

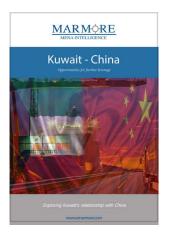
Kuwait - Japan

Opportunities for further leverage



Exploring Kuwait's trade & investment relationship with Japan

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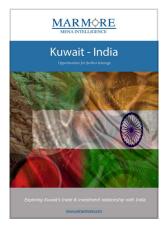
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ECONOMIC RESEARCH REPORT

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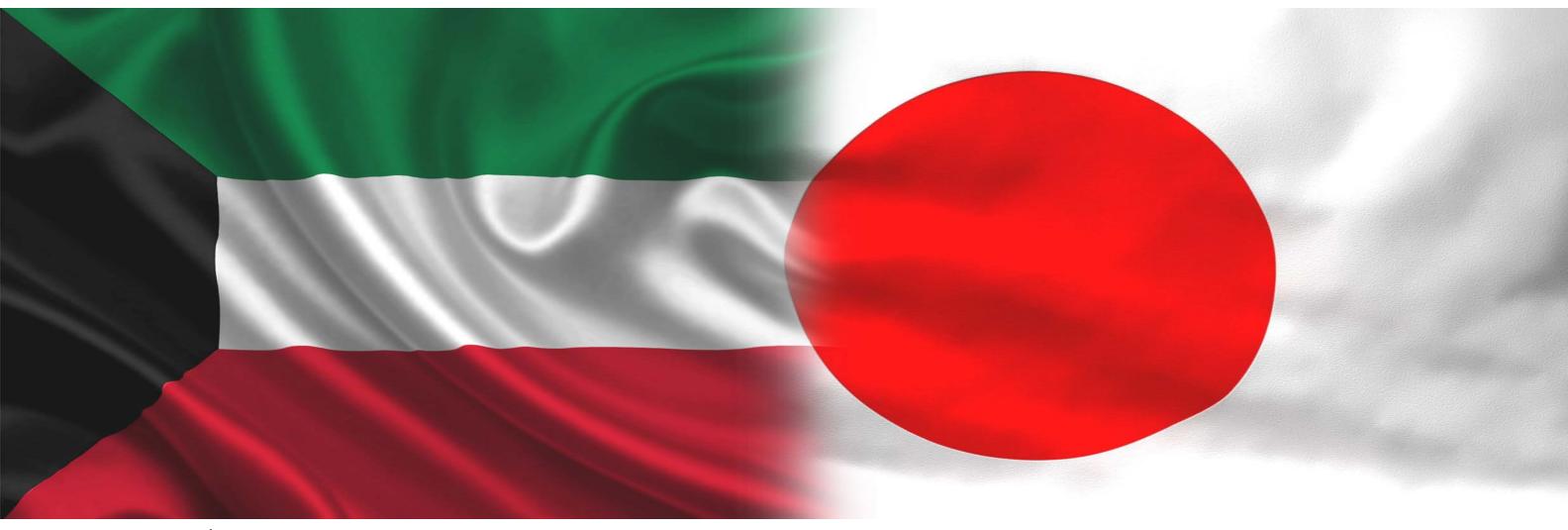
Expat Population

Executive Summary

rade in oil has primarily underpinned Kuwait's relationship with Japan. MENA region as a whole has been a major supplier of oil & gas to the island nation. Kuwait's oil exports account for 6.1% of the Asian country's crude imports. Despite the regular meetings held among the higher-level dignitaries of the country there has not been much that has

happened in the terms of investments. KIA (Kuwait Investment Authority) in 2008 had announced to increase its investments in Japan to USD 50 Bn. The proposed increased investment was expected to be directed toward Japanese real estate and stocks, and is subject to the conclusion of a tax agreement being negotiated by the countries. However, there has been not much progress in investments in the country after the global financial crisis struck in 2008. The island nation has faced many adversities in the past, and has come out successful due to skill development of human resource, focus on education and research and development, government policies that complement industry needs, and focus on arts and cultural promotion. Kuwait can benefit from Japan's inspirational rise from ignominy, post the Great War. Examples include a dedicated and disciplined approach to make lasting changes, a mature equity, bond and commodities market, and collaboration among public sector, academic, and private sector stakeholders.

Some of the sectors where collaboration could be beneficial to Kuwait include robotics, automation, electronics and retail. The island nation's biggest exports to Kuwait are automotive, and Japanese cars are most sought after in Kuwait, and other GCC nations. Japan is an industry leader in robotics, and is a pioneer in retail and electronics industry.



Kuwait-Japan Relationship

	Current Engagements	Future Possibilities
Exports	Oil, Chemicals	
Imports	High-end vehicles, Accessories, Manufactured Goods	
Bilateral Agreements	Culture, Transportation and Public works projects, Utilities	Retail, Robotics, R&D, Education
Others	 Agreement on double tax avoidance Expertise exchange and human resource development Environment protection and education to cultural exchanges Sewers, subway systems and oil refinery facilities 	Education and work force development

Source: UNCTAD, Embassy of Japan in Kuwait

Key Connecting Points between Kuwait & Japan

Trade Relations (2015)	
Exports to Japan	USD 5.3Bn
Imports from Japan	USD 1.8Bn
Trade Balance	USD 3.5Bn
Investments (Jan 2003-May 2015)	
Inward (into Kuwait)	USD 134Mn
Outward (From Kuwait)	USD 8Mn*
Net Outflow	USD 126Mn

Source: UNCTAD, Central Statistics Bureau (CSB), FDI Intelligence, Financial Times, World Bank, bq magazine; Note: Trade data is for 2015; Investments represent FDI flows during the period of Jan '03 to May '15.* till 2011

Kuwait-Japan: The Future

	Lessons from Japan
Disciplined develop-	Goals for employee training to improve productivity and acquire com-
ment of skilled human resources	plex skills Expand worker's knowledge of production
i Coources	
Economic rise sup-	Build their ability to deal with problems Economy has recovered from natural and manmade disasters
ported ably by gov-	2013 witnessed the introduction of "Abenomics" and the uptick of
ernment policies	economic growth
Focus on innovation,	Ranked among the world's most innovative countries
arts and cultural pro- motion	Japanese "manga" and animation have created their own niche in the world market
	Gaming industry has become Japan's most popular cultural export
	Potential Tie-Ups
Education, with	Kuwait could formulate an education policy, along the lines of Japan
emphasis on STEM	Japan's expertise and its success in developing STEM education could be a model for Kuwait.
Development of SMEs	Development of SME regulatory framework could be a model for Kuwait
	Kuwait and Japan could conduct joint workshops, trainings and skill development programs
Long-term planning, decision-making and	Japan's knowledge of long-term, goal-focused planning and implementation
implementation	The gulf state could gain from Japan's experience, to fulfill its national development goals
Expertise on global investments	Consistently a top country in FDI outflow, with 10x as much investments as Kuwait
	Kuwait could draw from Japan's experience to improve its portfolio, and invest diligently
	Sectors of interest
Robotics	Automation in Kuwait could also reduce the country's dependence on foreign laborers
	Open-up new business opportunities in the region
Automotive	Automation opens up vistas in auto and auto ancillary manufacturing
	Japan could increase its market share, by shifting manufacturing to the region
Electronics	Kuwait government could replicate the Japanese model of R&D
	Cross-collaboration in the fields of education and research
Retail	Japan a pioneer in retailing, could help Kuwait formulate regulations and legislations in e- and m-commerce

1

Kuwait – Japan: An Introduction

Japan is the third largest economy in the world and retains its position as one of the most technologically advanced economies. Despite the growth that was achieved in the previous decades, Japan's economy has stagnated since 1990 owing to over-investment. By 1990, Japan had caught up to the richest large nations in terms of per capita GDP. The only way for Japan to have continued at its previous high rate of growth post-1990 would be for either A) an unprecedented technological boom to power a rapid expansion among all the world's rich countries, or B) for Japan's productivity to significantly exceed that of the other rich countries¹. Unfortunately neither happened, and as result of this, Japanese economy barely grew until 2010. In 2012, the country's Prime Minister Shinzo Abe introduced a three-point policy to improve the economy, which has come to known as Abenomics -monetary stimulus, fiscal "flexibility" and structural reform. As part of this policy, the Bank of Japan introduced Sub-Zero interest rates, which have been replicated elsewhere in the world also. Despite these efforts Japan's GDP still remains at 1995 levels on nominal terms.

Kuwait, which was once a coastal desert village, has transformed into a modern city-state with a per capita income of USD 25,1412. It has about 104 Bn barrels of proven crude oil reserves, which amounts to almost 8% of global oil reserves. Oil & gas industry accounts for nearly half of its economic activity, 88% of exports and 71% of government revenues³. Propelled by high oil prices, Kuwait economy grew rapidly in the past decade. Kuwait registered budget surpluses for consecutive years and built up sizeable reserves. KIA, Kuwait's sovereign wealth fund, has invested these reserves on a global basis. Global financial crisis and the recent drop in oil prices have stymied the pace of investment and development activities. Kuwait exports to Japan which primarily consist of oil and its related products (crude oil, refined petroleum, petroleum gas & cyclic hydrocarbons) amounted to USD 4.3Bn in 2016⁴. In 2016, exports to Japan accounted for 9% of total Kuwait exports. Kuwait depends on imports for most of its day-to-day activities. In 2016, Kuwait imported passenger cars, transport vehicles, other motor vehicles, pipes made of iron and steel, construction materials, gold & jewelry among others worth USD 2.1 Bn from Japan.

Japan and Kuwait established diplomatic relations at the ambassadorial level during March 1961. However, the diplomatic relations grew very slowly in the 80's and 90's. Since 2004, Kuwait's relationship with Japan has been dotted by statelevel visits from both the countries. The diplomatic

relations have grown manifold over the years with both the sides having shared a view that they would further cooperate in many fields including not only energy, but also politics, security, economics, education, agriculture and health. They also decided to establish a "Comprehensive Partnership"

2004	Minister of Environment Yuriko Koike visited Kuwait Minister of State for Defense Yoshinori Ohno Visited Kuwait
2005	Parliamentary Vice-Minister for Foreign Affairs Keishiro Fukushima visited Kuwait Minister of State for Defense Fukushiro Nukaga visited Kuwait
2006	Minister for Foreign Affairs Taro Aso visited Kuwait
2007	Prime Minister Shinzo Abe visited Kuwait Kuwait-Japan Parliamentary Friendship League visited Japan
2008	State Secretary for Foreign Affairs Itsunori Onodera visited Kuwait Parliamentary Secretary for Finance Ichiro Miyashita visited Kuwait Prime Minister H.H. Sheikh Nasser Al-Mohammed Al-Ahmed Al-Sabah visited Japan
2009	Parliamentary Vice-Minister for Foreign Affairs Masahiko Shibayama visits Kuwait First Deputy Prime Minister and Minister of Defense H.E. Sheikh Jaber Mubarak Al-Hamad Al-Sabah visited Japan
2010	Deputy Prime Minister and Minister of Foreign Affairs H.E. Sheikh Dr. Mohammed Sabah Al-Salem Al-Sabah visited Japan
2011	Parliamentary Vice-Minister for Foreign Affairs Makiko Kikuta visited Kuwait Minister of State for Planning and Development Affairs H.E. Mr. Abdul Wahhab Al Haroon visited Japan
2012	Parliamentary Vice-Minister for Foreign Affairs Joe Nakano visited Kuwait Amir, His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah visited Japan
2013	Prime Minister Shinzo Abe visited Kuwait Advisor to the Amir Diwan H.E.Mr.Mohammad Abdullah Abbas Abo Al-Hassan visited Japan
2014	Parliamentary Vice-Minister for Foreign Affairs Takao Makino visited Kuwait Kuwait-Japan Parliamentary Friendship League visits Kuwait
2015	Director General Kuwait Direct Investment Authority H.E. Sheikh Dr. Misaal Al-Jaber Al-Ahmed Al-Sabah visited Japan Minister of Education and Minister of Higher Education, Dr. Bader Hamad Al-Eisa visited Japan
2016	H.H. Sheikh Jaber Al-Mubarak Al-Hamad Al-Sabah, Prime Minister of the State of Kuwait, visited Japan and held talks on security and peace in the Middle East

Diplomatic Ties – Historical Perspective

¹ Noah Smith, From the Economist

² IMF, 2016 estimate

³ IIF, IMF

⁴ UNCTAD

Over the past few years Kuwait and Japan signed few agreements

- Kuwait and Japan agreed to sign a double tax avoidance agreement during 2013 and it came into force from January 2014
- Kuwait and Japan signed two bilateral cooperation agreements on transportation and public work projects such as expertise exchange and human resource development in October 2016
- In Oct 2016, the two countries signed MOC (Memorandum of Co-operation) for the policy dialogue on Kuwait's national development
- Memorandum of Cooperation in the field of Electricity and Water in May 2015, which is the basis for the 1st Policy Dialogue on Electricity and Water Sector between Japan's Ministry of Economy, Trade and Industry and the State of Kuwait's Ministry of Electricity and Water in May 2016

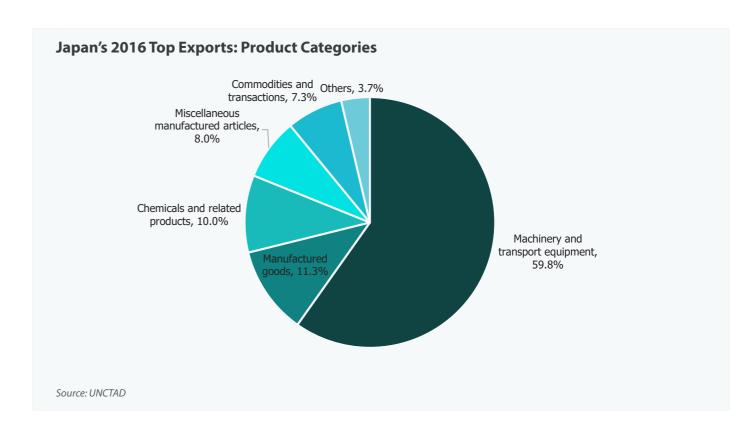
Kuwait's Relationship with Japan

Automobiles form the major part of Japanese exports. Its efficient cars and other transport equipment account for 14.2% of the total exports. Japan is the second largest economy in Asia in terms of GDP, and the fifth largest exporter in the world. Japanese exports totaled to USD 645bn in 2016, which was 3.2% higher than its exports in 2015, owing to the resurgence in emerging markets.

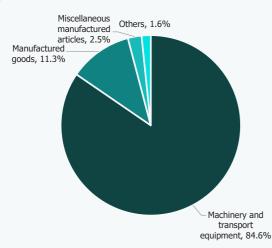
Machinery and transport equipment form 60% of the total exports from Japan, followed by manufactured goods (11.3%) and chemical products (10%). The largest trading partner of

Japan is the United States, accounting for over 20% of the total exports followed by China (mainland, 17.7%), and South Korea (7.2%). In GCC region, UAE and KSA are the major importers from Japan in terms of value of trade.

Apart from automobiles, Japan exports machinery, electrical machinery, circuit boards and panels, engines, ships, parts and accessories, and telecom equipment. Among the manufactured goods, iron and non-alloy steel form a major part of the export portfolio.



Japan's top exports to Kuwait, 2016



Source: UCTAD

Japan's (top 5) exports, (in percentage and USD), to the world and Kuwait

Japan's Top 5 Exports to the World	2016	(in USD bn)
Motor vehicles for the transport of persons	14.2%	91.9
Cathode valves & tubes	5.2%	33.2
Parts & accessories of vehicles	5.0%	32.4
Other machinery for particular industries	4.5%	29
Electrical machinery & apparatus	3.2%	20.5

Source: UNCTAD

Japan's Top 5 Exports to the Kuwait	2016	(in USD mn)
Motor vehicles for the transport of persons	62.0%	1,296
Tubes, pipes & hollow profiles, fittings, iron, steel	4.3%	90
Motor vehicles for transport of goods, special purpos-es	3.8%	79
Road motor vehicles	3.1%	65
Rubber tyres, tyre treads or flaps & inner tubes	2.5%	53

Source: UNCTAD

Kuwait's imports from Japan comprises mainly of machinery and transport equipment and manufactured goods which together account for nearly 96% of total imports. Under manufactured goods, tubes, pipes, iron, steel, aluminium, rubber tires, and manmade fabrics are the major imports from Japan. While oil remains the major export for Kuwait to Japan, Japan's 2015-16 oil imports in terms of volume fell to the lowest since 1988, reflecting the country's declining population and low economic growth, while at the same time its natural gas imports fell for the first time since the Fukushima nuclear disaster. Fall in global oil prices further exacerbated the situation. Younger Japanese citizens drive far lesser distances than their parents did few decades ago. Developments in technology also had a role, electric-gasoline hybrids have cut down oil demand by a significant margin.

Apart from trade, both the countries share cultural ties for nearly six decades. Japan celebrates Kuwait Cultural days to mark the establishment of diplomatic ties between the two countries by displaying Arabic calligraphy art, paintings, heritage photographs, traditional fabric, music and folk performances, and dhow building demonstration. Japanese culture is quite pervasive in Kuwait, with manga clubs in Universities, Japanese conventions like Q8con or PlamoQ8 that draw thousands of people, cosplay competitions take place several

times per year, and the Japanese embassy organizing cultural events for young people. Universities also invite specialists from Japan for well-attended talks.

Bilateral Trade Relations

Oil forms a big chunk of the trade that happens with Japan. The exports to Japan have witnessed a drop of 41% CAGR during 2014-16 as oil prices fell sharply during the period. Japan, the world's third-biggest economy imported 19.3 Mn kiloliters of oil, or about 3.3 Mn barrels a day in 2016, a 2.1% drop from the previous year⁵. Japan paid about USD 50.8 Bn for crude in 2016, down 36.4% from a year earlier. Japan's bill for LNG dropped 6.8% to USD 34.1 Bn. The country's annual trade surplus shot up on 2016 to USD 38.4 bn, from a record as energy import costs fell and the weaker yen helped spur a modest increase in exports.

Japan's population has dropped in the past seven years and last year fell to 126.9 Mn, the lowest since 2000. Due to this, demand for fuels like gasoline and diesel is forecast to fall by an average 1.3% annually through the year ending March 2020. Given this outlook, Kuwait is currently in a position to strengthen its ties with Japan on areas other than oil.



⁵ Bloomberg, Ministry of Finance Japan

⁶ Estimates US Census Bureau, Bloomberg

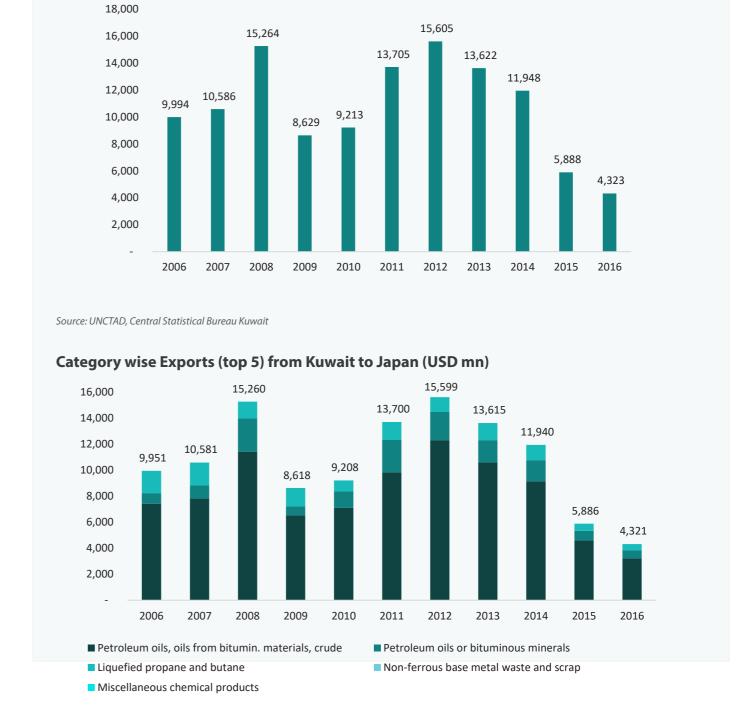
	Exports	Imports	Trade Balance
KSA	18,660	7,005	11,655
UAE	23,661	9,539	14,122
Kuwait	4,323	2,089	2,234
Qatar	14,161	2,063	12,098
Bahrain	263	675	(412)
Oman	1,297	1,907	(610)
GCC	62,365	23,277	39,088

GCC region as a whole maintains a healthy trade balance with Japan because of oil exports. UAE has the highest share of the export market accounting for 38% of the total GCC exports. Kuwait remains as the fourth largest exporting nation for Japan in the GCC region exporting close to USD 4.3Bn worth of goods and services in 2016. Exports from Kuwait nose-dived in 2016 as low oil prices and supply from other key markets such as Iran. Japan and GCC's relationship goes back decades and export of oil and gas from the region has been vital in maintaining Japan's technological and industrial development. Japan imports 34% of its crude oil from Saudi Arabia, 24% from the UAE, 11% from Qatar and 7% from Kuwait. Similarly, but to a smaller extent, the GCC is also an important

supplier of liquefied natural gas (LNG) to Japan, namely through the UAE, Qatar and Oman⁷.

Kuwait Exports to Japan

Japan is the third largest export destination for Kuwaiti products. Crude oil and related petroleum products were the largest exports to Japan accounting for 88.4% of the exports as of 2016. The fall in trade value during 2016 could be attributed to the fall in oil prices since mid-2014 and change in demographic profile of Japan. The value of exports from Kuwait to Japan decreased from USD 11.95Bn in 2014 to USD 4.3Bn in 2016, representing a fall of 40%, CAGR, largely due to lower oil prices.



Source: UNCTAD

Saudi Arabia still has the highest share of Japanese oil market at 1.06Mn barrels a day. In fact, Japan is one of the largest market for Saudi Arabia's oil. In addition to being the largest market, they also serve as a strategic storage place for oil. Japan, in Aug 2016, renewed an agreement allowing Aramco to store about 1Mn kiloliters (6.29Mn barrels) of crude oil on Okinawa island. Kuwait is the sixth largest exporter of crude oil and petroleum

Kuwait Exports to Japan (USD mn)

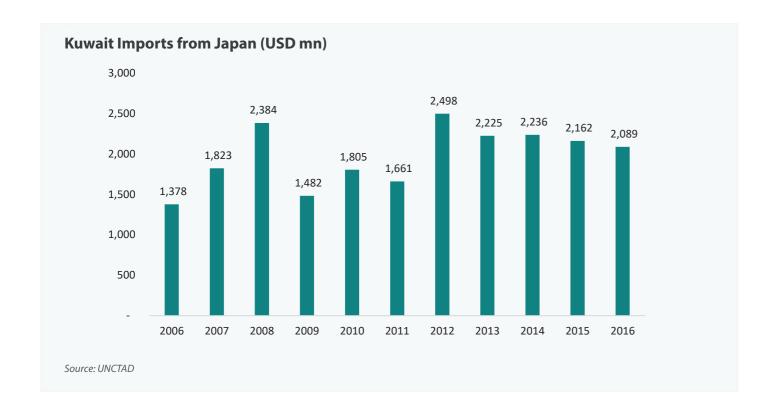
products to Japan accounting for 6.4% of Japan's crude oil imports. Over the past ten-year period, on an average, petroleum/crude oil exports accounted for 88% of total exports. Recent events of note is the rise of Iran as a supplier of crude for Japan. Some of the decline in imports from other Middle East markets are being directly linked to rise of Iran as a supplier of crude oil for Japan.

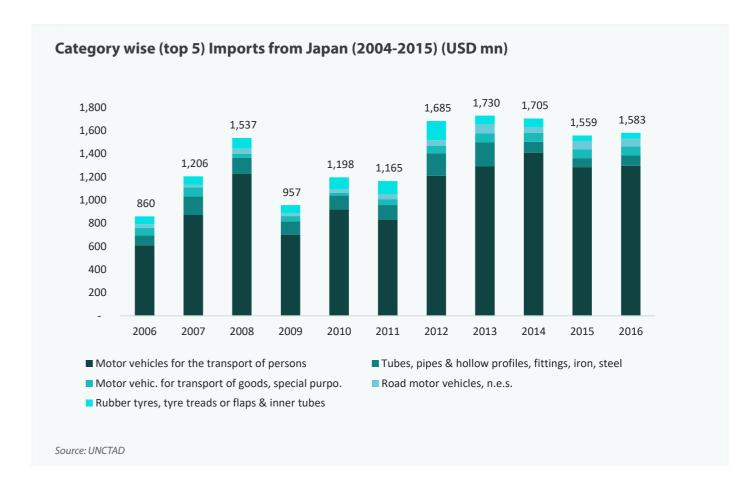
⁷ The National

Country	Bbl/day	% change YoY
Saudi Arabia	1.06 Mn	-6.1%
United Arab Emirates	0.8 Mn	-22.6%
Qatar	0.3 Mn	+9.5%
Iran	0.25 Mn	Na
Mexico	0.19 Mn	Na
Kuwait	0.19 Mn	-8%

Kuwait Imports from Japan

Kuwait majorly imports passenger automobiles, transport automobiles, road vehicles, tubes, pipes, hollow profiles and parts and accessories of vehicles. Japan is the fourth largest import partner for Kuwait accounting for almost 6.5% of imports. Other key import partners include U.S, China, South Korea, India and Germany.





Kuwait's import from Japan amounted to USD 2.1Bn in 2016, and have held steady around that level for the last four years. Imports from Japan largely include motor vehicles, which accounted

for 62% of the imports in 2015 followed by Tubes & Pipes (4.3%), Transport automobiles (3.8%), Road Motor Vehicles (3.5%), and rubber tyres (2.5%).

3 Investments

Kuwait and Japan's relationship has largely been restricted to trade with very few investments that have been made by either side. Kuwait's all-weather friends

like UAE, U.S, U.K, France and Singapore have been the major investors in the country. Japan to its credit has invested in only in one FDI project in Kuwait.

nvestor	Investee	Stake
Advantage Holdings	United Food Stuff	26.83%
Cuwait Petroleum Corporation (I	KPC) Fuji Oil	7.43%

Joint Ventures by Kuwait Petroleum Corporation

Kuwait's KPC and Japan's Idemitsu have signed a deal with Vietnam to build an oil refinery worth USD 9Bn. The Nghi Son refinery, which is due to start operating by 2017 in Thanh Hoa province, about 200 kilometres (125 miles) south of Hanoi, will turn Kuwaiti oil into petrol and other petroleum products. KPC's unit, Kuwait Petroleum International (KPI), established the joint venture in April 2008 with PetroVietnam, Japan's Idemitsu Kosan and Mitsui Chemicals. State-owned PetroVietnam will own a 25.1-% stake in the joint venture while Japan's Idemitsu Kosan and Kuwait Petroleum International will each hold 35.1%.

Al Zour North Independent Power and Water Project

The Al Zour North will have a power generating capacity of 1,500 megawatts (MW) and a water desalination capacity of 486 Mn litres per day. When completed in the fourth quarter of 2016, the project will account for about 10 % of Kuwait's power capacity and 20 % of its water production. The US\$1.8 Bn project is 40 % owned by three sponsors: France's GDF Suez, with a 17.5 % stake; Japan's Sumitomo Corporation, with a 17.5 % stake and AH Al Sagar & Brothers, with a 5 % stake. GDF Suez and Sumitomo Corporation will operate and maintain the plant. Japanese banks have provided funds to the project including Japan Bank for

International Cooperation (JBIC) – the Japanese export credit agency, Bank of Tokyo Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation and Standard Chartered. Japanese institutions provided a large portion of the financing in part due to the involvement of Sumitomo Corporation as a sponsor and also in a bid to forge greater ties with the oil-rich state.

companies. The fund is supported by the Japanese Government through Ministry of Foreign Trade and International Economic Development and shared equally between GCC (State General Reserve fund of Oman, Oman National Investment Development Co (TANMIA) and GIC) and Japanese institutions, is expected to have total investment capital of USD 400Mn.

Gulf Japanese Food Fund

The Gulf Japan Food Fund is a joint strategic initiative between Gulf Investment Corporation (GIC, Kuwait) and Mizuho Bank, Ltd. of Japan. The Food Fund aims to assist in GCC's food security plans and related logistics in this sector which goes well with the food security objectives of the member states of the GCC, also coordinate joint efforts between leading Japanese food and agribusiness companies and Gulf-based

FDI Inflows in Kuwait

Kuwait's FDI inflows over the years have largely been restricted to its time tested trading partners – the UAE, the U.S, France and the U.K. These four countries accounted for 23%, 22%, 19% and 5.4% of the FDI inflows that came into the country over the period January 2003 to May 2015 respectively. Japan ranks 12th in terms of FDI in Kuwait investing close to USD 134mn over the same period.

Inward Investment (FDI, Greenfield Projects) in Kuwait between Jan '03 to May '15

Rank	Country	No. of Firms	No. of Projects	Jobs Created	Value
					(USD mn)
1	UAE	57	79	10,027	2,620
2	U.S	41	45	4,325	2,486
3	France	21	21	3,561	2,230
4	U.K	20	20	1,921	602
5	Singapore	1	1	875	601
12	Japan	1	1	89	134

Source: FDI Intelligence, Financial Times

Expat Population

Kuwait, which boasts of a population of 4.2Mn, has a dominant expatriate community who account for almost 70% of its population. Kuwait depends extensively on imported workforce for its labour needs. Dominant expat communities are from India, Egypt, Philippines & Bangladesh. There are currently 172 Japanese expats living and working in Kuwait⁸. Because of this, the remittance of foreign exchange between Japan and Kuwait remains negligible.



⁸ Ministry of Foreign Affairs, Japan, Oct 2014 latest available

What can Kuwait Learn from the Japan's Rise to a Global Power?

Japan industrialized, free market economy is the third largest economy in the world with a GDP of about USD 4.7 trillion (IMF), and is one of the most globalized economies. The economy is highly efficient and competitive in areas linked to international trade, but productivity is far lower in protected areas such as agriculture, distribution, and services. The country's strength comes from its industrial leadership, technicians, well-educated and industrious work force, high savings and investment rates, and intensive promotion of industrial development. Japan has few natural resources, and foreign trade helps in purchase of raw materials for its economy.

Japan has overcome many adversities, such as the Fukushima incident, struggles with deflation, and has come out stronger, due to perseverance and work ethic. Planned implementation of government policies, investments in research and development, and focus on all levels of education have led to the island nation scoring high on developmental parameters. Some of the prominent factors that define the Japanese growth story are as follows:

 Disciplined development of skilled human resources: Since the end of the World War II, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (1%) of GDP) for nearly three decades have helped Japan develop an advanced economy. The close interlocking structures of manufacturers, suppliers, and distributors, and the guarantee of lifetime employment for a substantial portion of the urban labor force.

Japanese firms set goals for employee training to improve productivity and acquire complex skills by (1) increasing work speed, (2) improving production processes, (3) raising yields, (4) increasing operating rates, and (5) building the ability to respond quickly to changes in plans. Workers are not only required to efficiently implement operations in the areas for which they are responsible, but also provide inputs in such areas as quality control, maintenance, and process improvement.

The ultimate purpose of training is to expand worker's knowledge of production, and to build their ability to deal with problems.

• Economic rise supported ably by government policies: The Japanese economy witnessed real economic growth of 10% (average) in the 1960s, 5% in the 1970s, and 4% in the 1980s. Growth slowed down in the 1990s to 1.7%, due to inefficient investments and an asset price bubble in the late 1980s. Companies had taken considerable time to reduce excess debt, capital, and labor. Modest economic

growth continued after 2000, however, since 2008, the economy had fallen into recession four times. Government stimulus spending helped the economy recover in late 2009 and 2010, but the economy contracted again in 2011, as the massive 9.0 magnitude Fukushima earthquake, and the ensuing tsunami disrupted economic activity. The economy has displayed robustness by largely recovering in the five years since the disaster, although output in the affected areas continues to lag behind the national average.

The year 2013 witnessed the introduction of "Abenomics" and the uptick of economic growth, based on Prime Minister Shinzo Abe's "Three Arrows" economic revitalization agenda of monetary easing, "flexible" fiscal policy, and structural reform.

Focus on innovation, arts and cultural promotion: Japan is often ranked among the world's most innovative countries leading in several measures of global patent filings. Since the second half of the twentieth century, the country has helped to shape the world's technology landscape. The massive global impact made by companies such as Sony and Toshiba, are only a part of the story. Japanese corporations are continually evolving and adopting a "startup culture" to boost their business creativity and country's economic prospects.

In the sphere of arts and entertainment, Japanese "manga"⁹ and anime cartoons have created their own niche in the world market, especially in South East Asia, Europe and the US. Since the late 1980s, Japanese gaming industry has become Japan's most popular cultural export, as seen by the worldwide phenomenon of the virtual reality game, Pokemon Go. The country's animation

industry is renowned globally, influencing artists across the globe.

Despite the national and cultural differences between Kuwait and Japan, Kuwait can benefit from Japan's inspirational rise from ignominy, post the Great War. Examples include a dedicated and disciplined approach to make lasting changes, a mature equity, bond and commodities market, and collaboration among public sector, academic, and private sector stakeholders. In the following sections, we will delve into areas where Kuwait can establish strategic collaborations with Japan to strengthen the Kuwaiti economy.

Cooperating with Japan to Strengthen Kuwait's Economy & Trade Relations

Japan-Kuwait relations date back to 1958, when Arabian Oil Company of Japan acquired oil and gas concessions in the offshore Divided Zone, in a deal that led to discovery of the massive Khafji Oilfield. After the establishment of diplomatic relations in 1961, the two countries have fostered friendly relations in broad spheres ranging from the economy and scientific technology to environment protection and education to cultural exchanges.

The Japan economic growth story teaches the need to leverage on one's strength, but be willing to adapt and change, based on prevailing circumstances, in order to survive and even thrive during most circumstances. Japan has invested well in research and human capital, and pursued layered strategies for developing advanced export potential for its domestic industries. Kuwait can both learn from the experiences of Japan, and collaborate with the latter to improve its economic outlook.

⁹ Comics created in Japan or by creators in the Japanese language, conforming to a style developed in Japan in the late 19th century.

At present bilateral relations exist in the spheres of developing infrastructure such as sewers, subway systems and oil refinery facilities in Kuwait. The state also aided Japan in the aftermath of the Fukushima incident. The last annual meeting of the Kuwaiti-Japanese Businessmen's Committee in Tokyo, brought together 100 government officials and businesspersons from various sectors of both economies. It provides a platform in which both countries are able to discuss their current economic conditions, exchange views on measures to promote economic relations from a business community prospective, investment opportunities and renewable energy. In the future, collaborations are expect in the fields of politics, economics, culture and environment.

Some of the areas in which Kuwait and Japan can actively collaborate are described below

Education, with emphasis on STEM: Education is compulsory at the elementary and lower secondary levels. Most students attend public schools through the lower secondary level, but private education is popular at the upper secondary and university levels. Japanese students consistently rank highly among OECD students in terms of quality and performance in reading literacy, math, and sciences. An average student scored 540 in reading literacy, maths and science in the OECD's Programme for International Student Assessment (PISA) and the country has one of the world's highest-educated labour forces among OECD countries. Its populace is well educated and its society highly values education, as a platform for social mobility and for gaining employment in the country's high-tech economy. The country's large pool of highly educated and skilled individuals is largely responsible for ushering Japan's postwar economic growth. Tertiary-educated adults in Japan, particularly graduates in sciences and engineering benefit economically and socially

from their education and skills in the country's high tech economy. Although expenditure per student is comparatively high in Japan, total expenditure relative to GDP remains small. Kuwait could formulate an education policy, along the lines of Japan, and involve ministries and organizations such as Ministry of Education and Kuwait Foundation for Advancement of Sciences in the process. Japan's expertise in the area and its success in developing STEM education could be a model for Kuwait.

Development of SMEs: SMEs account for 99.7% of all companies, 70% of all employees, and more than 50% of manufacturing industry in Japan, and form the very basis of the Japanese economy. Even large corporations as Toyota, Honda, and Sony started out as small backstreet factories. SMEs promote competition in the marketplace, create new industries and have becomeare the force behind economic restructuring. The majority of the products of large corporations consist of components from SME subcontractors, and thus they are the hidden strength of the country's economy. The economies of Japan's provincial areas are supported by the activities of SMEs, mainly in the service industry, retail trade, and the construction industry – and SMEs play a part in revitalizing local economies and boosting employment opportunities.

For Kuwait, the promotion of SMEs for the twin purpose of diversifying the economy and creating employment is paramount. In this regard, the SME Fund with a capital of KD 2 billion was setup to provide funding for the SMEs in Kuwait. Japan's expertise in the field of handling regulatory framework for the development of SMEs could be insightful to Kuwait. Kuwait can extend its ties with Japan in order to conduct workshops, trainings and skill development programs for the development of SMEs in Kuwait.

- Long-term planning, decision-making and **implementation**: Japan has proven itself adept at focusing on long-term improvements to the economy, and plans developments and reforms, to successfully bring them to fruition. This long-term focus is also the result of getting all stakeholders, including the people of the country, on board to work towards a goal that is bigger than their individual self-interests. Japan has survived the devastation of nuclear fall-out and regularly occurring natural disasters, and has refined its lessons over a long period. Kuwait could benefit immensely from these lessons, as it also has similar issues, such as a volatile neighborhood, regional wars, and limited resources. To further develop Kuwait and realize the plans published in its vision documents, the government could learn from its steadfast and industrious trade partner.
- **Expertise on global investments**: Japan's overseas investment has played a significant role in the global economy for decades. Japanese companies have a strong global presence, making the country one of the world's largest exporters and FDI investors. The Yyen is commonly held by global central banks as part of their foreign reserves, and is one of the major currencies making up the IMF's Special Drawing Rights basket. Japan is consistently one of the top countries in outflow of foreign direct investment, with nearly 10x as much investments as Kuwait, and has a long history of investing in global economies. Kuwait could draw from the experience of Japan to improve its portfolio, and invest diligently.

Japan's Key Sectors – Lessons for Kuwait

Japan's manufacturing industry accounts for 9087% of Japan's exports. Japanese companies have been accelerating overseas operations and, increasing overseas production percentages. and manufacturing jobs have been decreasing. Activity levels across Japan's manufacturing sector improved in 2016, with rising output levels and employment growth. Japan's major export industries include automobiles, consumer electronics, semiconductors, copper, and iron and steel. Most industries are heavily dependent oin imported raw materials and fuels.

Robotics

The Robotics industry is more important in Japan than any other country in the world. Japan employs over a quarter of a million industrial robot workers. In the next 15 years, Japan estimates that number to jump to over one million and they expect revenue for robotics to be near USD 70bn by 2025. There are many variations of Japanese robotics. Some different types of robots are Humanoid Entertainment Robots, Androids, Animal (four-legged) Robots, Social Robots, Guard Robots, and many more. Conceivable commercial applications of robots include any type of activity that a robot could do in the domestic or industrial field

Japanese scientists have foreseen many

applications for their robots, including healthcare, care for the elderly, playmates for children and they could replace humans in various industrial activities. Researchers across Japan have unveiled increasingly sophisticated robots with different functions, including a talking office receptionist, a security guard and even a primary school teacher. Toshiba has developed the newest model of domestic helper, AppriAttenda, to make people's lives easier when they have to manage alone. The robots could help them with basic tasks inside the house.

Japan is at the forefront of robotic research, and it is viable that robots could eventually replace low- and semi-skilled labor in the near future. This represents an opportunity for Kuwaiti investors to get ahead of the curve, as robots are replacing workers, at an accelerating pace. With increasing automation, the manufacturing industry has become more productive. Kuwait currently does not have any large-scale manufacturing capabilities., and could lookHence, Kuwait can make use of robots at for setting up automated factories that would restrict the need for importing laborlabour from developing nations. Reducing foreign labor would also keep costs of labor downReplacing expatriates with robots wherever possible could bring down the cost of production, especially in the manufacturing sector, and also keep curtailing the remittances down outflow. The cost savings resultant savings could then be

usedhelp to fund local projects, which would create jobs for the local population.

Automation in Kuwait could also reduce the country's dependence on foreign labourers, which would reduce the outgo of valuable forex reserves. Automation would also open-up new business opportunities in the region – assembling of cars, household items and even defence equipment. Most of the region's defence exports come in as completely built units and the entire amount spent on defence goes to the partner country. Kuwait has one of the highest defence spending per capita, investing part of its defence spending, in setting up an automated assembling centre would have multiple benefits – create jobs for locals and possibly serve as defence weapons assembling outpost for other GCC countries. Investing in defence and related technology has become a part of the vision for peer countries such as Saudi Arabia. Kuwait could follow suit and make use of robotics for defence equipment manufacturing.

Automotive

One of the most successful industries in Japan, One of the most successful industries in Japan, with large global market shares in automobile, trucks, busses, electrical machineries, parts, tire and engine manufacturing. Global Japanese motor vehicle companies include Toyota, Honda, Suzuki, Lexus, Mazda, Mitsubishi, Nissan, Subaru, Infiniti, and Isuzu. Denso is the world's largest company in automotive component manufacturing, and Honda, Suzuki, Yamaha and Kawasaki are global motorcycle companies. Japan is home to six of the top ten largest vehicle manufacturers in the world. Japan's automobiles are generally known for their quality, durability, fuel efficiency and are sold are lower price points compared to their competitors. In 20152016, automotive exports continued to hold the top position at almost 1522% of Japan's total exports, valued at USD 86bn, and vehicle component parts account for a further 5%, or USD 29bn.

Japan has been in the top three of the countries with most cars manufactured since the 1960s, surpassing Germany. In 2015, Japan produced over 9mn cars, accounting for over 10% of the total world production; only third behind China and the US. Japan ranks 3rd in terms of number of cars produced, behind China and the US. Japanese investments helped grow the auto industry in many countries throughout the last few decades. Cars produced in Japan are renowned worldwide, and have consistently won European Car of the Year, International Car of the Year, and World Car of the Year awards many a number of times. Automobile export remains one of the country's most profitable exports, and is central to the recovery plan from the latest economic crisis faced by the country.

While manufacturing lags behind in the gulf region

as a whole, Kuwait could kick start proceedings by requesting automotive manufacturers and auto ancillaries to set up their Middle East hub in the gulf state. The government could offer favourable terms to manufacturers, and local populace and industries could take advantage of lower cost of vehicles. The manufacturers could also export these locally made vehicles to other countries in the region, thereby saving up on transportation costs. Toyota remains a leader in the GCC car markets with more than 500,000 units sold in 2016. Japanese brands of vehicles remain popular in the GCC, while the high-end market continues to be dominated by European brands. Japan could increase market share, and even compete with European and Chinese carmakers on a costbasis by shifting manufacturing to the region. Auto ancillaries are already a big business in the GCC, and could be further developed to attract automotive manufacturers.

Electronics

The largest consumer electronics industry in the world, in terms of market share, Japan still has a number of companies that produce television, camcorders, audio and video players, etc., with

prominent companies such as Sony, Casio, Mitsubishi Electric, Panasonic, Canon, Fujitsu, Nikon, Yamaha etc. The country's electronic products are renowned for their innovation and quality. In recent years, the share of these Japanese companies gradually declined by due to the competition from South Korea and Taiwan.

The relative decline has been ascribed to factors including high costs, the value of the yen and too many Japanese companies producing the same class of products. This has, causeding a duplication in research and development efforts, and reduced theing economies of scale and pricing power. The rise of Samsung and LG have also led to the consumers moving away from Japanese brands. However, Japan still figures in the list of top electronics exporters in the 8th position, accounting for 4.1%, or USD 96bn, in worldwide exports. Economic policies implemented by the government after the Fukushima incident in 2011 has led to a spurt in exports, since the 2011 Fukushima incident, and the sector is expected to grow in the coming years.

Japan has always been at the forefront of research in the consumer electronics industry, and Kuwaiti investments could fuel their rise. This presents an opportunity for Kuwait to not only benefit from investing, but also ensure that their best and the brightest are involved in innovative research, which could then be used to improve the local economy. The Kuwait government could also replicate the Japanese model of R&D, and cross-collaboration in the fields of education and research could lead to further economic engagements.

Retail

Even though Japan has only half the population of the United States and is smaller than California, retail industry continues to thrive. Small businesses continue to be the mainstay of the economy, although non-Japanese companies have also become popular and more international cooperation that occurred in the wake of globalization. However, since the 1980s, there has been a decline of mom-and-pop stores, as soaring land prices and the growth of convenience and discount stores picked up. Since the mid-2000s, large chains dominate nearly every market niche, be it consumer electronics (notably Yodobashi Camera) or cookies (Aunt Stellas).

In the 1980s, Japanese consumers were discovering the advantages of catalogue shopping, which offered not only convenience but also greater selection and lower prices. Department stores, supermarkets, and superstores (hybrid supermarket-discount stores) and other big retail operations were gaining business at the expense of small retailers, although their progress was quite slow. The late 1990s brought a decline of the catalogue mail order in favour of online shopping, which has only picked up in the gulf region in the recent past. Amazon Japan has the biggest market share in the country, in the e-commerce segment. In 2015, nearly 20mn visitors came to Japan, a rise of over 50%, which has also led to more retail sales in the country Another factor driving the retail business in the country is tourism. There were 20 mn tourists visiting Japan in 2016 and the number has increased by 20.2% as May 2017 (YTD) with various measures taken by the government to promote tourism.

In 2016, retailing benefited from a surge in shopping tourism, particularly from Chinese tourists, with many players thus increasing their focus on this group. However, a stronger Japanese yen affected spending by incoming tourists in 2016 and by stricter restrictions on imports by the Chinese government. Instead, many Chinese consumers and those from other Asian countries are opting to buy Japanese goods via cross-border internet retailing¹⁰.

Retailing is still in its nascent stage in the GCC, and especially in Kuwait. Retail purchases in 2015 accounted for USD 0.7bn, which is expected to triple by 2020. The country has the highest internet and credit card penetration in the region, and the presence of online payment gateways there favours B2C E-Commerce. However, both e-commerce and m-commerce are still in their infancy in

Kuwait, due to limited presence of online retailers and lack of specific legislation governing e-businesses. Kuwait can benefit from the experience of Japan, in this segment, especially in areas of regulation and legislation, as the island nation has been an innovator in the in this industry, in terms of advertising and logistics, since the 1970s.

¹⁰ Euromonitor



Conclusion

Kuwait has made rapid strides over the past few years to improve its investment climate, implementing a 2013 foreign direct investment (FDI) law that aims to ease constraints on doing business in Kuwait. Kuwait Direct Investment Promotion Authority (KDIPA) was established in accordance with Law No. 116 of 2013, and deals with the promotion of direct investment in the State of Kuwait. However, formulating short-, medium- and long-term country-wise goals could assist Kuwait to fulfil its objectives in a more holistic manner, and ensure faster development. Unlike countries, such as the US, Denmark, Canada, Singapore, China and Spain that have considerable investments in Kuwait, Japan has been conspicuous by its absence. Being a world leader in technology, education, ICT, and R&D, Japanese investments and expertise should be a priority for Kuwait.

As part of the gulf state's long-term goals, Japanese educational model and development of skilled human resources could be replicated in Kuwait. This could also provide private sector players, both domestic and foreign, incentive to set up their operations in the gulf state. Automation of lowand semi-skilled labour could be used to reduce

burden on Kuwaiti companies and economy, and lead to better implementation of services to local population. Collaboration in education, arts and sciences could deepen relationship, and lead to further engagements.

Investments from Kuwait into Japanese R&D would be mutually beneficial for both, and would also provide Kuwait an insight into cutting edge innovation techniques. Kuwait could also benefit from the Japanese way of projecting soft power, using the medium of arts, food and culture.

Other lessons that could be learnt include implementing reforms in line with the national goals. Japanese economic policies are ably supported by the government of the day, by getting the people on board to build a stronger economy. Kuwait could draw from the experience, to similarly build a better future for its citizens. Long-term planning and decision making are the need of the hour, and the Kuwait government could learn a great deal from its steadfast and industrious trade partner.

Appendix

List of Prominent Japanese Companies in Kuwait

- JGC Corporation
- **Sumitomo Corporation**
- Bank for International Cooperation
- Tokyo Mitsubishi UFJ
- Sumitomo Mitsui Banking Corporation

Statistical Appendix

Japan	2012	2013	2014	2015	2016f	2017f	2018
Real GDP (%)	1.7	1.3	-0.0	0.5	0.5	0.5	0.453
Nominal GDP (USD Bn)	5,957.2	4,908.8	4,595.5	4,124.2	4,730.3	5,106.2	5,230.
General Government Balance (as % of GDP)	-7.8	-8.2	-5.7	-4.8	-4.8	-4.8	-4.1
Current Account Balance (as % of GDP)	1.0	0.9	0.7	3.2	3.7	3.3	3.3
Investments (as % of GDP)	20.8	21.2	21.8	22.0	21.5	21.6	21
General Government Debt (as % of GDP)	31.0	32.0	33.6	34.0	33.6	33.7	26
Inflation, Avg. consumer prices	-0.0	0.3	2.7	0.7	-0.1	0.4	3.
Population (in Mn)	127.5	127.3	127.1	126.9	126.7	126.3	126.0
Per Capita Income (USD)	45,988	44,776	40,684	27,756	26,143	28,758	30,09
Lending rate (% p.a.)	0.325	0.236	0.178	0.132	0.005	-0.073	n/a
Deposit rate (% p.a.)	0.0	0.0	0.0	0.0	-0.1		
Real deposit rate (% p.a.)	-0.056	0.341	2.761	0.792	-0.162		

Kuwait	2012	2013	2014	2015	2016f	2017f	2018f
Real GDP (%)	7.9	0.4	0.6	1.1	2.5	2.6	2.6
Nominal GDP (USD Bn)	174.1	174.2	162.7	114.1	110.5	124.9	134.3
General Government Balance (as % of GDP)	33.3	34.3	28.1	1.7	-3.5	3.2	3.8
Current Account Balance (as % of GDP)	45.5	39.9	33.3	5.2	3.6	8.4	8.8
Investments (as % of GDP)	12.8	14.4	16.3	25.0	23.5	21.5	21.0
General Government Debt (as % of GDP)	6.8	6.5	7.5	11.2	18.3	22.4	26.6
Inflation, Avg. consumer prices	3.2	2.7	2.9	3.2	3.4	3.8	3.6
Population (in Mn)	3.8	3.9	4.0	4.1	4.2	4.3	4.5
Per Capita Income (USD)	45,988	44,776	40,684	27,756	26,143	28,758	30,095
Lending rate (% p.a.)	4.8	4.5	4.3	4.3	4.6		
Deposit rate (% p.a.)	2.0	2.0	2.0	2.4	2.7		
Real deposit rate (% p.a.)	-1.1	-0.6	-0.9	-0.9	-0.6		

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Kuwait Import	by	Origin,	lop	15 (in	000's KD)

2011	2012	2013	2014	2015	Q1, 2016
1,024,735	1,007,870	1,115,569	1,266,863	1,532,589	354,561
741,657	762,775	824,445	860,397	903,931	217,943
442,308	554,300	730,038	817,829	895,930	195,356
458,399	598,951	631,047	638,226	650,759	167,113
457,590	488,018	562,127	597,579	537,185	160,128
398,019	401,544	398,374	433,836	476,171	110,419
412,222	364,677	332,152	368,469	419,559	125,810
265,946	362,962	354,878	342,681	326,694	92,096
263,738	342,845	323,987	354,294	291,705	85,863
186,600	235,713	235,682	232,294	272,790	61,718
153,313	178,506	212,190	224,597	190,812	46,753
115,614	109,092	130,730	150,813	180,908	36,389
183,457	160,049	162,276	185,898	176,703	41,181
109,952	127,169	166,200	172,764	173,965	35,094
19,179	53,189	67,500	113,663	164,886	41,420
6,938,065	7,631,699	8,308,846	8,829,318	9,600,112	2,304,220
	1,024,735 741,657 442,308 458,399 457,590 398,019 412,222 265,946 263,738 186,600 153,313 115,614 183,457 109,952 19,179	1,024,7351,007,870741,657762,775442,308554,300458,399598,951457,590488,018398,019401,544412,222364,677265,946362,962263,738342,845186,600235,713153,313178,506115,614109,092183,457160,049109,952127,16919,17953,189	1,024,735 1,007,870 1,115,569 741,657 762,775 824,445 442,308 554,300 730,038 458,399 598,951 631,047 457,590 488,018 562,127 398,019 401,544 398,374 412,222 364,677 332,152 265,946 362,962 354,878 263,738 342,845 323,987 186,600 235,713 235,682 153,313 178,506 212,190 115,614 109,092 130,730 183,457 160,049 162,276 109,952 127,169 166,200 19,179 53,189 67,500	1,024,7351,007,8701,115,5691,266,863741,657762,775824,445860,397442,308554,300730,038817,829458,399598,951631,047638,226457,590488,018562,127597,579398,019401,544398,374433,836412,222364,677332,152368,469265,946362,962354,878342,681263,738342,845323,987354,294186,600235,713235,682232,294153,313178,506212,190224,597115,614109,092130,730150,813183,457160,049162,276185,898109,952127,169166,200172,76419,17953,18967,500113,663	1,024,735 1,007,870 1,115,569 1,266,863 1,532,589 741,657 762,775 824,445 860,397 903,931 442,308 554,300 730,038 817,829 895,930 458,399 598,951 631,047 638,226 650,759 457,590 488,018 562,127 597,579 537,185 398,019 401,544 398,374 433,836 476,171 412,222 364,677 332,152 368,469 419,559 265,946 362,962 354,878 342,681 326,694 263,738 342,845 323,987 354,294 291,705 186,600 235,713 235,682 232,294 272,790 153,313 178,506 212,190 224,597 190,812 115,614 109,092 130,730 150,813 180,908 183,457 160,049 162,276 185,898 176,703 109,952 127,169 166,200 172,764 173,965 <

Kuwait Exports by Destination, Top 15 (in 000's KD)

Country	2011	2012	2013	2014	2015	Q1, 2016
KSA	189,984	197,418	197,228	208,344	256,277	58,982
U.A.E	189,331	204,834	236,750	217,369	246,033	44,986
China	228,982	234,962	293,407	293,984	242,839	39,092
India	176,321	182,187	202,694	247,729	235,516	36,227
Iraq	15,839	24,664	160,043	193,882	129,126	18,331
Turkey	62,939	67,673	84,214	38,373	71,609	1,803
Qatar	39,340	47,022	45,745	53,552	71,568	28,552
U.S	51,766	80,890	56,704	35,289	66,320	13,220
Pakistan	68,177	63,726	62,986	56,991	46,502	9,075
Jordan	31,458	33,559	33,892	35,018	42,329	11,432
Indonesia	35,233	94,281	52,506	51,631	37,934	11,953
Bahrain	22,894	31,616	27,239	24,959	35,467	7,702
Egypt	16,539	17,968	12,885	18,962	31,611	2,521
Free Trade Zone	1,424	8,753	4,173	11,031	31,191	5,138
Oman	22,841	52,859	36,469	30,219	26,296	10,529
Japan	1,535	1,928	2,629	2,420	1,672	876
Total	28,339,860	32,051,281	32,363,342	28,636,494	16,591,266	2,714,096

Source: CSB

Kuwait Exports by Broad Categories, Top 5 (in 000's KD)

Categories	2011	2012	2013	2014	2015	2016-Q1
Fuels and lubricants, primary	18,989,499	21,951,962	22,586,101	19,677,323	10,275,651	1,695,024
Motor spirit	7,887,931	8,436,103	7,927,011	7,163,709	4,508,755	655,258
Industrial supplies not elsewhere specified, processed	1,034,175	1,133,493	1,184,932	1,061,202	944,396	172,080
Passenger motor cars	54,966	118,456	133,713	154,171	196,228	35,325
Consumer goods not elsewhere specified, durable	50,192	62,671	106,545	83,668	88,958	18,468
Total	28,339,860	32,051,281	32,363,342	28,636,494	16,591,266	2,714,096

Kuwait Imports by Broad Classification, Top 5 (in 000's KD)

Categories	2011	2012	2013	2014	2015	2016-Q1
Industrial supplies not elsewhere specified, processed	1,849,406	1,903,268	2,124,568	2,231,802	2,206,033	511,595
Capital goods (except transport equipment)	1,052,532	1,064,789	1,092,278	1,262,434	1,494,903	382,192
Passenger motor cars	763,352	1,052,363	1,147,810	1,098,764	1,071,569	232,810
Food and beverages mainly for household consumption	618,797	629,205	683,371	727,738	791,604	186,684
Consumer goods not elsewhere specified, non-durable	490,692	553,085	613,253	653,178	755,388	174,653
Total	6,938,065	7,631,699	8,308,846	8,829,318	9,600,112	2,304,220

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Our mission

Serving businesses and institutions with reliable information and intelligence about MENA, needed to catalyse growth, understand the larger environment and facilitate decision-making.

Our aim

Advocate intellectual research on MENA economies, businesses and financial markets and provide customized, actionable solutions.

Our foundation

- A subsidiary of Markaz: Investment bank and asset management firm with 40+ years of history
- Markaz research activities commenced in 2006
- Marmore established in 2010 to intensify the research activities
- Publishes research reports and provides consulting services

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- Due diligence / Business evaluation
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Our seven step process to execute consulting engagements:

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- Step 2: Proposal submission
- Step 3: Project initiation
- Step 4: Fieldwork / research
- Step 5: Analysis & reporting
- Step 6: Review & approval
- Step 7: Report submission / presentation

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These reports are produced as thematic discussions based on current issues in the economy. The reports aid key stakeholders such as investors, businessmen, market participants, and policy makers in understanding the impact of a particular theme on the economy.

Infrastructure research

Infrastructure research highlights bottlenecks in the sector and areas requiring urgent investments. Our infrastructure report analyses the link between economic development and infrastructure and showcases supply & demand challenges in the GCC and investment opportunities.

Capital market research

Capital market reports provide an analysis of stock & bond markets in the MENA region including outlook. These reports are strategic in nature and provides investment perspective to readers.

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Marmore has partnered with several leading thought leaders and institutions of repute to generate economic policy research studies in key areas like energy, labor, economic structure and public sector.

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Our regulatory research series is an effective consolidation, analysis and summary of key business, economic, and market regulations that impact business environment.

