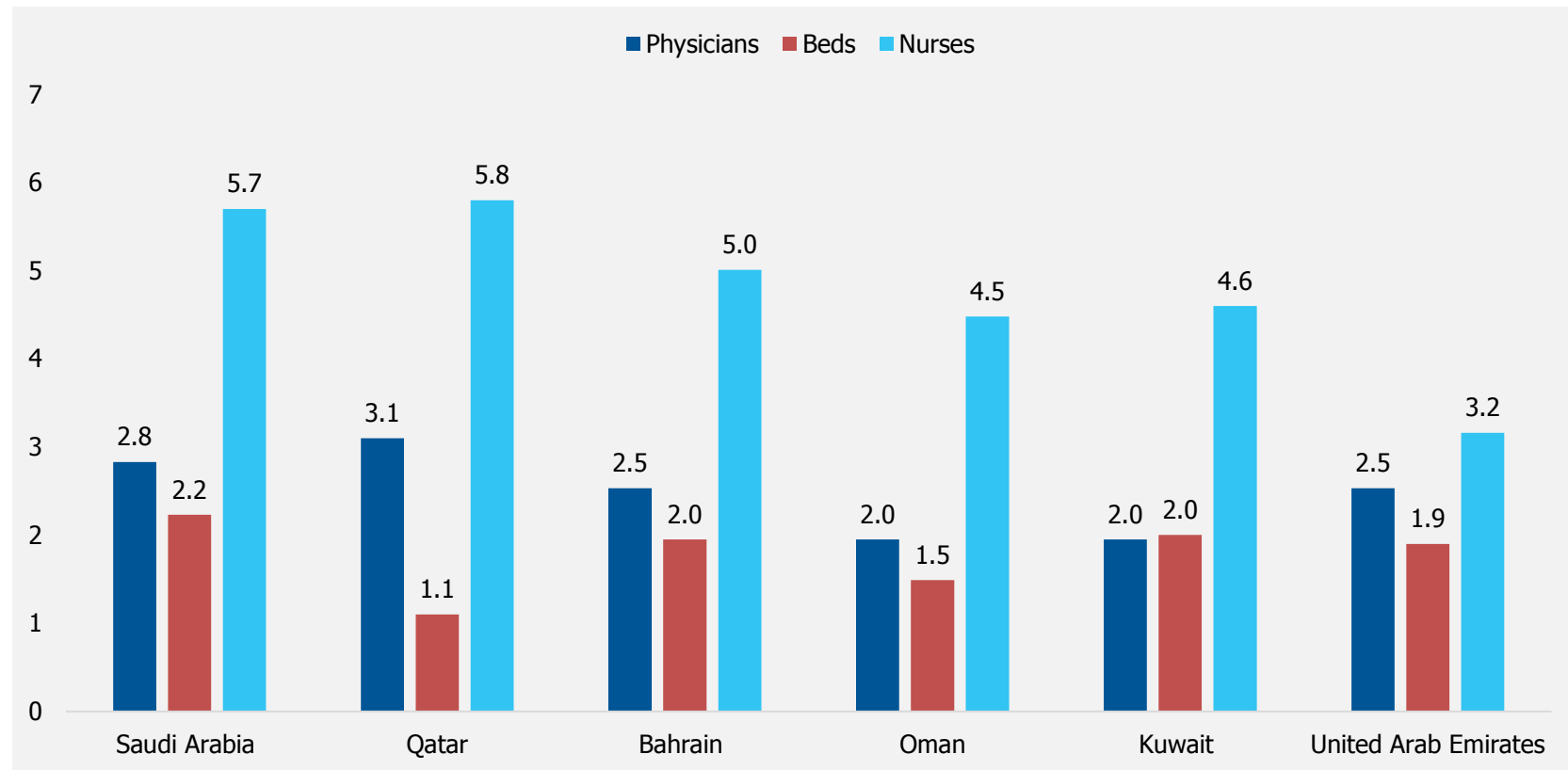
Real estate market have softened



Source: NBK, IMF

Healthcare Infrastructure Indicators

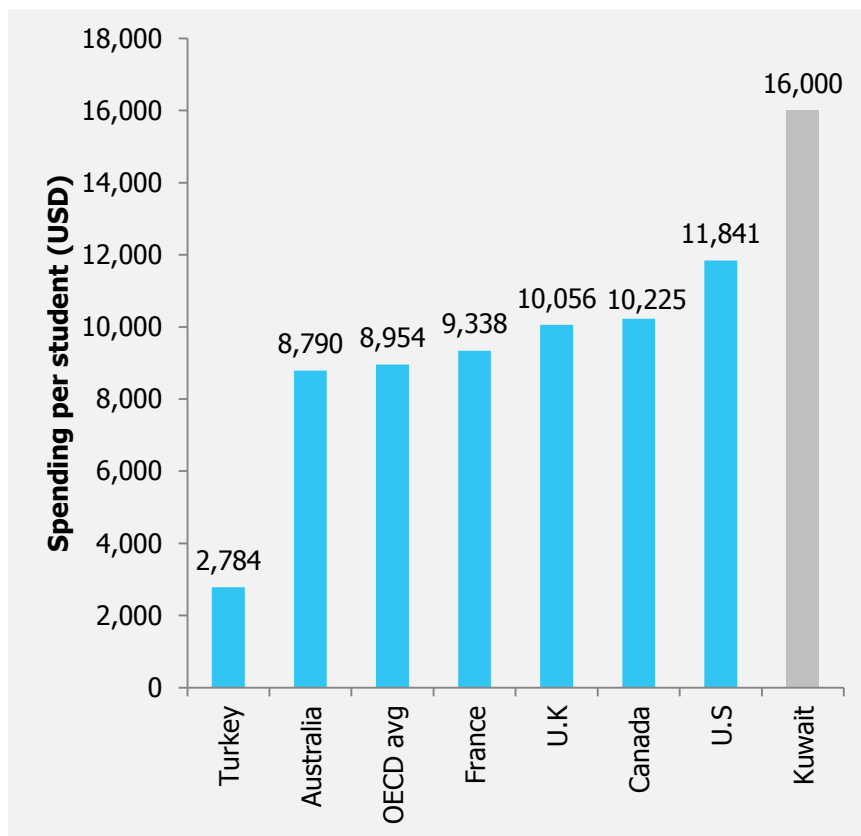
Health Resource Indicators across GCC region (per 1,000 people)



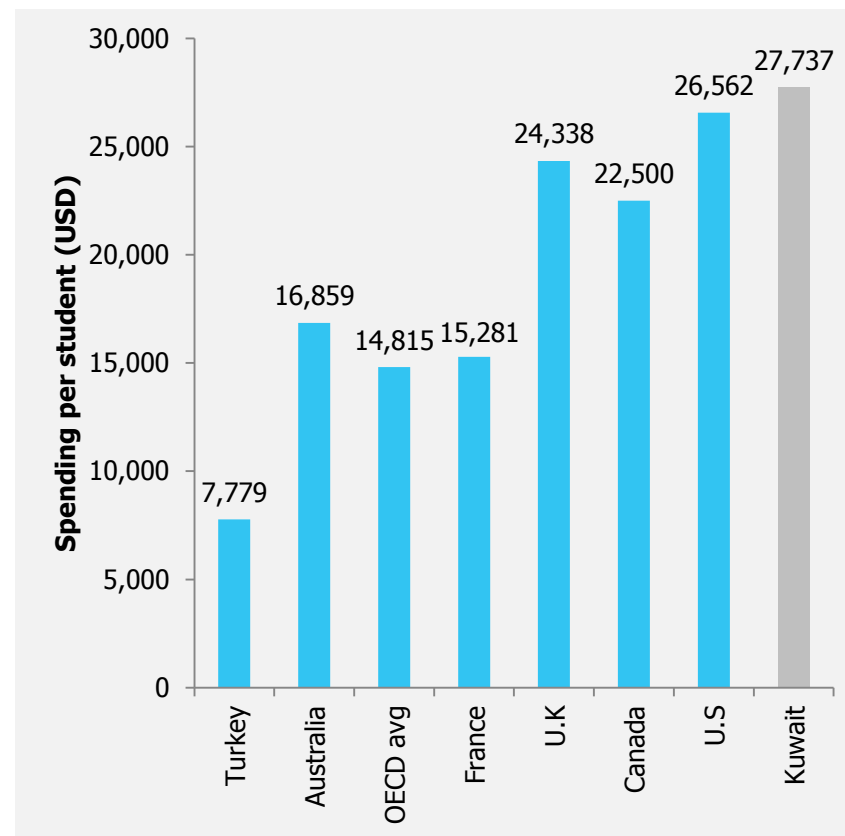
Source: Respective health authorities, CIA, World Bank

Cost of Education remains a challenge

□ Primary/Secondary Education



□ Higher Education

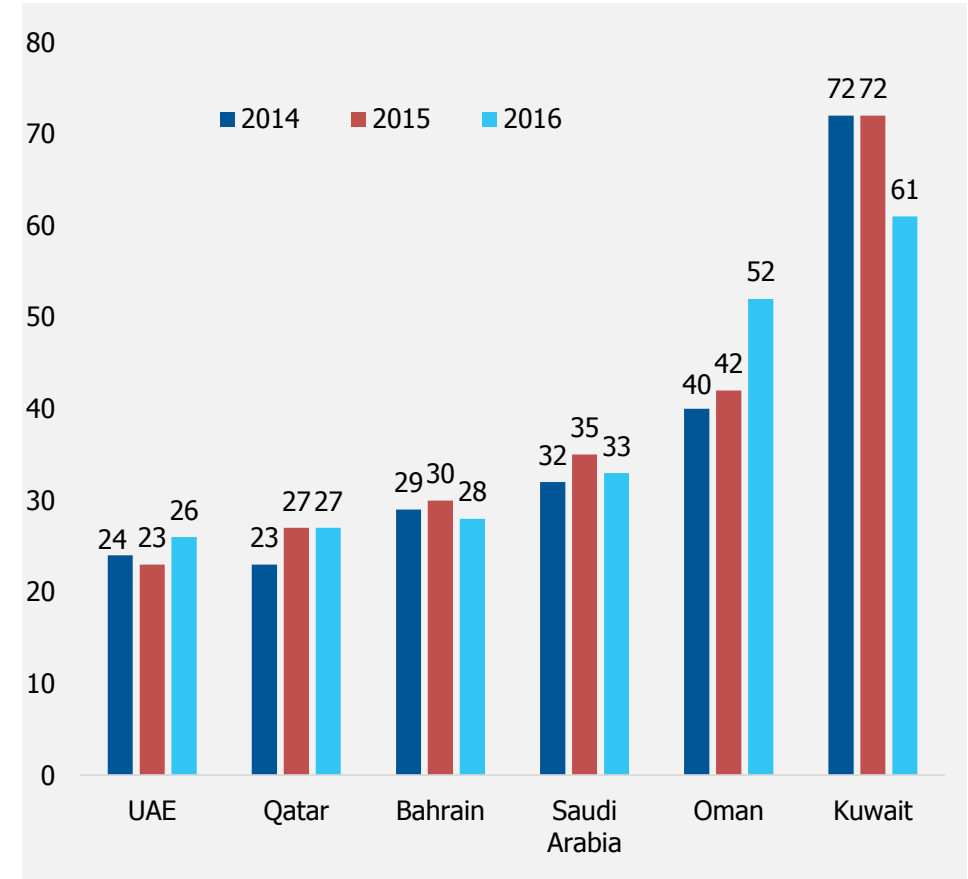
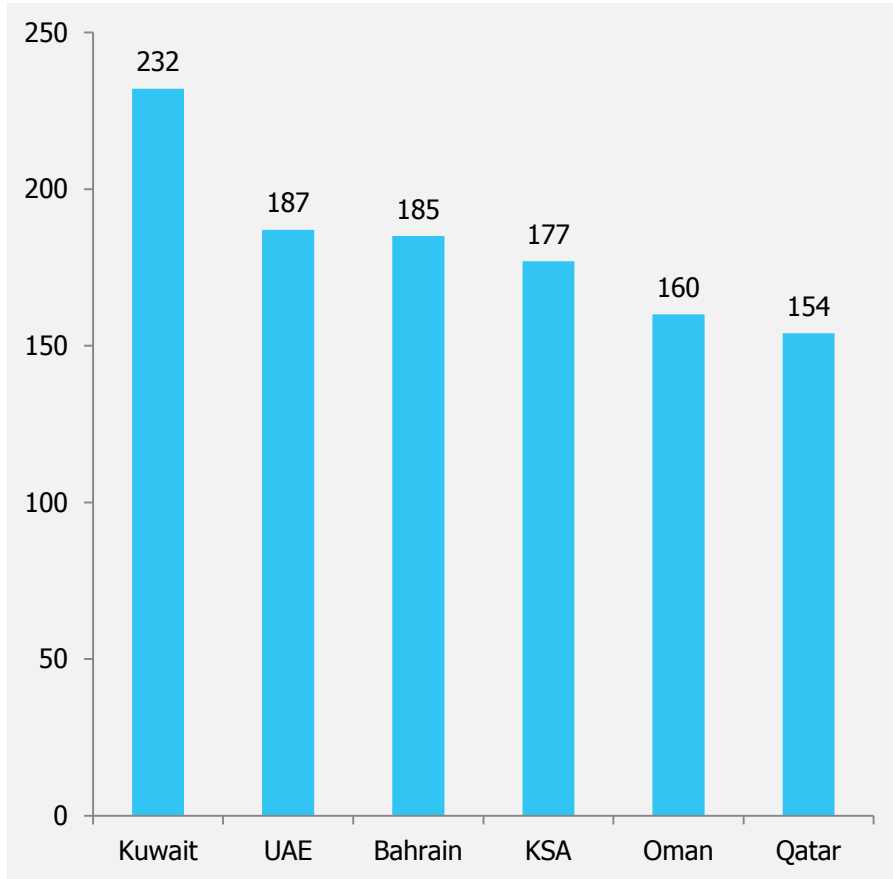


Source: UNESCO, Citi

Kuwait an early adopter of Technology

☐ Mobile Penetration Rate (%)

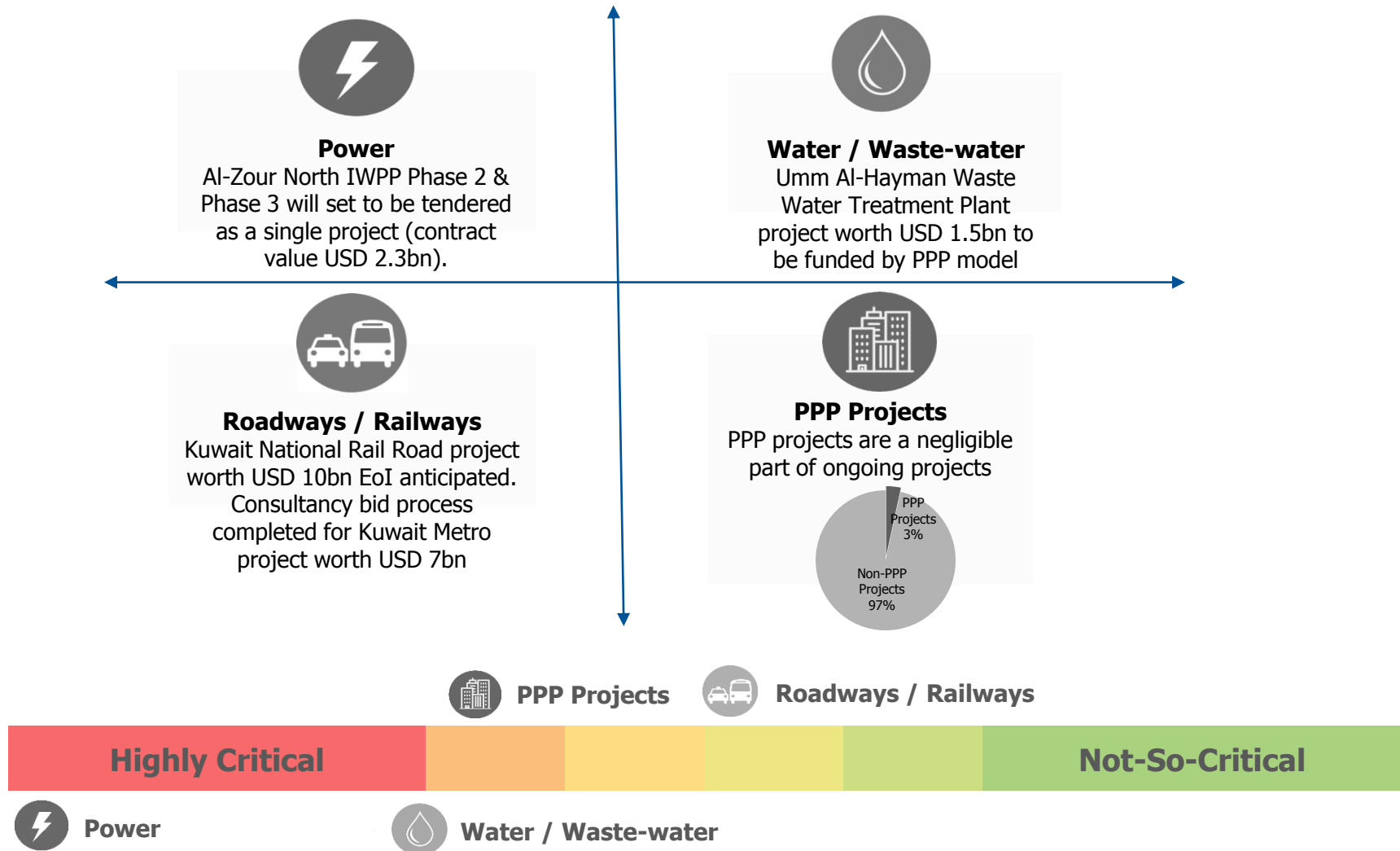
☐ Networked Readiness Index



"Note: Numbers indicate rankings based out of 139 countries with rank 1 being the best"

Source: World Economic Forum (WEF), ITU

Infrastructure opportunities across sectors



Source: Marmore Research, Various

Legislations redrawn to make Kuwait an attractive Investment destination

❑ Select Reforms in Kuwait

Kuwait Authority for Partnership Projects (KAPP)

Provided the status of a full '**Authority**';
Earlier established as a '**Bureau**'

New Direct Investment Law

Allows 100% investment in most sectors
Single Window Clearance - Quick Approval

Other Reform Areas

Key Highlights

Companies Law

One stop shop for Company establishment

Tax Reforms

Reduction on foreign companies tax from 55% to flat 15%;
3year carry forward of losses

New Insolvency Law

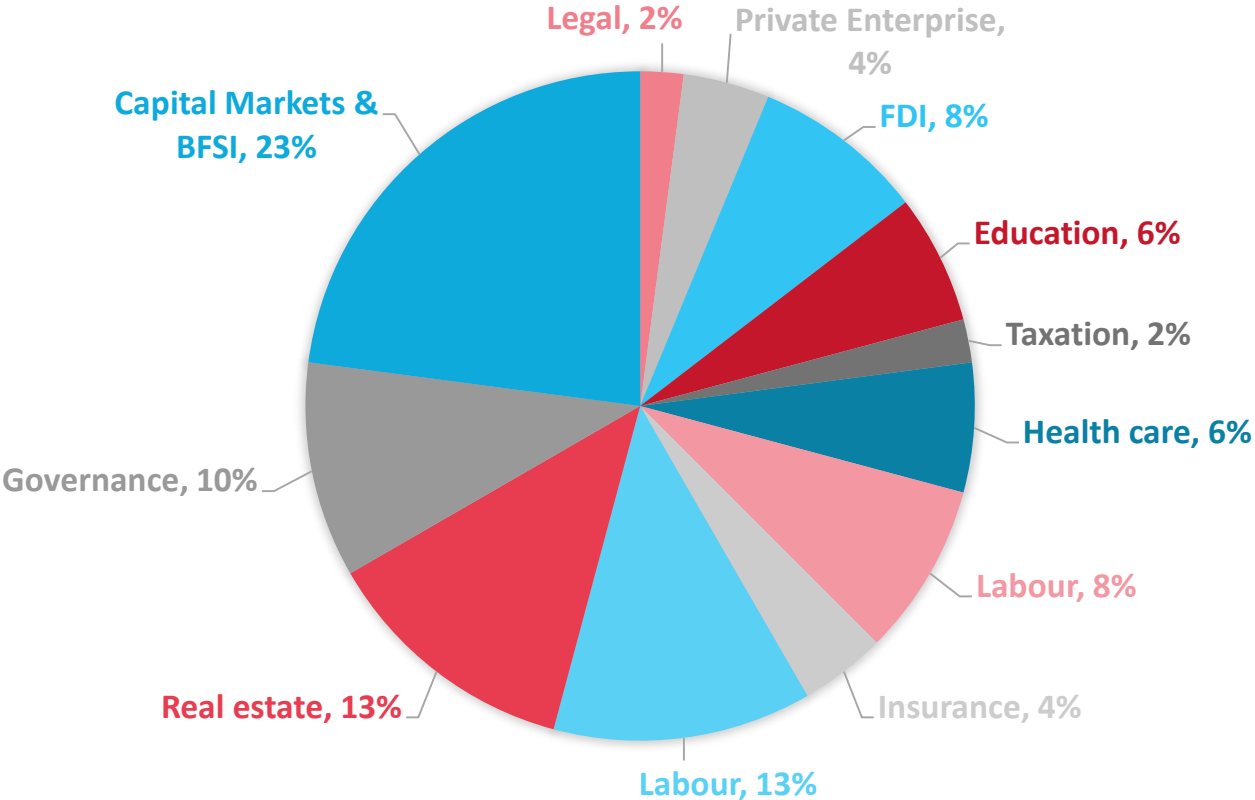
To make negotiated settlements easier (in pipeline)

National Offset Program

Discontinued as it was seen as a disincentive

Financial Sector has undergone aggressive reforms

Indicative Number of Reforms in Select Sectors in Kuwait




Source: Marmore; Note: Data for last three years

Global Competitiveness Index


Ranking	Kuwait	KSA	UAE	Qatar	Oman	Bahrain
Ease of Doing Business Rank (June 2017)	96	92	21	83	71	66
Starting a Business Rank (June 2017)	149	135	51	89	31	75
Global Competitiveness Index (2017-2018)	52	30	17	25	62	44
GCI Infrastructure (2017-2018) Out of 137	64	29	5	13	36	33
GCI Health (2017-2018) Out of 137	54	64	40	38	46	42
GCI Higher Education & Training (2017-2018) Out of 137	95	43	36	37	71	39
GCI Innovation (2017-2018) Out of 137	103	40	25	21	76	45
Ethics & Perception (2017-2018) Out of 137	64	21	3	5	26	22

Thank You!


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