

# Kuwait

## February 2017

### Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for Kuwait. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Kuwait in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Kuwait and South Africa. The key highlights in Kuwait's fact sheet are provided below:

#### TRADE

- Kuwait recorded a trade surplus (USD15.42bn) in 2016, maintaining its net exporter status for the 10th consecutive year. Kuwait's exports represent 0.3% of global exports and is the world's 49<sup>th</sup> largest exporter.
- In 2016 the majority of Kuwait's top trading partners were fellow Arab states, which demonstrates the benefits of regional integration.
- Kuwait's imports represent 0.2% of global imports and is the world's 60<sup>th</sup> largest importer.
- In 2016, Kuwait's top exported product was crude petroleum oil, the country was the 7<sup>th</sup> largest exporter of crude petroleum with a 4.6% global market share.
- Over the past 10 years, South Africa saw an ebb and flow in trade with Kuwait. In 2016 South Africa exported goods to the value of USD84m to Kuwait.
- South Africa exported a mixed basket to Kuwait; exported products included agricultural produce, machinery and coal.
- In 2016 the Western Cape exported goods to the value of USD26.61m to Kuwait.
- The top exports from the Western Cape were citrus (US\$13.88m), frozen meat of bovine (USD6.21m) and fresh meat of bovine (USD1.78m).

#### FDI

- Between January 2003 and May 2017 a total of 355 FDI projects were recorded into Kuwait. These projects represent a total capital investment of USD12.75bn.
- In 2016, Kuwait was a net outward foreign investor, with outflows reaching USD75.18bn.
- Between January 2003 and May 2017 South Africa received 2 investment projects from Kuwait which created 788 jobs. Both investments landed in KwaZulu-Natal's hotel and tourism sector.

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## 1. General Information

Kuwait is a country in Western Asia. Situated in the northern edge of Eastern Arabia at the tip of the Persian Gulf, it shares borders with Iraq and Saudi Arabia. The country is home to one of the first seafarers and marine traders in the world. Kuwait is one of the largest oil exporters and as of 2016, Kuwait had a population of 4.2 million people; 1.3 million are Kuwaitis and 2.9 million are expatriates. Expatriates account for 70% of the population.

Arabic is the official language of the State of Kuwait. Across Kuwait's history, Arabic language was influenced by other languages and societies in Kuwait. English is widely spread and most Kuwaitis speak English as a second language. Located in the desert geographical region, Kuwait has a continental climate characterized by its dry hot long summers and short warm and winters with occasional rainfalls. Dust storms often occur during the summer months. The relative humidity increases and temperature sometimes reaches 50°C in the shade.

Kuwait has been ruled by the AL-SABAH dynasty since the 18th century. The Emir of Kuwait is the head of state. He is nominated by a family council headed by prominent members of the family. However, in 1990 Kuwait was attacked and invaded by Iraq but with the intervention of a US led UN coalition power was reinstated to the AL-SABAH family. In recent years the country's opposition party has gained significant power and has on several occasions vehemently opposed the government's fiscal reforms. Since coming to power in 2006, the head of the state has dissolved the National Assembly on seven occasions (the Constitutional Court annulled the Assembly in June 2012 and again in June 2013) and reshuffled the cabinet over a dozen times, usually citing political stagnation and gridlock between the legislature and the government.



GENERAL INFORMATION - KUWAIT	
Capital	Kuwait City
Population (July 2017 est.)	4,437,590
Government type	Constitutional monarchy
Head of Government	Prime Minister JABIR AL-MUBARAK al-Hamad al-Sabah (since 30 November 2011)
Chief of State	Amir SABAH al-Ahmad al-Jabir al-Sabah (since 29 January 2006); Crown Prince NAWAF al-Ahmad al-Jabir al-Sabah (born 25 June 1937)
Life expectancy (July 2017 est.)	78.2 years
Literacy	95.70%
Ethnic groups (July 2017 est.)	Kuwaiti 31.3%, other Arab 27.9%, Asian 37.8%, African 1.9%, other 1.1% (includes European, North American, South American, and Australian) (2013 est.)
Religion(s)	Muslim (official) 76.7%, Christian 17.3%, other and unspecified 5.9%
Languages	Arabic (official), English widely spoken

Source: CIA World Factbook, 2018; World Bank Group, 2018

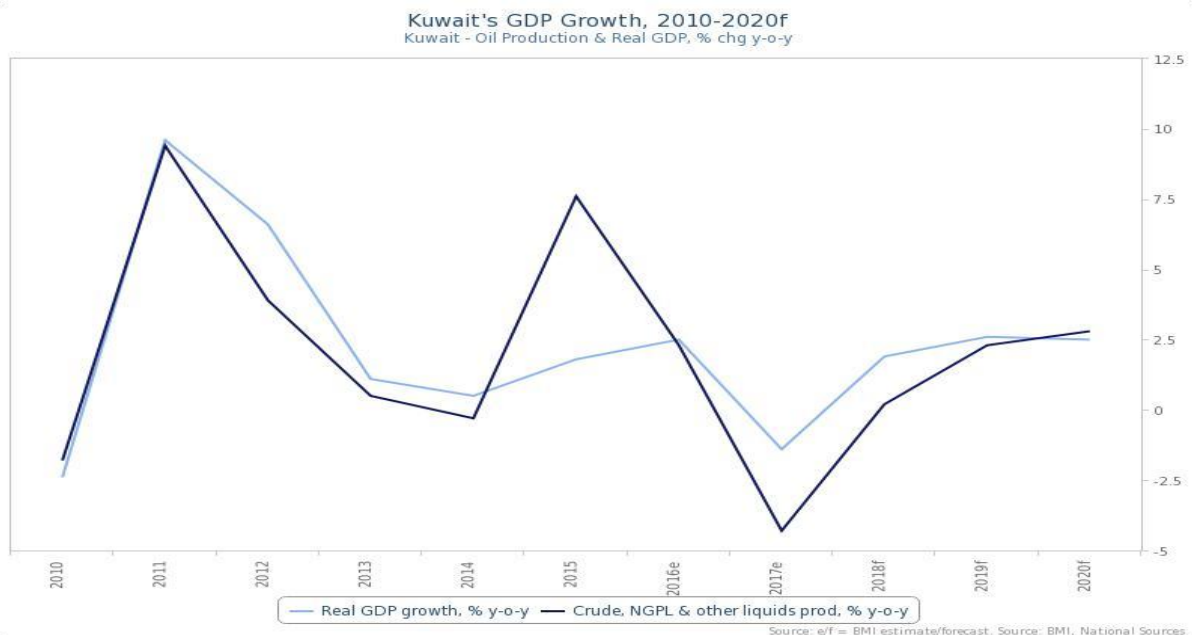
## 2. Economic Overview

Hydrocarbons account for nearly half Kuwait's total GDP, and the OPEC's June (2017) decision to extend production cuts until the first quarter of 2018 has weighed on oil output and exports in Kuwait. Outside the oil sector, activity has remained supported by the implementation of the five-year Development Plan (2015/16-2019/20) which contains several large infrastructure, transport and refinery projects. In January 2018, the government released the New Kuwait 2035 Strategic Plan, which aims to transform the country into a regional, financial and commercial hub as part of long-term economic diversification efforts. External positions remain strong and supportive of Kuwait's currency peg, backed by an SWF (Sovereign Wealth Fund) estimated at over USD500 billion and supported by a modest recovery in oil prices over the past year.

ECONOMIC INFORMATION	
GDP (PPP) (2016 est.)	USD303.7 billion
GDP growth (2016 est.)	2.50%
GDP per capita (2016 est.)	USD71,900
Inflation (2016 est.)	3.50%
Commercial Bank Prime lending rate (2016 est.)	5%
Unemployment rate (2016 est.)	2.10%
Doing Business in...(2018 ranking)	96
Total Exports (2016 est.)	USD46.26 billion
Total Imports (2016 est.)	USD30.82 billion

Source: CIA World Factbook, 2018

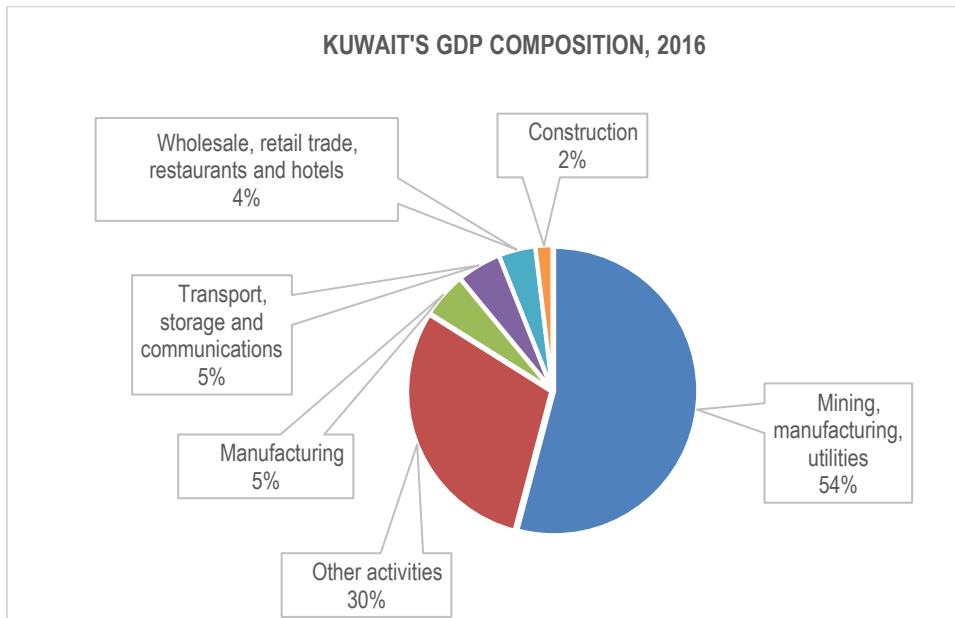
According to Business Monitor International albeit Kuwait's economic woes the country's GDP is expected to recover in 2018, however at a weaker pace than initially expected. In 2018 the country's GDP growth is forecasted at 1.9% for the year, compared to 3.3% previously, up from an estimated contraction of 1.4% in 2017. This revision is largely based on the decision in November 2017 to extend the OPEC, non-OPEC deal until end - 2018, which will keep Kuwait's oil production flat this year. Nevertheless, rising oil prices will provide significant breathing space for the government, allowing a return to a more expansionary fiscal policy. This will in turn add momentum to domestic demand and boost business confidence, partially offsetting the effects of flat oil production on real GDP growth.



Source: Business Monitor International; 2018  
Note: figures from 2018 to 2022 are forecasted figures

The diagram below shows Kuwait's industry contribution to Gross Domestic Product in 2016. The largest industry contributors were:

- Mining, manufacturing, utilities: 54%
- Manufacturing as well as Transport, storage and communication: 5% and
- Wholesale, retail trade, restaurants and hotels: 4%



Source: UNCTAD, 2018

## 2.1 Doing Business in Kuwait

Kuwait is currently ranked 96<sup>th</sup> overall in the World Bank's Doing Business Index 2018. The country's relative strengths lie in paying tax (6<sup>th</sup>) and registering tax (70<sup>th</sup>).

KUWAIT EASE OF DOING BUSINESS, 2018	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2018
Starting a Business	149
Dealing with Construction Permits	129
Getting Electricity	97
Registering Property	70
Getting Credit	133
Protecting Investors	81
Paying Taxes	6
Trading Across Borders	154
Enforcing Contracts	73
Resolving Insolvency	110
<b>Doing Business 2018</b>	<b>96</b>

Source: Cost of Doing Business, 2018

## 2.2 Kuwait Risk Ratings

In February 2018 Standard & Poor's affirmed Kuwait's "AA/A-1+" credit rating the agency cited the country's significant stock of financial assets as reason for the good rating.

In October 2017 the long-term foreign and local currency issuer Fitch gave Kuwait a rating of 'AA' with a stable outlook. In May 2017 Moody's changed Kuwait's rating outlook from stable to negative. The decision to change the outlook to negative from stable reflects Moody's view that there are sufficient signs of the government's institutional capacity to effectively implement its fiscal and economic reform program to preserve creditworthiness in the medium-term, which has the stated objective of diversifying and enhancing the economic base and its budgetary revenues.

KUWAIT'S COUNTRY RATINGS			
STANDARD & POORS SOVEREIGN LONG TERM RATINGS	STANDARD & POORS SOVEREIGN SHORT TERM RATINGS	FITCH RATING	MOODY'S RATINGS
AA	A-1+	AA	Aa2

Source: Moody's, 2018; Standard & Poors, 2018, Reuters, 2018

The table below shows Kuwait' risk assessment in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators. The table shows that the political risk in Kuwait is low both in the short and long-term. Commercial risk is viewed to be moderate, in terms of direct investment the risk of expropriation and government action which is higher than the other categories. I.e. war risk and transfer risk.

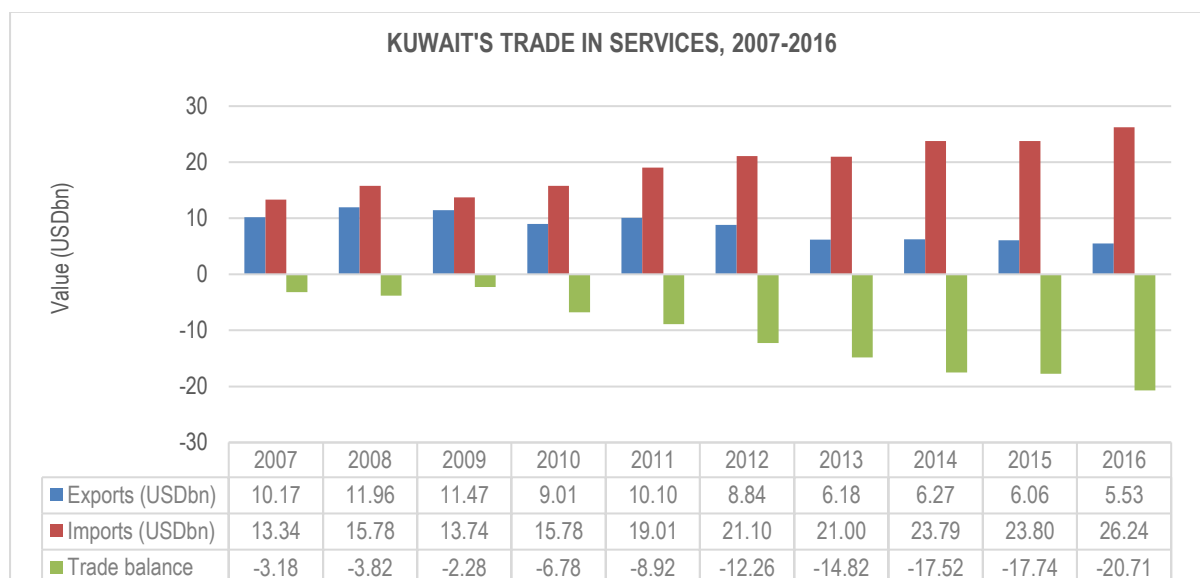
KUWAIT'S RISK ASSESSMENT, 2018		
EXPORT TRANSACTIONS		
Political Risks	Short Term	3
	Medium-Long term	3
	Special Transactions	3
Commercial Risk	B	
DIRECT INVESTMENTS		
War risk	3	
Risk of expropriation and government action	4	
Transfer risk	3	

Source: ONDD, 2018

### 3. Trade

#### 3.1 Trade in Services

Kuwait's has been a net importer of services from 2007 to 2016, with exports reaching USD5.53bn in 2016. Over the reviewed period in 2009 Kuwait witnessed the lowest trade in services deficit and this could be attributed to the 2008 global recession.



Source: TradeMap, 2018

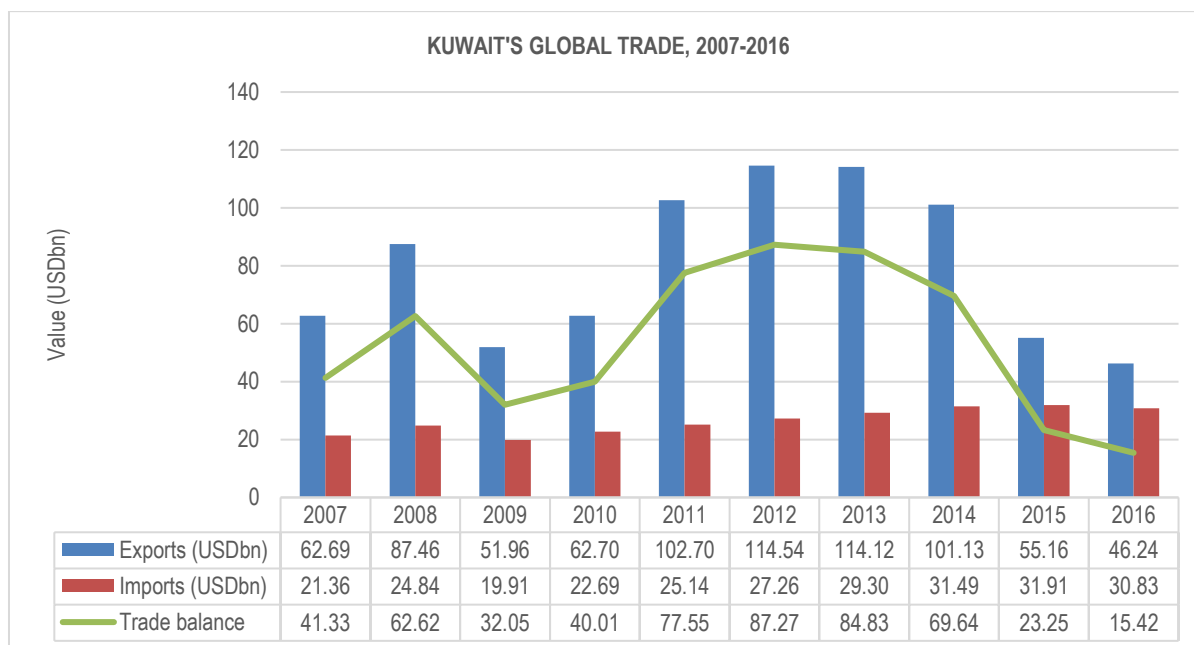
The table below shows the Kuwait's trade in services in 2016. The telecommunication, computer and information services were the largest services export valued at USD2.55bn followed by transport and travel services valued at USD1.22bn and USD600m, respectively. Travel services were the largest imported services into Kuwait valued at USD12.18bn followed by the transport services and the construction valued at USD5.23bn and USD3.41bn, respectively.

TOP 10 SERVICES EXPORTED BY THE KUWAITS, 2016				TOP 10 SERVICES IMPORTED BY THE KUWAITS, 2016			
CODE	SERVICE	VALUE 2016 (USDbn)	AVG % GROWTH 2012-2016	CODE	SERVICE	VALUE 2016 (USDbn)	AVG % GROWTH 2012-2016
9	Telecommunications, computer, and information services	2.55	-6.59%	4	Travel	12.18	8.80%
3	Transport	1.22	-17.06%	3	Transport	5.23	-2.47%
4	Travel	0.60	16.51%	5	Construction	3.41	33.19%
12	Government goods and services	0.56	-1.20%	10	Other business services	2.96	246.81%
6	Insurance and pension services	0.35	23.11%	12	Government goods and services.	0.81	-5.16%
7	Financial services	0.20	6.57%	6	Insurance and pension services	0.67	7.65%
10	Other business services	0.04	34205.48%	9	Telecommunications, computer, and information services	0.44	30.97%
				7	Financial services	0.44	43.94%
				2	Maintenance and repair services	0.09	0.00%
<b>TOTAL EXPORTS</b>		<b>5.53</b>	<b>-10.65%</b>	<b>TOTAL IMPORTS</b>		<b>26.24</b>	<b>6.81%</b>

Source: TradeMap, 2018

### 3.2 Kuwait's Global Trade

In 2016 Kuwait was the world's 7<sup>th</sup> largest exporter of crude petroleum oils and the 16<sup>th</sup> largest exporter of refined petroleum. Between 2012 and 2016 the country witnessed a 16 percent decline in the exports of mineral fuels which is the country's leading export product. In 2016 the country's exports stood at USD46.24bn and imports stood at USD30.83bn.



Source: Trademap, 2018

In 2016 India was the top destination market (USD730m) for Kuwaiti goods followed by Saudi Arabia (USD700m) and the United Arab Emirates (USD548m) completing the top three largest destination markets. The majority of Kuwait's top 10 trading partners were fellow Gulf Cooperation Council member states, demonstrating the benefits of regional integration. South Africa was Kuwait's 31<sup>st</sup> largest export destination market.

TOP 10 DESTINATION COUNTRIES FOR KUWAIT'S EXPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	India	733.53	3
2	Saudi Arabia	700.27	2
3	United Arab Emirates	548.31	-6
4	China	501.15	-12
5	Iraq	265.06	21
6	Qatar	175.29	5
7	Russian Federation	164.65	93
8	Oman	144.91	-9
9	Pakistan	127.51	-14
10	United States of America	126.07	-14
31	South Africa	26.84	3
<b>TOTAL EXPORTS</b>		<b>46 242.45</b>	<b>-22.00</b>

Source: Trademap, 2018



In 2016 China was Kuwait's largest source market worth USD4.67bn in 2016. The United States (USD2.95bn) was the second largest import market followed by United Arab Emirates (USD2.81bn). South Africa was the Kuwait's 37<sup>th</sup> largest import market.

TOP 10 SOURCE MARKETS FOR KUWAIT'S IMPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	China	4 667.05	8
2	United States	2 948.18	2
3	United Arab Emirates	2 807.71	9
4	Japan	2 010.23	-2
5	Germany	1 941.19	1
6	India	1 699.89	7
7	Saudi Arabia	1 521.87	2
8	Italy	1 402.33	0
9	Korea, Republic of	1 348.22	0
10	United Kingdom	769.83	-1
37	South Africa	110.19	1
<b>TOTAL IMPORTS</b>		<b>30.83</b>	<b>3</b>

Source: Trademap, 2018

In 2016, Kuwait's top 10 export list was dominated by mineral fuels. Crude petroleum oils and refined petroleum oils were the leading products valued at USD30.69bn and USD9.18bn, respectively.

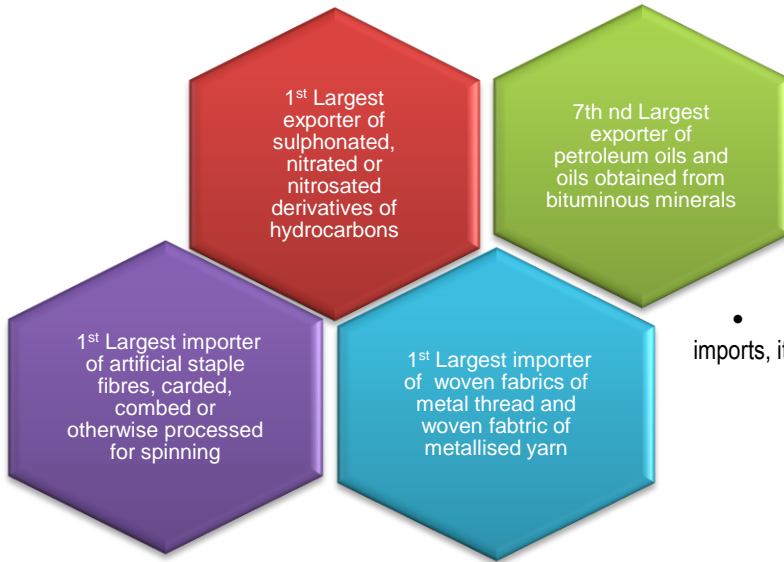
Motor cars (USD2.83bn) were the largest imports in 2016 followed by telephone sets (USD1.3bn) and medicaments (USD780m). Of the top ten imports; machinery (31%) and structures used in the construction industry (20%) experienced the highest average growth rate over the reviewed period.

9

TOP 10 PRODUCTS EXPORTED BY KUWAIT, 2016				TOP 10 PRODUCTS IMPORTED BY KUWAIT, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	AVG % GROWTH 2012-2016
1	Crude Petroleum oil	30.69	-24	1	Motor cars	2.83	-7
2	Refined petroleum oils	9.18	-24	2	Telephone sets	1.30	10
3	Petroleum gas and other gaseous hydrocarbons	1.58	-22	3	Medicaments	0.78	3
4	Motor cars	0.56	9	4	Articles of jewellery and parts thereof	0.70	15
5	Cyclic hydrocarbons	0.55		5	Machinery	0.54	31
6	Polymers of ethylene	0.44	-26	6	Insulated "incl. enamelled or anodised" wire	0.53	0
7	Acyclic alcohols and their halogenated	0.38	-26	7	Tubes, pipes and hollow profiles	0.51	-2
8	Sulphonated	0.22	361	8	Taps, cocks, valves and similar appliances for pipes	0.46	-3
9	Mineral or chemical nitrogenous fertilisers	0.22	-16	9	Parts suitable for use solely or principally with the machinery	0.46	8
10	Motor vehicles for the transport of goods	0.13	-2	10	Structures and parts of structures "e.g., bridges and bridge-sections, lock-gates, towers	0.46	20
<b>TOTAL EXPORTS</b>		<b>46.24</b>	<b>-22</b>	<b>TOTAL IMPORTS</b>		<b>30.83</b>	<b>3</b>

Source: Trademap, 2018

The hexagons below show that the Kuwait is the largest global exporter of Sulphonated, nitrated derivatives of hydrocarbons and the largest importer of artificial staple fibres, carded, combed or otherwise processed for spinning.



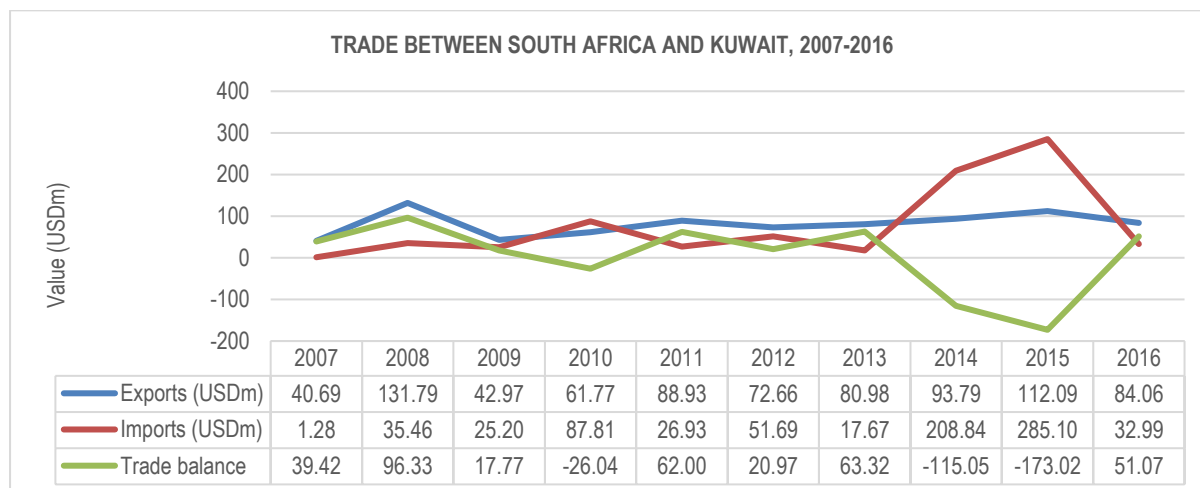
- Kuwait's exports represent 0.3% of world exports, its ranking in world exports is 49<sup>th</sup>.

- Kuwait's imports represent 0.2% of world imports, its ranking in world imports is 60<sup>th</sup>.

Source: TradeMap, 2018

### 3.3 Trade with South Africa

The graph below shows trade between South Africa and Kuwait between 2007 and 2016. Over the past 10 years, South Africa has been the more dominant trade partner. Imports from Kuwait peaked in 2015 to USD285.10m this was due to South Africa's unprecedented demand of textile products from Kuwait.



Source: Trademap; 2018

Citrus fruit (USD28.5m) was South Africa's largest export product to Kuwait in 2016. Coal (USD19.45m) and fresh meat of bovine animals (USD12.6m) were the second and third largest exports respectively. Meat of bovine experienced the highest average growth rate over the reviewed period.

Antiques were South Africa's largest import product worth USD29.14m followed by women's clothing items (USD2.19m) and women's knitted or crocheted clothing items (USD0.89).

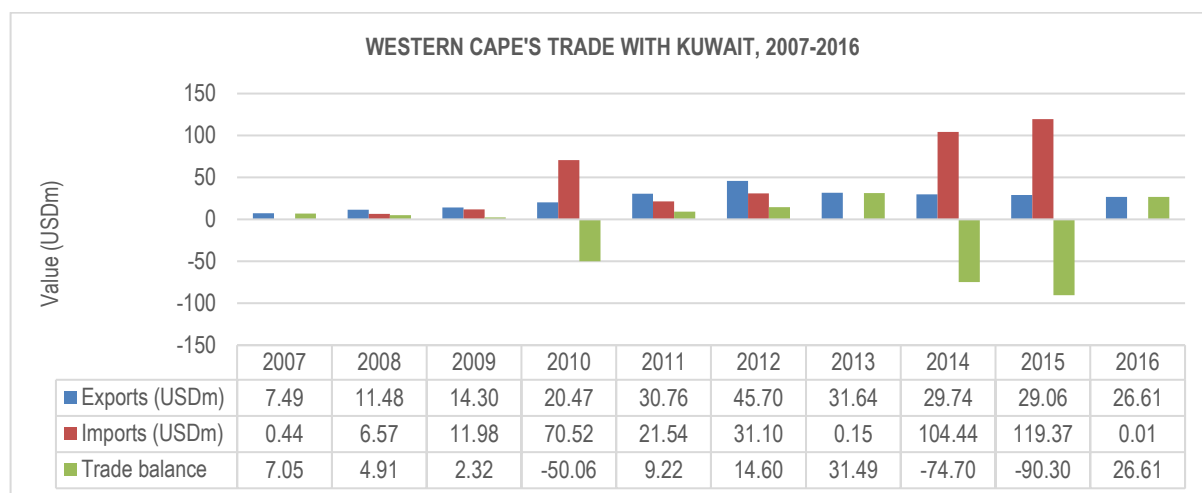
TOP 10 SOUTH AFRICAN EXPORTS TO KUWAIT, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM KUWAIT, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	AVG % GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	AVG % GROWTH 2012-2016
1	Citrus fruit	28.25	5%	1	Antiques	29.14	-
2	Coal	19.45	-	2	Women's or girls' clothing items	2.16	-
3	Meat of bovine animals, fresh	12.60	495%	3	Women's or girls' knitted or crocheted clothing items	0.89	-
4	Meat of bovine animals, frozen	6.98	914%	4	Men's or boys' suits, ensembles, jackets, blazers, knitted or crocheted.	0.33	-
5	Motor cars	4.45	-	5	Monitors and projectors	0.19	-
6	Apples, pears and quinces, fresh	1.24	6%	6	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, knitted or crocheted	0.15	-
7	Carbides	1.07	18%	7	Other printed matter, including printed pictures and photographs.	0.05	-
8	Copper tubes and pipes	0.96	22%	8	Footwear with outer soles of rubber, plastics, leather or composition leather	0.03	-

					and uppers of textile materials.		
9	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products	0.70	-	9	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted.	0.03	-
10	Grapes, fresh or dried	0.63	-15%	10	Trunks, suit-cases, vanity-cases, executive-cases etc.	0.01	-
<b>TOTAL EXPORTS</b>		<b>84.06</b>	<b>1%</b>	<b>TOTAL IMPORTS</b>		<b>32.99</b>	<b>212%</b>

Source: Trademap; 2018

### 3.4 Trade with the Western Cape

The graph below shows trade between the Western Cape and Kuwait between 2007 and 2016. Over the past 10 years, the Western Cape has been the more dominant trade partner. In 2016 Western Cape's exports to Kuwait reached USD26.61m which constitutes 31 percent of South Africa's trade with Kuwait. In the same year the Western Cape imported goods of USD7000 from Kuwait.



Source: Quantec; 2018

Citrus fruit was Western Cape's largest export to Kuwait worth USD13.38m. Frozen and fresh meat of bovine were ranked second and third worth USD6.21m and USD1.78m, respectively. The province's agricultural prowess can be seen by the 7 products in the top ten exports. Of the top ten exports, the largest growth (in dollar terms) was seen for fruits, nuts and other edible parts of plants growing by 56% in 2016 followed by grapes, which grew by 17%.

Antiques (USD2.4m) were the province's largest import in 2016, accounting for 41% of all imports from Kuwait. Women's or girls' suits, ensembles, jackets etc. (USD524 000) and knitted and crocheted women's or girls' suits, ensembles, jackets (USD512 000) were the second and third largest imports respectively.

TOP 10 WESTERN CAPE EXPORTS TO KUWAIT, 2016				TOP 10 WESTERN CAPE IMPORTS FROM KUWAIT 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	AVG % GROWTH 2012-2016 (USD)	RANK	PRODUCT	VALUE 2016 (USD'000)	AVG % GROWTH 2012-2016 (USD)
1	Citrus fruit	13.88	-0.63%	1	Antiques	2 379.53	-
2	Fresh meat of bovine animals	6.21	-	2	Women's or girls' suits, ensembles, jackets etc.	524.18	-
3	Frozen meat of bovine animals	1.78	-	3	Women's or girls' knitted or crocheted suits, ensembles etc.	511.67	-
4	Coal	1.26	-	4	Men's or boys' suits, ensembles etc.	444.63	-
5	Apples	1.24	8.03%	5	Monitors and projectors	339.93	-
6	Transfers	0.54		6	Men's or boys' knitted or crocheted underpants, briefs etc.	206.75	-
7	Grapes	0.53	-17.80%	7	Other printed matter, including printed pictures and photographs	183.56	-
8	Apricots, cherries, peaches	0.45	7.59%	8	Footwear with outer soles of rubber	161.26	-

9	Other fruit, fresh	0.10	-	9	Knitted or crocheted Jerseys, pullovers, cardigans	157.25	-
10	Fruit, nuts and other edible parts of plants	0.09	56.60%	10	Trunks, suit-cases, vanity-cases, executive-cases etc.	140.32	-
<b>TOTAL EXPORTS</b>		<b>26.61</b>	<b>0.21%</b>	<b>TOTAL IMPORTS</b>		<b>5 836.93</b>	<b>-</b>

Source: Quantec; 2018

### 3.5 Trade Agreements

In July 2000, South Africa and Kuwait signed a MOU on the Establishment of Bilateral Consultations.

### 3.6 Standards and Labelling

The Standards and Metrology Department of the Public Authority for Industry governs Kuwait's standards. Approximately 300 standards are currently being applied, with standards derived from U.S., EU, ISO, and GCC standards.

#### Conformity Assessment

In March 2003, Kuwait implemented its International Conformity Certification Program (ICCP), a pre-shipment certification program requiring that covered products be tested and certified by a single private company before being imported into Kuwait.

In 2010, the GCC Standardization Organization (GSO) and Public Authority of Industry (PAI) announced that new standards for toys would be enacted in 2011. The new standards oblige local importers and distributors to place the GSO seal on all imported toys.

#### Testing, inspection and certification

##### Veterinary Health Certificate

A health certificate is required for the importation of live animals and animal products. The certificate should state that the products were free of any contagious disease occurring within a radius of 30 miles for six months prior to export. Each shipment of meat or poultry must be accompanied by a statement that slaughtering has been conducted in conformity with Islamic law. The statement must be certified by the local Arab Chamber of Commerce and legalized by a Kuwaiti consulate or embassy. The Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) inspects and certifies that plants, plant products, and live animals conform to health and sanitary requirements as mandated by the government of Kuwait. Exporters should also consult with importers and the appropriate ministry of the Kuwaiti government for additional information.

##### Sanitary/Phytosanitary Certificate

a sanitary certificate is required for plants and plant products.

##### Certificate of Wholesomeness

Fresh and frozen meat and poultry products require a certificate of wholesomeness.

##### Certificate of Disinfection

A certificate of disinfection or sterilization must accompany shipments of used clothing intended for sale.

##### Foodstuffs Certificate

The producing company must provide certification in triplicate that the imported foodstuffs do not contain any form of cyclamate compounds. Certificates are sent to the Ministry of Health. Dairy products require a declaration that the product is

free from harmful bacteria and other pathogens.

### Certificate of Free Sale

Cosmetics, pharmaceuticals, and foodstuffs may require a certificate of free sale stating that the commodities in question are in free circulation in the country of export. The Food and Drug Administration can issue these certificates. More information can be found on the FDA Food Guidance Regulations webpage. Exporters should consult with the departments of health or commerce in their home U.S. state to determine whether that state (or the local municipality) can issue Certificates of Free Sale.

### Certificate of Free Sale-Beauty and Health Products

Imports of cosmetics, beauty, and health products require a certificate proving that the manufacturer is licensed by an appropriate authority to produce the product, showing that the product and ingredients are safe for use, that the company complies with Good Manufacturing Practices (GMP) of the country of origin, and evidence that the product is scientifically safe when used as directed. (Source: Export.gov, 2018)

### 3.7 Tariffs

Tariffs imposed by Kuwait on South African exports in 2016 are listed below.

TARIFFS IMPOSED BY KUWAIT ON SOUTH AFRICAN EXPORTS, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	0	H33: Essential oils, perfumes, cosmetics, toiletries	5	H65: Headgear and parts thereof	0
H02: Meat and edible meat offal	4	H34: Soaps, lubricants, waxes, candles, modelling pastes	5	H66: Umbrellas, walking-sticks, seat-sticks, whips	0
H03: Fish, crustaceans, molluscs, aquatic invertebrates	3	H35: Albuminoids, modified starches, glues, enzymes	5	H67: Bird skin, feathers, artificial flowers, human hair	0
H04: Dairy products, eggs, honey, edible animal product	5	H36: Explosives, pyrotechnics, matches, pyrophorics	5	H68: Stone, plaster, cement, asbestos, mica, articles	0
H05: Products of animal origin	5	H37: Photographic or cinematographic goods	5	H69: Ceramic products	0
H06: Live trees, plants, bulbs, roots, cut flowers	4	H38: Miscellaneous chemical products	5	H70: Glass and glassware	0
H07: Edible vegetables and certain roots and tubers	2	H39: Plastics and articles thereof	5	H71: Pearls, precious stones, metals, coin	0
H08: Edible fruit, nuts, peel of citrus fruit, melons	1	H40: Rubber and articles thereof	5	H72: Iron and steel	0
H09: Coffee, tea, mate and spices	1	H41: Raw hides and skins (other than furskins) and leather	5	H73: Articles of iron or steel	0
H10: Cereals	0	H42: Articles of leather, animal gut, harness, travel goods	5	H74: Copper and articles thereof	0
H11: Milling products, malt, starches, inulin, wheat gluten	2	H43: Furskins and artificial fur, manufactures thereof	5	H75: Nickel and articles thereof	0
H12: Oil seed, oleag fruits, grain, seed, fruit,	2	H44: Wood and articles of wood, wood charcoal	5	H76: Aluminium and articles thereof	1.5
H13: Lac, gums, resins, vegetable saps and extracts	5	H45: Cork and articles of cork	5	H78: Lead and articles thereof	0
H14: Vegetable plaiting materials, vegetable products	5	H46: Manufactures of plaiting material, basketwork, etc.	5	H79: Zinc and articles thereof	0
H15: Animal, vegetable fats and oils, cleavage products,	5	H47: Pulp of wood, fibrous cellulosic material, waste	5	H80: Tin and articles thereof	0

H16: Meat, fish and seafood food preparations	5	H48: Paper & paperboard, articles of pulp, paper and board	5	H81: Other base metals, articles thereof	0
H17: Sugars and sugar confectionery	0	H49: Printed books, newspapers, pictures	2	H82: Tools, implements, cutlery, of base metal	0
H18: Cocoa and cocoa preparations	5	H50: Silk	5	H83: Miscellaneous articles of base metal	0
H19: Cereal, flour, starch, milk preparations and products	3	H51: Wool, animal hair, horsehair yarn and fabric thereof	5	H84: Nuclear reactors, boilers, machinery	0
H20: Vegetable, fruit, nut food preparations	5	H52: Cotton	5	H85: Electrical, electronic equipment	0
H21: Miscellaneous edible preparations	5	H53: Vegetable textile fibres paper yarn, woven fabric	5	H86: Railway, tramway locomotives, rolling stock, equipment	0
H22: Beverages, spirits and vinegar	4	H54: Manmade filaments	5	H87: Vehicles other than railway, tramway	0
H23: Residues, wastes of food industry, animal fodder	2	H55: Manmade staple fibres	5	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	180	H56: Wadding, felt, nonwovens, yarns, twine, cordage	5	H89: Ships, boats and other floating structures	0
H25: Salt, sulphur, earth, stone, plaster, lime and cement	5	H57: Carpets and other textile floor coverings	5	H90: Optical, photo, technical, medical apparatus	0
H26: Ores, slag and ash	5	H58: Special woven or tufted fabric, lace, tapestry	5	H91: Clocks and watches and parts thereof	0
H27: Mineral fuels, oils, distillation products,	5	H59: Impregnated, coated or laminated textile fabric	5	H92: Musical instruments, parts and accessories	0
H28: Inorganic chemicals, precious metal compound, isotopes	5	H60: Knitted or crocheted fabric	5	H94: Furniture, lighting, signs, prefabricated buildings	0
H29: Organic chemicals	3	H61: Articles of apparel, accessories, knit or crochet	5	H95: Toys, games, sports requisites	0
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	5	H96: Miscellaneous manufactured articles	0
H31: Fertilizers	5	H63: Other made textile articles, sets, worn clothing	5	H97: Works of art, collectors pieces and antiques	0
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	5	H64: Footwear, gaiters and the like, parts thereof	5		

Source: TradeMap, 2018

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit [www.macmap.org](http://www.macmap.org) to determine the exact tariff applicable to the product at HS6.

### 3.8. Logistics

Shuwaikh port is considered the main commercial port in the country. The Shuwaikh container terminal is located northwest of Shuwaikh port over an area of 260 thousand square meters which is allocated for receiving containers whether for import or re-export. Shuwaikh terminal containers are equipped with electrical outlets for receiving refrigerated containers. These outlets use sophisticated electrical system that ensures the safety and validity of refrigerated foodstuff. The Shuaiba port contains berths for commercial goods and others for containers and a pier for petroleum products currently managed by the Kuwait national petroleum company.

TRANSIT TIME FROM CAPE TOWN TERMINAL TO KUWAIT, 2018		
TERMINAL	DISTANCE	TRANSIT TIME
Shuwaikh	9666.04km	16 days



Shuiba	-	16 days
Doha	-	16 days

Source: SeaRates, 2018

### 3.9. Western Cape Export Opportunities to Kuwait

The DSM results, indicated in the table below, show the top 50 realistic export opportunities (REOs) for Western Cape exports to Kuwait.

TOP 50 REALISTIC EXPORT OPPORTUNITIES FOR WESTERN CAPE FIRMS EXPORTING TO SENEGAL			
HS4	HS4 Description	HS6	HS6 Description
HS730890	Structures & parts of structures of iron/steel plates	HS740729	Bars, rods & profiles, of other. copper alloys (excl. of 7407.21 & 7407.22)
HS330499	Beauty/make-up preparations	HS080610	Grapes, fresh
HS220210	Waters	HS841381	Pumps
HS730840	Equipment for scaffolding/shuttering/propping/ pit propping of iron/steel	HS481910	Cartons, boxes & cases, of corrugated paper/paperboard
HS070190	Potatoes other than seed potatoes, fresh/chilled	HS080930	Peaches, incl. nectarines, fresh
HS841391	Parts of the pumps	HS700510	Float glass & surface ground/polished glass
HS340111	Soap & organic surface-active products	HS200919	Orange juice
HS081090	Fresh fruit	HS731450	Expanded metal of iron/steel
HS100590	Maize, other than seed	HS390210	Polypropylene, in primary forms
HS382440	Prepared additives for cements/mortars/concretes	HS080550	Lemons (Citrus limon/limonum) & limes, fresh/dried
HS730490	Tubes, pipes & hollow profiles seamless, of iron other than cast iron/steel	HS721720	Wire of iron/non-alloy steel, plated/coated with zinc
HS070310	Onions & shallots, fresh/chilled	HS842919	Self-propelled bulldozers & angle dozers
HS210390	Sauces & preparations. therefor,	HS330210	Mixtures of odoriferous substances & mixture
HS180610	Cocoa powder	HS080719	Melons (excl. watermelons), fresh
HS080510	Oranges, fresh/dried	HS391729	Tubes, pipes & hoses, rigid, of plastics
HS040291	Milk & cream	HS441820	Doors & their frames & thresholds, of wood, incl. cellular wood panels
HS080810	Apples, fresh	HS200799	Preparations of fruit
HS730690	Tubes, pipes & hollow profiles of iron	HS847410	Sorting / screening / separating/washing machines for earth/stone/ores/ other mineral substances , in solid form
HS820719	Rock drilling/earth boring tools	HS392329	Sacks & bags (incl. cones), of plastics other than polymers of ethylene
HS020421	Carcasses/half-carcasses of sheep (excl. lamb)	HS721699	Angles, shapes & sections of iron/non-alloy steel
HS730900	Reservoirs, tanks and vats other than compressed/liquefied gas, of iron/steel, of a cap	HS080440	Avocados, fresh/dried
HS210500	Ice cream & other	HS620349	Men's/boys' trousers, bib & brace overalls, breeches & shorts (excl. swimwear; excl. knitted or crocheted), of others. textile mats
HS720839	Flat-rolled prods. of iron/non-alloy steel, of a width of 600mm/more, hot-rolled, not clad/plated/coated	HS121410	Lucerne (alfalfa) meal & pellets
HS840999	Parts suit. for use solely/principally . with the engines of aircrafts	HS841319	Pumps for liquids, fitted/ designed to be fitted with a measuring device (excl. of 8413.11)
HS843139	Parts suit. for use solely/principally with the machinery of lifts, escalators or conveyors	HS360200	Prepared explosives

Source : DSM, 2018

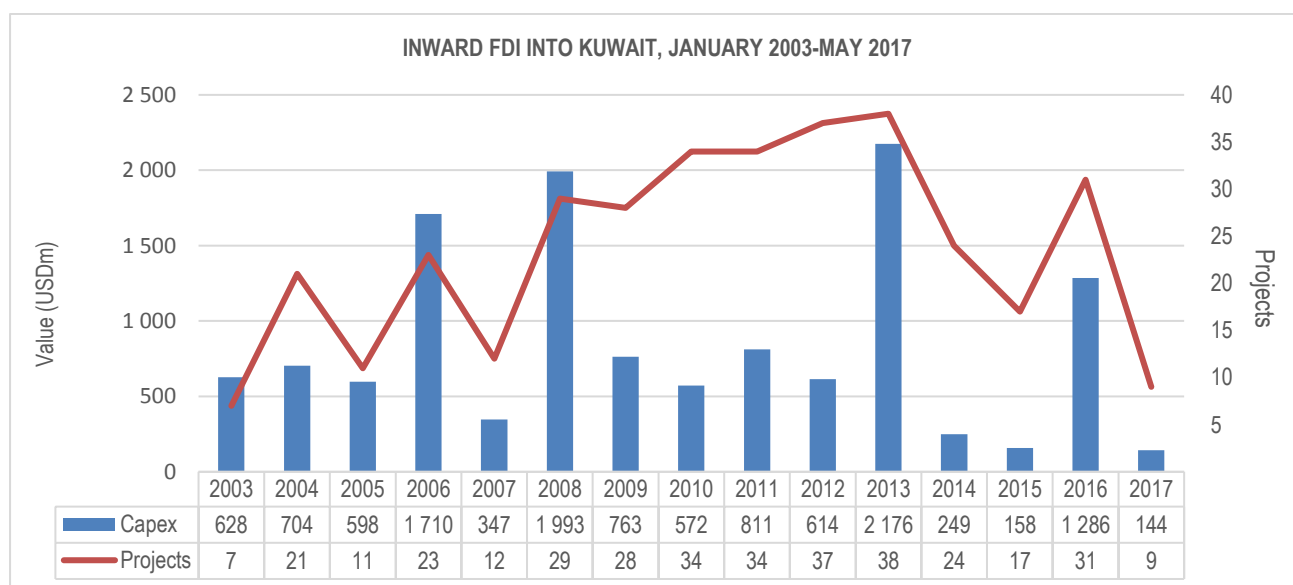
#### Disclaimer re DSM Model Results and Findings

While the Decision Support Model (DSM) can offer varying degrees of input for identifying, prioritising, designing, planning and executing export promotion activities, the results of the DSM are inescapably based on statistical data which are at least two years old. Accordingly, it would be unwise to rest all export promotion decisions upon the DSM results alone, and there is a need to have the realistic export opportunities identified assessed by experts 'in the field' such as panels of exporters, representatives of sector organisations and commercial attaches at diplomatic missions abroad. Diplomatic and political issues also need to be taken into consideration. While the DSM results provide input in the process of concrete export strategy formulation, much more concrete and detailed information is required for designing an appropriate export promotion strategy. This important input should come from market research and further competitive intelligence on given export opportunities. This information should in no way or form be construed as advice as to where an investor should invest or undertake to invest. The model's findings and results are mere indications as to where potential realistic export opportunities (REO's) exist, and it is the responsibility of the user to use these in conjunction with additional competitive intelligence and other relevant market information as outlined above. While Wesgro has taken every effort to ensure that the information in this publication is accurate, we provide said information without representation or warranty whatsoever, whether expressed or implied, and cannot be held responsible for the contents of the publication in any way. © Wesgro, 2017

## 4. Investment

### 4.1 Global Investment into Kuwait

Between January 2003 and May 2017 a total of 355 FDI projects were recorded into Kuwait. These projects represent a total capital investment of USD12.7bn which is an average investment of USD38.5per project. During the reviewed period, a total of 40 701 jobs were created.



Source: FDI Intelligence, 2018

The UAE was the largest investor into Kuwait with its companies investing in 95 projects (27%) equating to USD2.9bn in capital expenditure. The United States invested into Kuwait was the second largest in terms of projects (52) and third was India with 26 projects.

TOP 10 SOURCE MARKETS FOR FDI INTO KUWAIT, JANUARY 2003 – MAY 2017						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	UAE	95	26.76%	2 943.8	23.08%	64
2	United States	52	14.65%	2 541.9	19.93%	47
3	India	26	7.32%	258.7	2.03%	19
4	UK	25	7.04%	636.9	4.99%	25
5	France	22	6.20%	2 233.7	17.52%	22
6	Qatar	15	4.23%	152.5	1.20%	11
7	Italy	14	3.94%	60.9	0.48%	14
8	Saudi Arabia	14	3.94%	108.5	0.85%	10
9	Spain	12	3.38%	53.7	0.42%	11
10	Bahrain	8	2.25%	117.7	0.92%	6
<b>TOTAL</b>		<b>355</b>	<b>100.00%</b>	<b>12 752.40</b>	<b>100.00%</b>	<b>291</b>

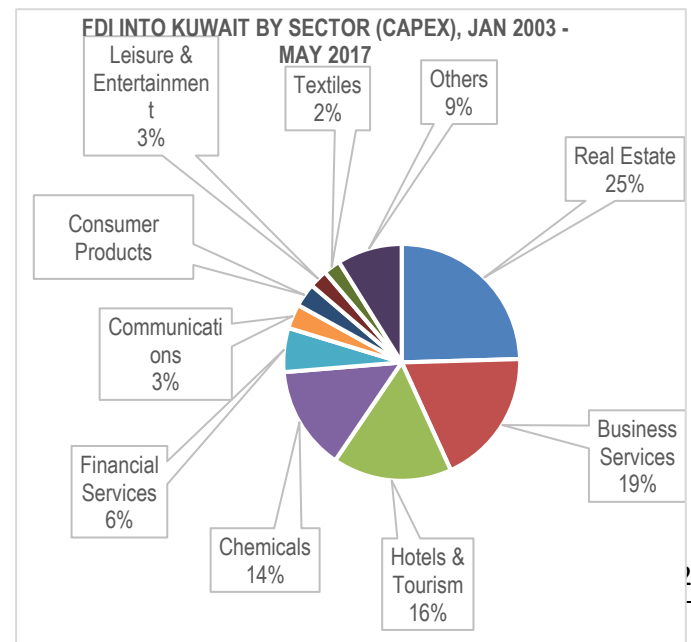
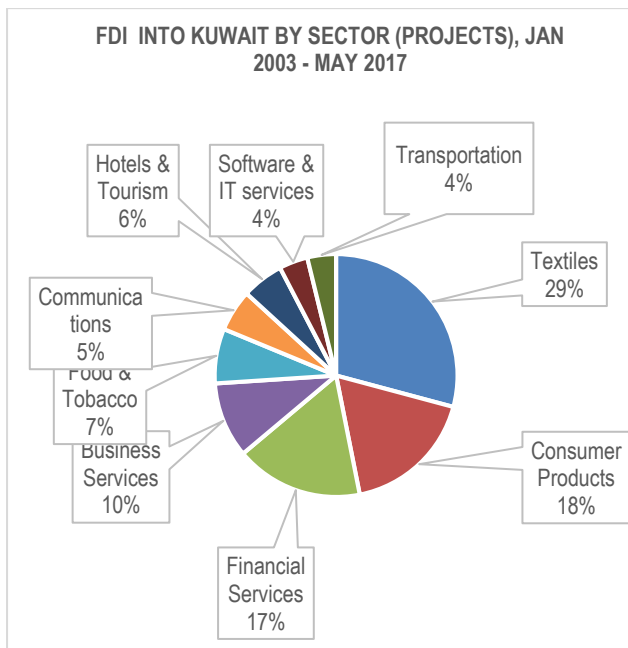
Source: FDI Intelligence, 2018

The two diagrams below represent inward investment into Kuwait by the various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

- Textiles - 29%;
- Consumer products - 18%; and
- Financial Services - 17%.

In terms of Capital expenditure, the following sectors received the largest investment:

- Real Estate - 25%;
- Business Services- 19% and;
- Hotel and Tourism - 16%.



Source: FDI Intelligence, 2018

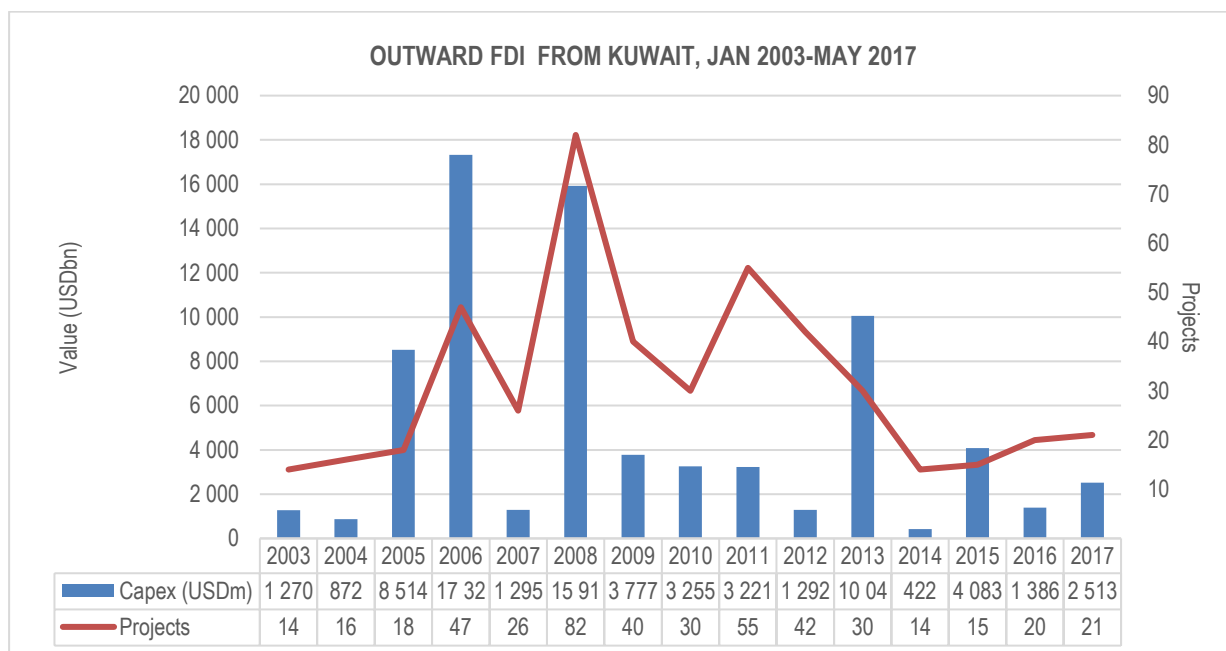
The table below shows the largest companies investing into Kuwait. The companies represent a wide spectrum of sectors from financial services to textiles.

TOP 10 COMPANIES INVESTING INTO KUWAIT, JANUARY 2003-MAY 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	LuLu International Exchange	Financial services	8	120.8
2	UAE Exchange Centre	Financial services	7	105.7
3	Joyalukkas	Consumer products	6	82.6
4	Malabar Gold and Diamonds	Consumer products	6	42.6
5	Hempel Group	Chemicals	5	600.7
6	Azadea Group	Textiles	4	14.4
7	LuLu	Food and Tobacco	4	50.4
8	Damas Jewellery	Consumer products	3	21.3
9	Dow Chemical	Chemicals	3	1 121.2
10	Kuwait Telecommunications Company (Viva)	Communications	3	19.2
<b>TOTAL</b>			<b>355</b>	<b>12 752.40</b>

Source: FDI Intelligence, 2018

## 4.2 Global Investment from Kuwait

Between January 2003 and May 2017 a total of 470 FDI projects were recorded from Kuwait. These projects represent a total capital investment of USD75.2bn which is an average investment of USD160m per project. During the period, a total of 136 460 jobs were created.



Source: FDI Intelligence, 2018

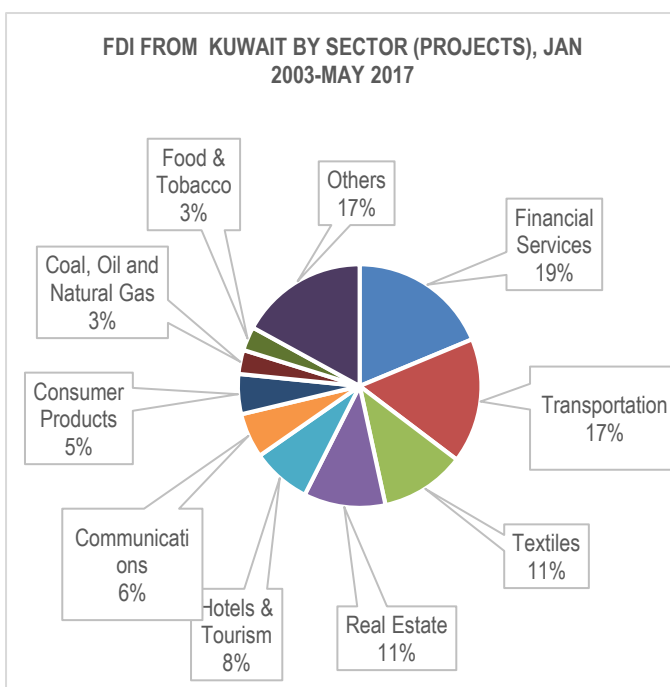
The UAE was the largest destination market for investments from Kuwait with 72 projects, followed by Bahrain (47 projects) and Saudi Arabia (39 projects) which are all fellow Arab States.

TOP 10 DESTINATION MARKETS FOR FDI FROM KUWAIT, JAN 2003– MAY 2017				
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)
1	UAE	72	15.32%	7 449.7
2	Bahrain	47	10.00%	7 896.5
3	Saudi Arabia	39	8.30%	2 683.4
4	Jordan	25	5.32%	1 120.8
5	Malaysia	23	4.89%	5 555.8
6	Egypt	22	4.68%	6 022.7
7	Qatar	20	4.26%	749.0
8	Oman	19	4.04%	2 058.5
9	Lebanon	18	3.83%	2 048.7
10	Poland	12	2.55%	263.3
<b>Total</b>		<b>470</b>	<b>100.00%</b>	<b>75 185.2</b>

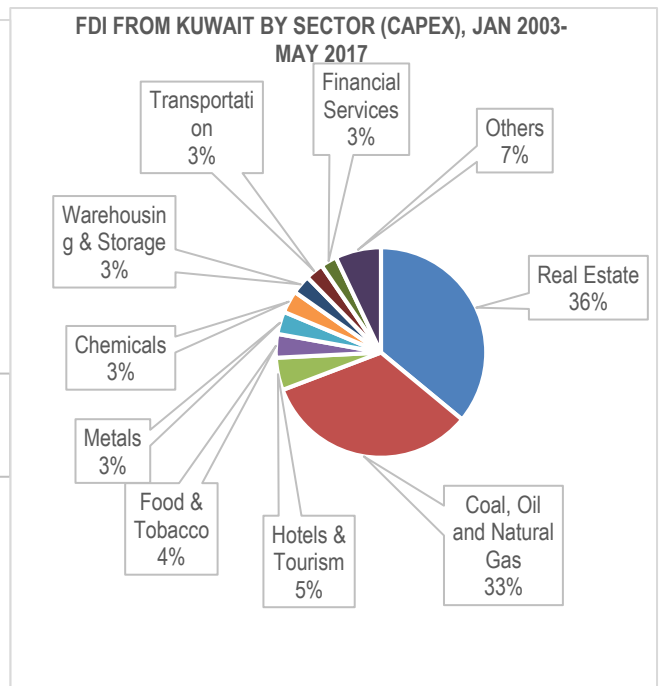
Source: FDI Intelligence, 2018

The figures below show global outward FDI from Kuwait by sector, for the period January 2003 to May 2017 by number of projects and CAPEX. In terms of projects the financial services sector was the leading recipient sector with 19% followed by the transport and textiles sector with a 17% and 11% share respectively.

In terms of projects; the real estate and the coal and natural gas sector received the most investment from Kuwaiti companies with 36% and 33% respectively. The hotels and tourism was ranked third with a 7% share.



Source: FDI Intelligence, 2018



Source: FDI Intelligence, 2018

The table below shows the largest companies from Kuwait that have invested in other economies between January 2003 and May 2017:

TOP 10 COMPANIES INVESTING IN KUWAIT, JANUARY 2003-MAY 2017				
RANK	INVESTING COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	Agility	Transport	61	2 471.8
2	MH Alshaya Co (Alshaya Retail)	Textiles	36	589.1
3	Alshaya	Textiles	15	230.9
4	Kuwait Finance House (Malaysia)	Financial Services	12	76.6
5	National Bank of Kuwait	Financial Services	11	277.4
6	MultiTrend International	Textiles	10	44.3
7	Global Investment House (GIH)	Financial Services	9	288.2
8	IFA Hotels & Resorts	Hotels and Tourism	9	1 434.5
9	Kuveyt Turk	Financial Services	9	172.2
10	United Arab Shipping (UASC)	Transport	9	118.4
<b>TOTAL</b>			<b>470</b>	<b>75 185.20</b>

Source: FDI Intelligence, 2018

## 4.3 Investment Relations between South Africa and Kuwait

### 4.3.1 Foreign Direct Investment from Kuwait into South Africa

Between January 2003 and May 2017 South Africa received 2 investment projects which created 788 jobs. Both investments landed in KwaZulu-Natal's hotel and tourism sector.

KUWAITS FDI TO THE WESTERN CAPE, JANUARY 2003-MAY 2017							
PROJECT DATE	INVESTING COMPANY	DESTINATION CITY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPITAL INVESTMENT (USDm)	JOBS CREATED
Aug 2008	IFA Hotels & Resorts	KwaZulu-Natal	Hotels & Tourism	Accommodation	Construction	223	569
Nov 2003	International Financial Advisors (IFA)	KwaZulu-Natal	Hotels & Tourism	Accommodation	Construction	129.8	219
<b>TOTAL</b>						<b>352.8</b>	<b>788</b>

Source: FDI Intelligence, 2018

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