



# 2019年末简述

## 科威特



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# Kuwait: Bourse sale succeeds, privatisation complete

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- The government's resignation in mid-November was brought on by the enduring standoff with the National Assembly over the use of state funds, distribution of contracts and overall reforms. The disputes could harm the encouraging pace of reform in Kuwait and lower investor confidence.
  - Anti-corruption protests and disagreements between ministers over the issue resulted in Emir Sabah al-Sabah replacing Jaber Al-Mubarak as prime minister.
  - New Prime Minister Sheikh Sabah al-Khaled al-Sabah (previously foreign minister from October 2011 to November 2019) is a senior member of the ruling family. Other ministers have resigned over corruption rumours and allegations.
  - The unfolding developments are nothing new in Kuwait politics. Similar stories have played out over the last decade or more. It is easy for Parliament to destabilise the government and its reform plans, as only 25 MPs are needed to finalise a no-confidence motion and the decision has to be taken within a week of the motion's submission.
  - Reshuffles at the top of the Ministry of Oil are expected, as in the past.
    - Further pressure on the ministry could endanger current policies such as the resumption of oil production in the neutral zone with Saudi Arabia and the implementation of strategic development projects such as the Al Zour refinery south of Kuwait City.
  - There have been seven governments since November 2011. The next parliamentary elections are due in November 2020.
    - The current Assembly contains a large opposition bloc and is critical of government attempts to introduce fiscal reforms.
    - There is no legal provision regarding the period in which a new Cabinet must be formed.
- The economy is expected to post strong 3.1% growth in 2020, up from 0.6% in 2019, after returning to positive territory on the back of an expansion in oil output in 2018. Political bickering is always a downside risk.
  - The IMF expects this to boost oil GDP growth to 3.1% in 2020 from a 0.8% contraction in 2018, driven by higher oil output

Kuwait Macroeconomic Indicators <sup>1</sup>					
	2016	2017	2018	2019	2020f
Real GDP Growth (%)	2.9	-3.5	1.7	0.6	3.1
Crude Oil production (M Bpd)	2.95	2.70	2.74	2.79	2.86
Oil GDP Growth (%)	3.9	-7.2	1.2	-0.8	3.1
Non-oil GDP Growth (%)	1.4	2.1	2.5	2.5	3.0
CPI Inflation (%)	3.5	1.5	0.7	1.5	2.2
Fiscal Balance (% of GDP; After FGF Transfer)	-17.9	-12.6	-5.2	-10.4	-11.6
C/A Balance (% of GDP)	-4.6	5.9	12.7	7.4	8.0
Total Gov't. Gross Debt (% of GDP)	10.0	20.7	14.8	17.8	21.0
Total Gross Extn'l Debt (% of GDP)	38.4	45.2	41.4	45.8	48.7
Gross Official Reserves (Mos. of Imports)	6.5	6.6	7.0	6.8	6.8
Nominal GDP (USD B)	109.4	119.5	141.1	136.9	143.0
Population (Millions)	3.9	4.1	4.1	4.2	4.3

- Non-oil GDP growth is also expected to pick up slightly to 3% in 2020 from 2.5% in 2019, supported by the ongoing implementation of Kuwait's 2015-2020 development plan.
- Excise taxes on sugary drinks and tobacco are expected to be introduced in 2020. This will raise inflation to an estimated 2.2% in 2020 from 1.5% in 2019. VAT introduction is planned for 2021.
- **Kuwait's Capital Markets Authority sold 50% of Boursa Kuwait in what was the last stage of the stock exchange's privatisation. The sale -- to Kuwaiti citizens -- was more than 8.5 times oversubscribed.**
  - The privatisation is part of Kuwait's Vision 2035 to strengthen its positioning in the regional financial sector, while also strengthening the contributing role of the private sector to the country's GDP and overall competitiveness and transparency.
  - With 44% of its shares sold in February 2019 to a consortium of investors including Kuwaiti Arzan Financial Group, National Investments Company, Athens Stock Markets and others, Boursa Kuwait is now 94% privately owned. Six percent is retained for government ownership, held by Kuwait's Public Institution for Social Security.

<sup>1</sup> Arabia Monitor; IMF.

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