



September 2019

# Kuwait Aviation

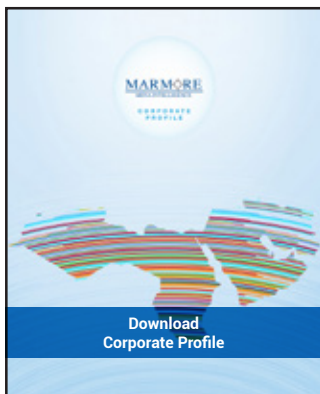
*The beginning  
of a new era*

## Research Highlights:

Examining and analyzing the status of Kuwait Aviation sector, highlighting the key player profiles. The report also presents growth drivers, challenges and key trends in the aviation industry.



# About Marmore



## Organizational Background

Marmore MENA Intelligence provides research-based consulting solutions to help understand current market conditions, identify growth opportunities, assess supply/demand dynamics, and make informed business decisions.

Marmore is a fully-owned research subsidiary of Kuwait Financial Center 'Markaz'. Since 2006, Markaz Research has been at the forefront in disseminating thought-provoking, hard-data backed research reports. Marmore continues that legacy with a focused approach to providing actionable solutions for business leaders and policymakers.

Since its inception, Marmore has published over 700 research reports and covered more than 25 varied industries and infrastructure segments; all focused primarily on the GCC economies. (To view our Research Library, please [click here](#))

With over 30 policy and regulatory research studies published, Marmore has partnered with renowned regional think-tanks and opinion-leaders to publish some of these intellectually provoking policy research papers. These research studies aim to initiate dialogue and propose better solutions to existing economic conundrums. (To view our Policy & Regulatory research report, [click here](#))

Almost on a weekly basis, Marmore publishes thematic economic, industry, policy and capital market reports. Marmore has been recently conferred **"Research Provider of the Year - 2018"** award by Global Investor, a Euromoney Group company. To learn more, visit [www.marmoremna.com](http://www.marmoremna.com)


## Experience/Qualifications

Marmore is the only regional firm providing niche research based on strong analytics in areas that are less researched. Marmore provides full range of financial market, sector specific and economic and policy researches, as well. The different types of researches are availed based on the client's requirements. It is notable that Marmore research reports have regularly been used by various renowned institutions to better understand the MENA region.

*Marmore's strengths can be summarized as follows:*

- » Consistent track record of quality, in-depth research offerings;
- » Skilled team with extensive experience in advanced quantitative and qualitative analysis techniques;
- » Deep understanding of MENA market and access to wide-ranging database
- » Delivers high quality, client specific, insightful research reports; highlighting key client issues and uncovering key answers/opportunities for the clients.

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# Executive Summary

Kuwait aviation industry broadly consists of two national airlines – Kuwait airways and Jazeera Airways and an international airport. Kuwait is only about an eight-hour flight for two-thirds of the world's population and less than 4 hours for one-third. Thus benefitting from its geographical location it has witnessed a surge in passenger and cargo traffic over the years.

Over the past five years between 2014 and 2018, passenger numbers at Kuwait International airport have increased to 14.8mn at a CAGR of 9.6%. To cater the growing traffic, airport expansion plans are underway which targets to increase the handling capacity of passengers by up to 25mn by 2023. The expatriate population has increased at a CAGR of 3.5% between 2013 and 2018, an addition of 607.2 thousand. The increase in number of expatriates has a direct impact on the passenger air traffic.

Several factors like favorable lower fuel cost, geographical location, continued inflow of expatriates and high-income levels are rooting for the aviation industry. The lower fuel costs reduces the overall operating cost for the Kuwaiti airlines. Kuwait government provides fuel subsidy of 10% to airlines flying over 5,000 flights in a year. Further, both the national carriers i.e. Kuwait and Jazeera airways receive cash subsidy from Ministry of Finance of 10% on purchase of fuel, thus receiving a total subsidy of 20%. The lower fuel cost in essence offers competitive advantage to national carriers by lowering the total operating costs.

To liberalize the air transport between the nations the DGCA has implemented the "Open skies policy" and signed open skies treaty with nations like Cyprus, Singapore, Senegal, and Brunei. This is expected to ensure the future growth of passenger as well cargo traffic at the Kuwait International Airport.

Kuwait government offers visa on arrivals to tourist passengers who are citizen of GCC nations including foreign nationals residing in GCC countries and citizens of 51 other countries across globe. The tourist visa is available at a fees of KD 3. The simplified e-visa and visa on arrival augurs well for the passenger growth in aviation industry.

The recent trends in the market include the coming up of low cost carriers along with the value added services and loyalty program schemes to retain the customers, the new airport terminals and latest technologies and services such as self-check in kiosks among others.

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