

## Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 348 KUWAIT

Country: 311 KUWAIT

KUWAIT UNLIKE MOST OIL DEPENDENT STATES SUFFERED LESS FROM THE SLUMP IN OIL PRICES DUE TO THE SIGNIFICANT REVENUES GENERATED BY THE GOV'TS 2 PRINCIPAL RESERVE FUNDS, THE GENERAL RESERVE & THE FUND FOR FUTURE GENERATIONS. IN 86, INCOME FROM INVESTMENTS EXCEEDED OIL REVENUES FOR THE 1ST TIME (\$7.7 BIL US VERSUS \$5.5 BIL US). AS A RESULT OF THE RELATIVE STABILITY OF OIL PRICES OVER THE LAST YR, THE KUWAITI GOV'T ANNOUNCED A MIDLY EXPANSIONARY BUDGET FOR 87/88. WITH AN INCREASE IN GOV'T EXPENDITURES OF 3% TO \$15 BIL CDN. THE MAJOR RECIPIENTS ARE THE MINISTRIES OF HEALTH EDUCATION, PUBLIC WORKS, DEFENCE & ELECTRICITY & WATER. WHILE THE PERIOD OF MEGAPROFJECTS MAY BE OVER & MANY SMALLER PLANNED PRO-JECTS ARE BEING REASSESSED, KUWAIT REMAINS AN ACCESSIBLE CASH MARKET OFFERING SIGNIFICANT POTENTIAL FOR ALL TYPES OF GOODS & SERVICES PARTICULARLY WELL SUITED TO CDA'S CAPABILITIES. KUWAIT'S IMPORTS WERE APPROX. \$8.5 BIL CDN IN 86. THE AREAS OFFERING THE GREATEST POTENTIAL ARE OIL & GAS OPERATIONS & MAINTENANCE EQPT, THE EDUCATION, MEDICAL & HEALTHCARE AREAS, FOOD PRODUCTS, AGRICUL-TURAL & LIVESTOCK DEVELOPMENT & TELECOMMUNICATIONS AND SPECIAL-IZED SECURITY EQUIPMENT. THE RISING YEN & MARK HAVE HELPED FOCUS ATTENTION ON NEW SOURCES OF SUPPLY, WITH CDA BEING LOOKED AT AS A PRODUCER OF SOPHISTICATED, QUALITY PRODUCTS. WHILE IMPORTS FROM EUROPE & JAPAN DROPPED BY ABOUT 5% IN 86, IMPORTS FROM NORTH AMER. SHOWED AN INCREASE OF MORE THAN 10%. THE MARKET DOES NOT HOWEVER GO BEGGING: THE EXPORTER WHO WISHES TO SUCCEED MUST VISIT THE MARKET FREQUENTLY IN ORDER TO ESTABLISH A PERSONAL RELATIONSHIP WITH THE CLIENT. DOING BUSINESS IS CLOSELY RELATED TO KNOWING & TRUSTING THE COMPANY & INDIVIDUAL WITH WHOM YOU ARE DEALING. I GENERAL, CDN EXPORTERS HAVE NOT IN THE PAST RESPONDED WELL TO IN-QUIRIES & IDENTIFIED OPPORTUNITIES IN OUR TERRITORY. THIS HAS CREATED A CERTAIN AMOUNT OF BAD WILL TOWARDS THE CDN EXPORT COMMUNITY COMPENSATED FOR IN PART BY A CORE OF COMMITTED CDN EXPORTEES WHO HAVE HAD CONSIDERABLE SUCCESS. A MAJOR EMPHASIS WILL BE PUT ON MAKING EXPORTERS MORE AWARE OF THE SUBSTANTIAL OPPOR. IN THE MKT THROUGH MISSIONS, FAIRS, SECTORAL REPORTS, & FOLLOWUP ON REQUESTS FROM AGENTS & CLIENTS. THE MKT FOR INVESTMENT FROM KUWAIT CAN BE SEGMENTED INTO 3 TARGET GROUPS: A) GOV'T PRIVATE & SEMI-PRIVATE INSTITUTIONS, B) INDIVIDUAL KUWAITIS & C) EXPATRIATES. THE FIRST 2 GROUPS ARE HIGHLY KNOWLEDGEABLE ABOUT INVESTMENT OPPORTUNITIES THROUGHOUT THE WORLD & ARE INCREASINGLY TURNING THEIR ATTENTION TO CDA. THE POST HAS EXPENDED CONSIDERABLE EFFORT IN MAKING THEM AWARE OF CDA & THE REWARDS IT OFFERS. AS IS THE CASE FOR SELLING A PRODUCT OR SERVICE, A SOLID RELATIONSHIP MUST BE ESTABLISHED IN ORDER TO ATTRACT INVESTMENT. IN THE CASE OF EX-PATRIATES, THE MAJOR INTEREST IN CDA LIES IN ENTREPRENURIAL/INVEST IMMIGRATION. AS IT IS EXTREMELY RARE FOR NON-NAT'LS TO BE GRANTED CITIZENSHIP MANY ARE RE-EVAL. THEIR FUTURES & SEEKING OPPOR. AB.