Kuwait

Political dissent and protests are not normally associated with the Arabian Gulf States. In 2013 Kuwait, the blunt truth was emerging that without deep constitutional reforms Kuwait risked remaining in a political limbo in which factions of the royal family sought to maintain their grip, either by dismissing the calls for reform or, in the case of the family's reforming wing, endeavouring to harness them. Alongside the family differences is the continued struggle between the elected National Assembly and the Emir-selected Cabinet. The family's presence in government is not limited to the Emir, the Crown Prince and the prime minister; members of the al Sabah family also held the key ministerial portfolios of defence, the interior and foreign affairs. The Emir also has the right to dissolve parliament, while criticism of the Emir is legally prohibited. But the family's feuding was perceived to be hampering any form of political – and economic – reform. The family and political feuding and the climate of instability that it has created, have – *inter alia* – been blamed for the failure to activate Kuwait's four year US$112 billion Development Plan adopted by Parliament in 2010.

In 2003 Transparency International had ranked Kuwait 35 in its *Corruption Perceptions Index*; by 2012 Kuwait had dropped to 66 out of the 174 countries surveyed, level with Saudi Arabia but behind all the other Gulf states.

Elections

The February 2012 elections had resulted in an opposition landslide as predominantly tribal and Islamist candidates won 34 seats. This 2012 parliament lasted little more than four months until it was declared invalid in June. The rising political tensions originally resulted in the Emir suspending the National Assembly for one month in June 2012, but, to general confusion, this decree was superseded two

KEY FACTS

Official name: State of Kuwait

Head of State: Sheikh Sabah al Ahmed al Jabir al Sabah (since 25 Jan 2006)

Head of government: Caretaker Prime Minister Jabir Mubarak al Hamad al Sabah (from 4 Dec 2011, re-appointed 5 Dec 2013)

Ruling party: 15-member Council of Ministers

Area: 17,818 square km (including neutral zone)

Population: 3.79 million (2012)*

Capital: Kuwait City

Official language: Arabic

Currency: Kuwaiti dinar (KD) = 1,000 fils

Exchange rate: KD0.28 per US$ (Jul 2013)

GDP per capita: US$45,824 (2012)*

GDP real growth: 5.08% (2012)*

GDP: US$173.42 billion (2012)*

Unemployment: 2.07% (2012)*

Inflation: 2.92% (2012)*

Oil production: 3.13 million bpd (2012)

Natural gas production: 14.50 billion cum (2012)

Balance of trade: US$96.81 billion (2012)*

* estimated figure

days later in a ruling by the Constitutional Court that annulled the February 2012 election and reinstated the parliament that had been (unconstitutionally) dissolved in December 2011. July and August 2012 saw the reinstated parliament twice reconvened, but on each occasion the move failed to achieve a quorum as the majority of MPs boycotted the sessions. In September the Kuwaiti Constitutional Court rejected the government's effort to redraw political boundaries. To make matters worse, in October 2012, the Emir again dissolved the (reinstated) parliament, but delayed announcing the date (1 December) of the next election until 20 October. Sheikh Sabah later changed the electoral law by decree, reducing the number of councils each Kuwaiti could vote in from four to one.

Kuwaiti political reaction was as rapid as it was unprecedented. Opposition groups and MPs from across the spectrum pledged to boycott the election, threatening a return to street politics. In a demonstration in front of the National Assembly in mid-October 2012, populist opposition politician Musallam al Barrak addressed the Emir stating that 'We will not allow you, your highness, to take Kuwait into the abyss of autocracy. We no longer fear your prisons and your baton sticks.'

Kuwait's public prosecutor instigated charges against Mr al Barrak, arresting three other opposition politicians who had taken part in an earlier rally in October. A later rally in October again broke records attracting 100,000 demonstrators. This amounted to a show of mass defiance to the ruling family, which had taken the unprecedented step of issuing a statement calling for public obedience to the Emir, whose authority was being challenged in new and potentially dangerous ways.

The 1 December 2012 elections were also annulled; parliament was dissolved on 16 June and a further election date of 25 July 2013 set. In this election Shi'a candidates won just eight seats, down from 17, the Sunni independents increased their seats to 30 liberals won three. Turnout was 52.5 per cent. Carine Torbey of the BBC Arabic Service notes that it is almost impossible to label the new parliament. There are no political parties as such in Kuwait and most of the candidates run as independents. Most of the time a combination of identities – tribal, sectarian and ideological – contribute to the victory or the defeat of a candidate. Coalitions are generally formed after the elections.

The economy

In its September 2013 assessment of the Kuwaiti economy, the International Monetary Fund (IMF) noted that high oil prices had benefited Kuwait by generating high fiscal and external current account surpluses. However, the domestic political developments (see Elections above) had an adverse impact on fiscal and economic developments in Kuwait. The implementation of the 2011–14 Development Plan (DP), a public investment programme, has slipped behind schedule and large increases in the public-sector wage bill have undermined the government's efforts to encourage Kuwaitis to join the private sector. In the view of the IMF it is vital to agree on an agenda to get the DP back on track, improve the business environment and investment climate and strengthen non-oil growth. The IMF considered that the long-term objective should aim toward diversification and job creation for Kuwaitis in the private sector. Building human capital, improving the efficiency of public administration and removing impediments to physical, legal and business infrastructure would support these goals. The IMF noted that the financial situation of banks was strong and the banking system was well-regulated by the Central Bank of Kuwait (CBK). Investment companies (ICs) were, in IMF speak, 'still deleveraging and restructuring'. Establishing a strong fiscal policy framework, providing greater institutional and functional autonomy for the central bank and 'developing a more formal macro-prudential institutional and policy framework' would help strengthen macro-economic and financial stability.

Kuwait's non-oil economy was thought by the IMF to have recovered in 2012. Mainly driven by consumption growth, non-oil gross domestic product (GDP) growth was projected to have increased to 2.2 per cent in 2012 from 0.9 per cent in 2011, after three years of negative growth in the 2008–10 period. Growth in the oil sector continued to be strong in 2012 with crude oil production reaching capacity, keeping overall projected growth at a similar rate of 6.2 per cent in 2012 compared to 6.3 per cent in 2011. Average consumer price inflation decelerated to 3.2 per cent in 2012 from 4.9 per cent in 2011. The average inflation in June 2013 was about 3 per cent (year-on-year).

According to the IMF, despite rising current expenditures, the fiscal surplus remained high at 33 per cent of GDP in 2012, reflecting high oil prices and production. Expenditure rose by 13 per cent, mainly because of a 25 per cent public wage hike in April 2012. Capital expenditure under-performed the budget allocation, as continued political uncertainty stalled the implementation of investment projects. High oil export revenues contributed to an estimated external current account surplus of 43 per cent of GDP in 2012.

Kuwait's monetary policy remained accommodative and bank credit growth

KEY INDICATORS — Kuwait

	Unit	2008	2009	2010	2011	2012
Population	m	3.44	3.48	3.58	*3.68	*3.79
Gross domestic product (GDP)	US$bn	158.10	111.30	131.30	176.70	*173.42
GDP per capita	US$	45,920	31,482	36,412	47,982	*45,824
GDP real growth	%	5.0	-5.2	3.4	8.2	*5.1
Inflation	%	10.6	4.7	4.1	4.7	*2.9
Unemployment	%	1.7	1.6	2.1	2.0	*2.1
Oil output	'000 bpd	2,784.0	2,481.0	2,508.0	2,865.0	3,127.0
Natural gas output	bn cum	12.8	12.5	11.6	13.0	14.5
Exports (fob) (goods)	US$m	86,944.0	50,344.0	66,973.0	–	*119,275.2
Imports (fob) (goods)	US$m	22,939.0	17,081.0	19,065.0	–	*22,464.3
Balance of trade	US$m	64,004.0	33,263.0	47,908.0	–	*96,810.9
Current account	US$m	60,242.4	28,605.0	36,822.0	70,800.0	*78,084.0
Total reserves minus gold	US$m	17,112.8	20,267.5	21,236.7	25,800.5	*28,885.7
Foreign exchange	US$m	16,611.0	17,608.4	18,623.0	22,859.0	*25,964.1
Exchange rate	per US$	0.26	0.28	0.28	0.28	0.28

* estimated figure

picked up. The CBK reduced the benchmark discount interest rate to 2 per cent in October 2012, which brought down the weighted average deposit and lending rates to 1.53 per cent and 4.63 per cent, respectively at the end of June 2013 (from 1.60 per cent and 4.86 per cent, respectively in October 2012). Bank credit grew year-on-year by 6.2 per cent in June 2013, reflecting strong growth in personal loans. Excess liquidity of the banking system – bank reserves at the central bank had been steadily rising as total deposits increased by 9 per cent year-on-year in June 2013. Bank lending to non-bank financial institutions contracted by about 19 per cent in June 2013, representing 6.5 per cent of banks' total credit portfolio.

The IMF expected the economic outlook to improve in 2013–14. Non-oil growth was expected to increase modestly to 3 per cent, driven by a combination of the continued increase in domestic consumption as a result of the 2012 public wage hike and some increase in government capital spending. A slight reduction in oil production would bring down total GDP growth below 1 per cent. Average inflation was projected to remain stable at 3.0 per cent. Fiscal and current account surpluses were expected to remain large in 2013 at 27 and 39 per cent of GDP, respectively. In 2014, non-oil growth was expected to increase to 4.4 per cent supported by public capital spending, driving inflation to 3.5 per cent. Over the medium term, non-oil growth was projected to accelerate to almost 5 per cent. A moderate increase in oil production is expected to further support overall growth. Inflation is forecast to increase slightly as growth picks up. The fiscal and current account surpluses are projected to taper if spending continues on its current growth trajectory. Economic growth in the medium term requires government and parliament reach an enduring political agreement to place the Development Plan and structural reforms back on track. Protracted political uncertainty will adversely affect overall business confidence and the investment climate and result in lower non-oil growth than projected.

The IMF noted that downside external risks to the outlook could arise from a worsening of global economic conditions, including a slowdown in key emerging market countries that would translate into lower oil demand and prices. However, Kuwait's fiscal buffers are large and the authorities have space to smooth public spending in the medium term in the event of an oil price drop. The breakeven oil price – the price needed to balance the budget at current expenditure levels – has risen to US$70 for 2013/14 (excluding investment income), which is still relatively low compared to the current level of oil prices. Reflecting the recent sharp increases in current expenditures – most of which are hard to reverse – and relatively small non-oil revenues, government expenditure would exceed oil revenues by 2017/18, thus increasing the fiscal risk from a sustained drop in oil prices.

The tighter financial conditions attributed to quantitative easing (QE) tapering and/or the re-emergence of financial stress in the euro-zone might increase vulnerabilities and result in market and credit risks for banks and non-bank financial institutions, forcing further deleveraging and increasing the banks' risk aversion. Kuwait's banks have direct exposures to the real estate sector (18.5 per cent of total loans in June 2013 on a consolidated basis), in addition to equity and real estate collaterals. However, the banking system is adequately capitalised and has ample liquidity to withstand shocks under severe macro scenarios. The recovery of investment companies which are exposed to market risk, particularly those under restructuring, would be further protracted, however.

The IMF also reported that Kuwait's economic performance has lagged behind its Gulf Co-operation Council (GCC) peers. Public investment as a percentage of GDP has been below the GCC average because of delays in the implementation of economic reforms and infrastructure projects. Social and global competitiveness (for example, ease of doing business) indicators have also been lagging behind other GCC countries.

Energy

According to the US government Energy Information Administration (EIA) Kuwait was the world's 10th largest oil producer in 2012. Despite having the second smallest land area among Organisation of the Petroleum Exporting Countries (Opec) member countries, Kuwait exports the third largest volume of oil. Kuwait's economy is heavily dependent on petroleum export revenues, accounting for nearly half of its GDP and nearly 70 per cent of export revenues. The EIA estimated that these revenues were US$75 billion dollars in 2012. Kuwait should remain one of the world's top oil producers as the country pushes towards a target of 4 million barrels per day (bpd) of production capacity by 2020.

According to the *Oil & Gas Journal* (OGJ), in January 2013, Kuwait's territorial boundaries contained an estimated 102 billion barrels of proven oil reserves, roughly six per cent of the world total. Kuwait ranked sixth in terms of oil reserves among all countries in 2012. Additional reserves are held in the Partitioned Neutral Zone (PNZ), which Kuwait shares on a 50–50 basis with Saudi Arabia. The Neutral Zone holds an additional five billion barrels of proven reserves, bringing Kuwait's total oil reserves to 104 billion barrels. The government of Kuwait owns and controls all development of the oil sector. The Supreme Petroleum Council (SPC) oversees Kuwait's oil sector and sets oil policy. The SPC is headed by the prime minister. The rest of the council is made up of six ministers and six representatives from the private sector, all of whom serve three-year terms and are selected by the Emir. The ministry of petroleum supervises all aspects of policy implementation in the upstream and downstream portions of both the oil and natural gas sectors.

The Kuwait Petroleum Corporation (KPC) manages domestic and foreign oil investments. Kuwait Oil Company (KOC), the upstream subsidiary of KPC, was taken over by the Kuwaiti government in 1975 and manages all upstream development in the oil and gas sectors. The Kuwait National Petroleum Company (KNPC) controls the downstream sector, while the Petrochemical Industries Company (PIC) is in charge of the petrochemical sector. Export operations are overseen by both KNPC and the Kuwait Oil Tanker Company (KOTC). Foreign interests of KPC are handled by the Kuwait Foreign Petroleum Exploration Company (Kufpec) and international upstream development and downstream operations are controlled by Kuwait Petroleum International (KPI). Finally, Kuwait Energy Company (KEC) is a privately-held company that has developed a number of foreign interests over the past decade, including interests in Yemen, Egypt, Russia, Pakistan and Oman.

In 2012, Kuwait's total oil production was approximately 2.8 million bpd, including its share of approximately 250,000bpd of oil production from the PNZ. Of the country's 2012 production, approximately 2.6 million bpd was crude oil and 200,000bpd was non-crude liquids. In early 2011, as one of the few Opec members with spare capacity, Kuwait had increased oil production to compensate for the loss of Libyan supplies. Because of

the controversial constitutional ban on foreign ownership of Kuwait's natural resources, domestic production of Kuwait's fields has stalled. Discoveries of lighter crudes in the centre of the country have been successful, but progress has not moved beyond the planning stages. In a plan to circumvent the constitutional ban, international oil companies (IOCs) were allowed involvement through so-called Enhanced Technical Service Agreements (ETSA). Royal Dutch Shell, in February 2010, signed an ETSA to exploit these new discoveries; however, progress has been slow in boosting production.

KPC announced a US$100 billion capital spending plan over five years encompassing both the upstream and the downstream sectors. Included are plans to upgrade Kuwait's production and export infrastructure and its tanker fleet, expand exploration and build downstream facilities, both domestically and abroad. This effort is expected to boost total oil production capacity to 4 million bpd by 2020 and it is projected that the production capacity would be maintained through 2030. In order to achieve its 2020 target, IOC investment and participation will be necessary.

In the view of the EIA, a focal point of Kuwait's aspirations to attain a production capacity of 4 million bpd is Project Kuwait. First proposed in 1998, Project Kuwait was a concerted effort to create proper incentives to attract foreign participation. The contract structure that resulted was challenged as unconstitutional and the National Assembly has impeded progress of Project Kuwait for a number of years. Kuwait's constitution bars foreign ownership of the country's natural resources, which precludes the product-sharing agreements (PSAs) that provide the desired incentive for IOC investment. In order to allow IOC involvement, an 'incentivised buy-back contract' (IBBC) arrangement was created, which neither involved production sharing nor concessions.

The structure of the IBBC agreements allows the Kuwaiti government to retain full ownership of oil reserves, control over oil production levels and strategic management of the ventures. Foreign firms are to be paid a 'per barrel' fee, along with allowances for capital recovery and incentive fees for increasing reserves. In May 2007, the Kuwaiti ruling family conceded the responsibility to approve each related IBBC for Project Kuwait to the National Assembly, which has caused further delays. Additionally, more performance-based incentives have been introduced in an ETSA structure, although by the end of 2012 only one had been awarded.

The PNZ had been established in 1922 to settle a territorial dispute between Kuwait and Saudi Arabia. The PNZ encompasses a 6,200 square-mile area and contains an estimated 5 billion barrels of oil and 1 trillion cubic feet (tcf) of natural gas. Oil production capacity in the PNZ is currently about 500,000–600,000bpd, all of which is divided equally between Saudi Arabia and Kuwait. Onshore production in the PNZ centres on the Wafra oil field, which began producing oil in 1954. Wafra is the largest of the PNZ's onshore fields with approximately 3.4 billion barrels in proven and probable reserves. Wafra has related production facilities and gathering centres with South Umm Gudair and South Fuwaris. Onshore production in the PNZ has a capacity of 240,000bpd, but it is in decline. A full-field steam injection project led by Chevron is under development to offset field declines and boost production by over 80,000bpd. The anticipated project is set to start in 2017.

In 2012, Kuwaiti net exports of total liquids were estimated at 2.4 million bpd, making Kuwait the third largest exporter of total liquids among Opec producers behind Saudi Arabia and Iran. Most Kuwaiti crude oil is sold on term contracts. Kuwait's crude exports are a single blend of all its crude types. The largest proportion is the medium Burgan crude, which is blended with heavier, sour crude from northern fields, as well as marginal amounts from Minagish and Umm Gudair. Kuwait's single export blend (Kuwait Export) has a specific gravity of 31.4°API (a typical medium Mideast crude) and is generally considered sour, with 2.52 per cent sulphur content.

According to the OGJ, in January 2013, Kuwait had an estimated 63tcf of proven natural gas reserves. Natural gas reserves have remained at the same level since 2006. Kuwait's intent to diversify its economy has spurred an extensive drive in natural gas exploration. Vast discoveries of non-associated gas in the north of the country attracted interest from IOCs; however, contract structures and political uncertainty remain principal impediments to any rapid expansion of both reserves and production. Additionally, new discoveries are geologically more complex, mainly tight and sour gas deposits that require more sophisticated and costly development.

In 2012, Kuwait produced 13.5 billion cubic metres per day (bcm/d) of natural gas. This volume was an increase of around 7.2 per cent compared with 2011. Given the predominance of associated natural gas in Kuwaiti production, domestic natural gas supplies increased at a small rate as a result of lower Opec crude production quotas. Kuwait requires increasing supplies of natural gas for the generation of electricity, water desalination and petrochemicals, as well as increased use for enhanced oil recovery (EOR) techniques to boost oil production. Kuwait is shifting its exploration drive to focus on natural gas discoveries to mitigate imports of liquefied natural gas (LNG) and decrease the proportion of oil used domestically, particularly for electricity and desalination plants. KOC announced a production target of 4bcf/d by 2030, about four times the current production level.

Risk assessment

Politics	Poor
Economy	Good
Regional stability	Fair

COUNTRY PROFILE

Historical profile

1600s The north-east Arabian Peninsula, including what is now Kuwait, was part of the Ottoman Empire.

1756 The Al-Sabah family took control of Kuwait and there was a degree of semi-autonomy from Ottoman Turkey.

1899 Sheikh Mubarak 'the Great' accepted British protection in order to counter the spread of Turkish influence. Kuwait became a British protectorate but control of external relations remained with Britain.

1918 The end of the First World War saw the end of what was already only nominal Turkish control over Kuwait.

1938 Oil was first discovered by the US-British Kuwait Oil Company. Further exploration was interrupted by the Second World War.

1940s–50s Drilling resumed after the War and Kuwait soon developed into a thriving commercial centre. The government began using oil revenues to develop the country's infrastructure and a modern and comprehensive welfare system.

1961 Kuwait's status as a British protectorate ended and it became an independent country. The ruling Sheikh became the Emir and assumed full executive power. Iraq claimed Kuwait as part of its territory, but backed down after British military intervention.

1963 The constitution was promulgated and National Assembly elections were held.

1976 The Emir suspended the National Assembly; he said it was not acting in the country's best interests.
1977 Sheikh Jaber al Ahmad al Sabah succeeded his cousin, Sheikh Sabah al Salem al Sabah as Emir.
1980 In the Iran-Iraq War, Kuwait supported Iraq.
1981 The political and economic union, Co-operation Council for the Arab States of the Gulf (CCASG) (known as Gulf Co-operation Council (GCC)) was formed by Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). The National Assembly was recalled, but was again dissolved in 1986.
1985 The Emir survived an assassination attempt.
1990 Iraq invaded Kuwait and the Emir and cabinet fled to Saudi Arabia. The invasion was condemned by the international community which, led by the US, deployed armed forces to Saudi Arabia. UN Resolution 678 authorised member states to use force if Iraq did not withdraw by 15 January 1991.
1991 When Iraq did not withdraw, in the early hours of 17 January coalition forces launched an aerial bombing campaign against Iraq and Iraqi forces in Kuwait. US-led ground forces (from around 30 countries, including Syria, Egypt and Morocco) moved into Kuwait on 24 February and drove the Iraqi forces there back into Iraq. Iraq agreed to accept all UN resolutions concerning Kuwait.
1992 The Emir was pressurised into allowing National Assembly elections, in which the opposition fared well.
1999 Islamists and liberals swept to victory in parliamentary elections. A draft law granting women full political rights, including the right to vote, was narrowly rejected by parliament. The National Assembly was suspended by the Emir, following a dispute over a misprinted state edition of the Quran.
2001 The Constitutional Court refused to grant women the vote.
2002 The Emir suffered a brain haemorrhage; he received treatment in London.
2003 US troops and allies massed in the border area of Kuwait before invading Iraq. Islamist and pro-government candidates were successful in parliamentary elections; liberal candidates suffered heavy losses. Emir Sheikh Jaber appointed his brother, Sheikh Sabah al Ahmad al Jaber al Sabah, as prime minister, separating the post from the role of heir to the throne for the first time since independence.
2005 A constitutional amendment gave women the right to vote and stand for parliament from 2007. For the first time, two women were named as members of the national assembly.
2006 Sheikh Sabah al Ahmed al Jaber al Sabah became Emir instead of ailing Crown Prince Sheikh Sa'ad al Abdullah al Sabah, who had been heir apparent since 1978. Sheikh Nasser al Mohammad al Ahmad (nephew of the Emir) was appointed prime minister. Women voted for the first time, in a council by-election. The Emir dissolved parliament and scheduled new elections; members opposed to the government's stance on electoral reform won 33 elected seats out of 50. A new reform bill reduced the number of parliamentary constituencies from 25 to five.
2007 The cabinet of Prime Minister Nasser al Sabah's resigned and was re-appointed to form another cabinet. As a counter-inflationary measure, the central bank ended the dinar's peg to the US dollar (adopted in 2003) in favour of a basket of currencies.
2008 A GCC common market was created by the six wealthiest Gulf States. Citizens of these countries are allowed to travel between, and live in any of the six states, where they may find employment, buy properties and businesses and use the educational and health facilities freely. Early elections were called as Prime Minister Nasser al Sabah's cabinet resigned. In parliamentary elections, Sunni Islamists won 21 seats, Shi'ite Islamists five, the National Action Bloc (liberals) seven, and independents 17. Incumbent Prime Minister Sheikh Nasser al Sabah formed a new government, with no change from the previous cabinet in the key portfolios. After an 18-year gap the Kuwaiti ambassador took up residence in Iraq; diplomatic relations had been restored in 2003. The prime minister and other cabinet members resigned rather than answer questions concerning a visiting Iranian cleric accused of insulting Sunni Muslims.
2009 Having been reappointed, the prime minister and cabinet resigned again, allegedly to avoid questions about the misuse of public funds. In early parliamentary elections independents won 21 seats (out of 50), Sunni Islamists 13, Liberals 7, Shi'a Islamists 6, and the Popular Bloc 3; turnout was 50 per cent. Two of the successful candidates were women, the first females to win entry to parliament. The Emir reappointed Nasser al Sabah as prime minister.
2010 Around 93,000 people (including about 31,000 Kuwaiti nationals) were banned from travel by the authorities due to outstanding debts to the state; the total owed was some KD784 million (US$2.7 billion). The first chairman of the Capital Market Authority, the first independent regulatory body to oversee the stock exchange, was appointed.
2011 In January, Sheikh Nasser al Mohammed al Sabah arrived in Bagdad and became the first prime minister of Kuwait to visit Iraq since the 1990 invasion. Discussions with his counterpart covered border issues, finance and security as well as the payment of war reparations said to amount to billions of US dollars. The entire government resigned in March, in a row with parliament that wanted to question three senior cabinet ministers and Al Sabah family members concerning allegations of corruption and failure to perform their duties. Sheikh Nasser Mohammad al Sabah was reappointed prime minister in April. In June parliament voted to spend around US$70 billion on subsidies for Kuwaiti citizens, of which 90 per cent was set aside to pay for fuel. Observers considered this a measure to forestall any opposition to the Al Sabah family rule during the Arab Spring protests elsewhere in the Middle East. In November, a group of campaigners stormed the parliamentary chamber in protest at the prime minister's leadership and corruption in general; hundreds more protested outside. Prime Minister Nasser Mohammad al Sabah resigned and Jabir Mubarak al Hamad al Sabah was appointed as prime minister; he took office on 4 December. The Emir dissolved parliament, citing 'deteriorating conditions' and on 18 December, called early general elections. As the campaign progressed opposition candidates called for sweeping reforms, including a new constitution that would turn the oil-rich, autocracy into a full democracy. Demands were made for a constitutional monarch with a multi-party parliament and a change in the current practice of important positions in the so called sovereign positions – ministries of defence, interior and foreign affairs – being reserved for members of the ruling al Sabah family.
2012 In early general elections held on 2 February, 34 seats out of 50 were won by opposition Islamists. Although a quota had been set for female candidates, only 24 women stood for election and not only did no new contenders win but four female parliamentarians lost their seats. The victory by Islamists was seen as public frustration with corruption and the rise in tribal power. Tribes, which constitute 55 per cent of the population (total 1.2 million), had been seen as traditional supporters of the al Sabah family but many had switched allegiance to become an important component of the opposition. Sheikh Jabir Mubarak Al Hamad Al Sabah resigned as prime minister on 5 February, but was reappointed by the Emir on the following day. On 18 May, the Emir vetoed a proposed amendment to the constitution that would have required all legislation to be *sharia* compliant. On 20 June the constitutional court ruled that the dissolution in 2011 of the previous

parliament by Emir Sabah al Ahmed al Jaber al Sabah was unconstitutional and the results of the 2 February elections were therefore void. The government resigned (the ninth time since mid-2006) and the former parliament was reinstated. The Emir dissolved parliament on 7 October ahead of a new and early general election, due by 7 December. A new visa system (similar to the European Schengen agreement) allowing multiply entry for foreigners to the six Gulf Co-operation Council (GCC) countries was introduced in November. Sheikh Jaber al Mubarak al Sabah was reappointed as prime minister on 5 December, two days after resigning, following parliamentary elections held on 1 December which had been boycotted by the opposition. Rejecting the elections, opponents protested at electoral law amendments that had been introduced by the Emir in October. The turnout at 40.3 per cent was the lowest in Kuwait's history (the opposition claimed turnout was even lower at 26.7 per cent).

2013 The Constitutional Court dissolved parliament on 16 June. On 20 June the government called an election for 25 July. In the election Shi'a candidates won just eight seats, down from 17, the Sunni independents increased their seats to 30 liberals won three. Turnout was 52.5 per cent.

Political structure

Constitution

The constitution was enacted on 29 January 1963. It authorises the ruling al Sabah family to choose an Emir, who holds executive power and can proclaim legislation by decree.

The constitution ascribes the political system as democratic, with sovereignty residing in the people. Impartial personal liberty and equality of rights and duties before the law are guaranteed.

The Emir or one-third of the national assembly may propose amending the Constitution by deleting or adding new ones, except for the Emiri System and the principles of liberty and equality unless to increase provisions. Approval by a two-thirds majority is required for such a bill to succeed.

Males aged over 21 may vote; to include women aged over 21 from 2007.

Independence date

19 June 1961

Form of state

Constitutional monarchy (Emirate)

The executive

Executive power resides with the Emir, who is Head of State and appoints a prime minister, acceptable to the national assembly. In consultation with the prime minister the Emir appoints the Council of Ministers, who may not be members of parliament, although they assume *ex officio* membership during their term of office.

The Emir rules by decrees agreed by the Council of Ministers and, approved by parliament. He is also supreme commander of the armed forces.

Since 2003, the office of prime minister has been separated from the office of the Crown Prince, allowing greater independence of the legislature.

National legislature

The unicameral Majlis al Umma (National Assembly) has 50 members; five constituencies each return 10 members who are directly elected by proportional representation in block voting (electorate has 10 votes to chose any candidate available, voted in order of preference; not all votes need to be cast). All members serve for four-year terms. Legislation must be confirmed by two-thirds of the National Assembly membership before being endorsed by the Emir.

There is a cabinet with a total of 15 members which may be elected from the National Assembly membership or appointed *ex officio*.

The February 2012 elections were declared invalid and an early general election was called for 1 December. In October 2012, six weeks ahead of the election the electoral system was changed, with voters restricted to voting for one candidate, having previously been allowed to vote for four elections,

Legal system

The Judiciary is based on Egyptian laws, derived from French law. The legal system is a mix of *Sharia* (Islamic law) and Napoleonic law.

In 1960, a unified judicial system was adopted, establishing different levels of courts. There are three separate divisions including the Courts of First Instance subdivided into criminal, commercial and civil boards, the Constitutional Court and the Court of State Security. The judiciary is administered by a council of seven senior judges and minister.

Last elections

25 July 2013 (parliamentary)

Results: Parliamentary: all candidates stand as independents since political parties are banned. Shi'a candidates won just eight seats, down from 17, tribal groups kept their 24 seats, the Sunnis increased their seats from five to seven and liberals won three. Turnout was 52.5 per cent.

Next elections

2017 (parliamentary)

Political parties

No political parties are allowed, although informal groupings exist. Candidates standing for election to the National Assembly do so as individuals, although they maybe a member of a political group.

The largest such groupings are the Islamic Patriotic Coalition (a Shi'a fundamentalist group), two Sunni fundamentalist groups, the Islamic Constitutional Movement and the Islamic Popular Grouping (also known as the Salafi). The Kuwait Democratic Forum is the largest secular political group and has liberal and Arab nationalist opinions.

Ruling party

15-member Council of Ministers

Population

3.79 million (2012)*

According to government statistics foreign workers had outnumber Kuwaitis citizens by over 2:1 by 2008; 3,441,813 (total); 1,087,000 (citizens); 2,354,261 (expatriates) (Statistics Department at the Public Authority for Civil Information (Paci), December 2008) .

Last census: April 2005: 2,213,403 (880,774 Kuwaitis; 1,332,629 expatriates)

Population density: 102 inhabitants per square km. Urban population 98 per cent (2010 Unicef).

Annual growth rate: 1.4 per cent, 1990–2010 (Unicef).

Internally Displaced Persons (IDP)

21,000 (2006, Internal Displacement Monitoring Centre)

Ethnic make-up

Kuwaiti (37 per cent), other Arab (35 per cent), south Asian (9 per cent) and Iranian (4 per cent).

Religions

Sunni Muslim (45 per cent), Shi'ite Muslim (30 per cent), other Muslims (10 per cent); others, including Christian, Hindu and Parsi (15 per cent).

Education

There is state and private education at all levels; state schools are single-sex and only private schools may be co-educational. Tuition in the state sector is in Arabic.

Compulsory schooling begins at aged six and lasts until students have completed two four-year cycles in, first, elemental then intermediate schools. The last four-year cycle is not compulsory; as with the previous two stages, it is free of charge.

Pre-primary schools (also funded by the state) cater for four- to six-year-olds.

Public expenditure on education is typically equivalent to around 5 per cent of annual GNP and included subsidies to private education at primary, secondary and tertiary levels. Average public expenditure was estimated at 39.6 per cent of GDP per capita for primary level students, 5.5 per cent for secondary level and a

higher expenditure of 87.9 per cent for tertiary level students.
Literacy rate: 83 per cent adult rate; 93 per cent youth rate (15–24) (Unesco 2005).
Compulsory years: Six to 14
Enrolment rate: 77 per cent gross primary enrolment of relevant age group (including repeaters); 65 per cent gross seconday enrolment (World Bank).
Pupils per teacher: 14 in primary schools

Health

Kuwait offers free, high quality health services through its clinics and hospitals, but charges for certain medical services for some residents and expatriates. The Ministry of Public Health (MPH) manages the health system and provides care on a referral basis through a network of local clinics, general and specialised services.
Life expectancy: 77 years, 2004 (WHO 2006)
Fertility rate/Maternal mortality rate: 2.3 births per woman, 2010 (Unicef); maternal mortality 5 per 100,000 live births (World Bank).
Birth rate/Death rate: 3 deaths and 20 births per 1,000 people (World Bank)
Child (under 5 years) mortality rate (per 1,000): 11 per 1,000 live births (WHO 2012); 2 per cent of children aged under five years are malnourished (World Bank).
Head of population per physician: 1.53 physicians per 1,000 people, 2001 (WHO 2006)

Welfare

The social insurance system was set up as a basic scheme to include all employees with an addition supplementary scheme covering only those employees with an average monthly income above KD1,250. Disability benefits are provided up to 60-years of age. The survivor pension amounts to 33.3–100 per cent of the deceased person's earnings according to number of widows and family dependants. A widow or widower receives a minimum monthly benefit.

Pensions

The old age pension is calculated on the number of years of contribution, the age at retirement and average earnings. It is set at a minimum of 65 per cent, and by a maximum benefit of 95 per cent, of the last monthly earnings.

Main cities

Kuwait City (capital, estimated population in 2012), Farwaniya (86,236), Qalib ash Shuyukh (a town largely populated by foreign workers) (206,157), Subbah al Salem (176,754), Al Qurayn (163,556), As Salimiyah (145,068), Farwaniya (107,136), Hawali (91,618).

Languages spoken

English is widely spoken, especially in business circles.

Official language/s

Arabic

Media

In 2008 Kuwait was ranked first for press freedom among all Arab states, by the Amman Centre of Human Rights Studies. A press law prohibits references to God and the prophet Mohammed. Criticism of the Emir, the constitution, the judiciary and the 'tenets and mores of the society' can be prosecuted and imprisoned thus self-censorship is practised.

Press

The Ministry of Information issues licences to newspaper publishers.
Dailies: In Arabic, *Al Qabas* (www.alqabas.com.kw), *Al Rai al Amm* (www.alraialaam.com), *Al Watan* (www.alwatan.com.kw), *Annarar* (www.annaharkw.com), *Al Anba (www.alanba.com.kw), Al Seyassah* and *Al Taleea*. In English *Al Watan Daily* (www2.alwatan.com.kw), *Kuwait Times* (www.kuwaittimes.net) and *Arab Times* (www.arabtimesonline.com).
Weeklies: In Arabic, *Al Nahda* (www.al-nahda.com) and *Al Mujtammaa* (www.almujtamaa-mag.com) cover for current affairs.
Business: There are three regional business magazines which provide local and regional news on financial and business news, the Lebanon-based *Al Iktissad Wal Aamal* (www.iktissad.com), the UAE based *Zawya* (http://www.zawya.com) and the monthly *Investors* (http://mosgcc.com/english) published by the Gulf Co-operation Council. Local daily newspapers also publish business news.
Periodicals: In Arabic, the cultural review magazines *Dar al Yaqza* (www.alyaqza.com), *Al Arabi* (www.alarabimag.com) and *Anhar* (www.anhaar.com) are published monthly. The Quarterly *Thouq* (www.thouq.com) is a glossy magazine on fashion and lifestyles.

Broadcasting

State-run radio and television is operated by the Ministry of Information.
Radio: Radio Kuwait is the national public radio station providing several services of news, sports, religion, traditional and pop music and programmes in English. The only other local radio station is the private Marina FM (www.marinafm.com). Foreign radio stations available include the UK's BBC and BFBS, the US AFN and the French Monte Carlo Doualiya. There are numerous satellite radio stations available.
Television: The state-run Kuwait Televion has four channels, KTV1–4. Other, private broadcasters include the Al Watan (www.watan.tv), Al Resalah (www.alresalah.net), a religious channel and the first satellite TV service Al Rai, funded by the Al Rai Media Group (www.alraimedia.com) which has nationwide interests in TV, radio, publishing and advertising. Minority satellite TV interests include Bahry TV (www.bahry.com) with marine programmes and CNBC Arabiya (www.cnbcarabia.com) for business programmes. There are other smaller, local TV services available.
National news agency: Kuwait News Agency (Kuna): www.kuna.net.kw

Economy

Once described as 'an oil well masquerading as a country', the economy of Kuwait is centred on the oil and natural gas extraction industries. Kuwait has vast oil reserves (101.5 billion barrels of oil at the end of 2011, the fourth largest reserves in the world) with production of 2.9 million barrels per day. Proven natural gas reserves were 1.8 trillion cubic metres (cum) and production 13 billion cum at the end of 2011, all of which is consumed domestically.
GDP growth in 2008 was 5 per cent, but in 2009 the economy fell into a brief recession caused by a drastic cut in oil prices (a total of US$48.9 billion in 2009, down from US$82.6 billion in 2008), with a rate of -5.2 per cent; positive growth returned in 2010, as world prices for oil increased, and the rate rose to 3.4 per cent and further still to an estimated 8.2 per cent for 2011. Inflation peaked at 10.6 per cent in 2008, as the price of imports, particularly food, spiked; it returned to its typical average of 4.2 per cent per annum during 2009–11.
The Kuwaiti dinar (KD) was uncoupled from the US dollar in 2006 and pegged against a basket of currencies in 2007. Following the beginning of the global economic slowdown the dinar appreciated in value by 7 per cent in real terms. The windfall income which came from oil at its high price led to substantial fiscal and current account surpluses. The government sets aside 10 per cent of all oil revenue annually, to be paid into the Reserve Fund for Future Generations (RFFG). The reserves are managed by the state-owned asset management company, Kuwait Investment Authority (KIC), which invests in projects aimed at diversifying Kuwait's economy.
Arab finance ministers launched a US$2 billion Arab Development Fund (ADF) in 2010, administered by the Arab Fund for Economic and Social Development (AFESD) in Kuwait. The Fund finances

small and medium investments in the 11 donor countries (including Kuwait) and is aimed at improving the circumstances of the some 140 million Arabs living below the poverty line.

External trade

Kuwait is a member of the Gulf Co-operation Council (along with Bahrain, Oman, Qatar, Saudi Arabia and the UAE), and the Greater Arab Free Trade Area (Gafta), which operates a customs union whereby tariffs within Gafta will be reduced by a percentage each year, until none remain, expected in 2010.

Around 90 per cent of all exports are oil and gas, while 90 per cent of all imports are consumer commodities and goods.

Imports

Food, construction materials, vehicles and parts, consumer goods and clothing.

Main sources: US (11.9 per cent of total in 2011), India (10 per cent), China (8.3 per cent).

Exports

Petroleum, refined oil-related and by-products, predominately plastics and fertilizers and electrical and electronic equipment.

Main destinations: South Korea (18.3 per cent of total in 2011), Japan (14.2 per cent), India (13.4 per cent).

Agriculture

Kuwait remains dependent on food imports. The sector as a whole accounts for only 0.4 per cent of GDP.

Fish stocks have recovered after war-related pollution reduced stocks in the early 1990s. Fish forms a relatively major part of the national diet, and domestic production can satisfy only 40 per cent of domestic requirements.

Industry and manufacturing

Industrial areas are located in Shuaiba, Mina Abdullah (both in south Kuwait) and Shuwaikh. Efforts to foster growth of non-oil industries have been hindered by the small size of the domestic market and a lack of natural resources other than hydrocarbons. Industry has been growing very slowly as a proportion of GDP, to between 11 and 13 per cent of total output.

Tourism

Tourism is a sector that provides an alternative source of economic activity to hydrocarbon extraction. As a new industry the facilities for tourism are limited, based on existing amenities provided for the domestic market. Currently most visitors are either from neighbouring countries or expatriates or those on business trips. Kuwait City has a growing number of international luxury hotels and its transport system is improving.

Traditional and modern architecture, museums and grand mosques are among the sites to visit as well as the gold souks in the centre of Kuwait City. Temperatures in the height of summer can reach 46 degrees centigrade and many Western visitors are compelled to stay within the numerous air-conditioned shops and hotels by day before venturing out at night when temperatures fall to around 27 degrees centigrade.

Travel and tourism contributed a record 7.1 per cent of GDP in 2009, when 297,000 visitors arrived; this was an improvement on the 4.4 per cent when 259,000 visitors arrived in 2008. In 2010 the contribution fell to 5.9 per cent. Employment mirrors the level of arrivals – the number of jobs in tourism in 2009 was 163,300 (7.9 per cent of total), which fell to 138,900 (6.5 per cent) in 2010.

Hydrocarbons

In 2011, proven oil reserves were 101.5 billion barrels, with production at 2.9 billion barrels per day (bpd). Kuwait was the fourth largest oil producer in the Middle East.

Kuwait has three refineries with capacity of 905,000bpd in 2007; Amec won a five-year, US$8 billion contract to modernise them, to increase total domestic processing capacity and to allow for environmentally cleaner products. In 2011 refinery capacity remains at 931,000bpd.

Proven natural gas reserves were 1.8 trillion cubic metres (cum) in 2011; production totalled 13 billion cum. Currently all domestic natural gas production is consumed locally and to meet demand, Kuwait imported 3.2 billion cum in 2011.

Kuwait has plans to convert as much domestic consumption of energy as possible from oil to natural gas. This will free up more oil for foreign export earnings.

Kuwait used to import natural gas from Iraq and had also signed a memoranda of agreement with Qatar and Iran to import natural gas, following the completion of the necessary gas pipelines. However by early 2009 these plans were stalled and was subject to international boundary considerations. Kuwait relies on imported liquefied natural gas (LNG) from a variety of sources.

Any coal imported or used is commercially insignificant.

Energy

Total installed generating capacity is 9.4 gigawatts (GW), produced in five power stations. Kuwait has one of the world's largest per capita electricity consumption rates at 14,000 kilowatt hours (kWh) and is growing by 7–9 per cent annually. Not only is there heavy demand due to air conditioning and water desalination but electricity prices are subsidised. Total generating capacity will be increased by a further 1,000MW following the completion of the new Al Zour South power plant. Another 3,000MW will be added when the Al Zour North power plant is constructed, plus a further nine independent power stations to be built in 2010–17.

In August 2009, the US-manufacturing company General Electric, was chosen to build a new 2,000MW (six gas turbines and six steam turbines) electricity generating plant by 2011, for KD700 million (US$2.6 billion). As demand is set to grow, Kuwait is planning to increase generating capacity to around 16,000MW by 2012.

A Gulf Co-operation Council (GCC) project to link the six member states (Saudi Arabia, Qatar, Bahrain, Kuwait, Oman and the United Arab Emirates) to an integrated power-grid began in 2005. The first phase of the GCC power grid was completed in 2009 at a cost of US$1,095 million, linking Saudi Arabia, Bahrain, Kuwait and Qatar through 800km of transmission lines. Kuwait and Saudi Arabia will each receive an extra 1,200MW of power capacity and later, the UAE will receive 900MW, Qatar 750MW, Bahrain 600MW and Oman 400MW. In the first phase, a 400kV overhead line links Kuwait's Al Zour power station with Doha, and a 400kV submarine line to Saudi Arabia with Bahrain. The second phase will link the UAE with Oman. The resulting two mega-grids will be joined in the final phase.

The new, US$2.65 billion, Sabiyya electric power plant, capable of producing 1,400MW with six generating turbines, came on stream in July 2011. When fully operational in 2012, the plant will produce 2,000MW and ensure that Kuwait's peak electricity demand in summer is met.

Financial markets

On 8 September 2010, the first chairman of the Capital Market Authority, the first independent regulatory body to oversee the stock exchange, was appointed.

Stock exchange

Kuwait Stock Exchange (KSE)

Banking and insurance

The IMF, Financial System Stability Assessment (FSSA), reported that the banking system was well capitalised with no immediate threat of instability. The capital adequacy ratio (CAR) was positive and quality assets were improving profits and returns on equity, which were increasing significantly. The financial institutional framework has been strengthened.

An agreement was reached between Saudi Arabia, Kuwait, Bahrain and Qatar to establish the Gulf Co-operation Council (GCC) Monetary Council to be established (originally in 2009), marking plans to set up a regional central bank, to be based in Riyadh (Saudi Arabia). The GCC

Monetary Council will oversee the introduction of a monetary union, due to be in operation by 2013.
By June 2010, the Kuwaiti-owned Burgan Bank had completed the purchase of Tunis International Bank from the United Gulf Bank as part of its regional expansion strategy. The US$725 million purchase will allow the Burgan Bank access to other North African markets, to offer specifically investment banking and asset management.
Central bank
Central Bank of Kuwait
Main financial centre
Kuwait City

Time
GMT plus three hours

Geography
Kuwait lies at the north-west corner of the Gulf. To the south and south-west it shares a border with Saudi Arabia, and to the north and west with Iraq.
Kuwait is mainly flat desert with a scattering of oases. From east to west, the country is about 208km and from north to south, 185km. The al Mutla ridge is the only significant geographic feature. The desert is generally gravelly.
Hemisphere
Northern

Climate
Kuwait is less humid than other Gulf countries. However, the coast is more humid than inland, although the temperatures are lower.
Kuwait has four seasons. Mid-February to mid-April is spring; April to September (summer) is very hot (up to 49 degrees Celsius (C) in the shade); autumn is around mid-September to mid-November. The winter months are usually pleasant, with daytime temperatures around 18 degrees C and cold nights. Sandstorms occur, particularly in spring. Kuwait has an annual rainfall ranging from 10mm to 370mm which falls almost entirely between the months of November and April.

Dress codes
Lightweight or tropical clothes are worn in the summer, although in winter months a medium-weight jacket and a jumper are advisable. Women should dress modestly. A long-sleeved shirt and tie should be worn at business meetings but a jacket may be carried. On social occasions dress as for business meetings, unless otherwise indicated.

Entry requirements
Passports
Passports are required by all, and must be valid for six months from date of entry.
Visa
Required by all, except citizens of Gulf Co-operation Council countries. All other visitors should contact the nearest Kuwaiti Consulate for current exceptions and requirements.
Business visas, obtained before travelling, require an invitation from a sponsor in a local company or organisation. When completed it should be submitted to the issuing embassy, along with a business letter from the employer giving an account of the visitor's position and role within the foreign company, and full itinerary with purpose of visit and length of stay.
Tourist visas can be obtained at ports of entry, by nationals of the US, Western Europe, South East Asia and Australasia.
A new visa system (similar to the European Schengen agreement) allowing multiply entry for foreigners to the six Gulf Co-operation Council (GCC) countries was introduced in November 2012.
Currency advice/regulations
There are no restrictions on local and foreign currency imports or exports.
Customs
Personal effects and a limited supply of tobacco are duty-free.
Prohibited imports
Alcohol, illegal drugs, pornographic and/or politically subversive materials; pork products in any form; all non-tinned food and fresh fruit, vegetables and shellfish. Products that originate from Israel.

Health (for visitors)
Health facilities are excellent.
Mandatory precautions
There are no compulsory vaccinations.
Advisable precautions
Recommended immunisations are hepatitis A, polio and tetanus. There is a risk of rabies.

Hotels
Most visitors are business travellers.
Five-star hotels have swimming pools and exercise/gymnasium facilities. Small tip for porters is customary. There is usually a 15 per cent service charge.

Credit cards
Major credit cards (American Express, Diners Club, Visa and Mastercard or Access) accepted at all hotels and many restaurants and shops.

Public holidays (national)
Fixed dates
1 Jan (New Year's Day), 25 Feb (National Day), 26 Feb (Liberation Day), 1 Jul (Bank Holiday).
Variable dates
Eid al Adha (four days), Islamic New Year, Birth of the Prophet, Ascent of the Prophet, Eid al Fitr (three days).
Islamic year 1435 (5 Nov 2013–24 Oct 2014):: The Islamic year has 354 or 355 days, with the result that Muslim feast advance by 10–12 days against the Gregorian calendar each year. Dates of the Muslim feast vary according to sightings of the new moon, so cannot be forecast exactly.

Working hours
Friday is the Muslim day of religious observance (weekly holiday).
Banking
Sun–Wed: 0800–1200; Sun–Wed, Ramadan: 0900–1230.
Business
Sat–Wed: 0830–1400; some businesses work 1700–2000.
Government
Sat–Wed, winter: 0700–1430; Sat–Wed (summer): 0700–1400; Ramadan: 0900–1300.
Shops
Sat–Thu: 0800–1230, 1630–2100.

Telecommunications
Mobile/cell phones
There are GSM roaming facilities available, with coverage throughout the country. The ministries of communications and commerce announced their intention to auction a 26 per cent share in the Third Mobile Telecommunications Company on 10 July 2007.

Electricity supply
240V AC; plug fittings normally three-pin flat type (British).

Weights and measures
Metric system (local units are also in use).

Social customs/useful tips
Appointments should be made in advance. Punctuality is appreciated. Personal introductions are advantageous. If the visiting executive is a woman, this must be clearly stated in initial correspondence. On the street, women should not respond to approaches by men and should avoid eye contact.
Men shake hands on meeting and taking leave. Conference visits are an accepted way of doing business and other visitors may be present. The host may hold several conversations at the same time. It is not customary to start talking business immediately. Business cards should have an Arabic translation on the reverse side. Islamic conventions apply. At meetings it is polite to drink coffee or tea when offered. It is the convention to use the right and not the left hand when shaking hands, eating, and passing or receiving anything. Almost everything may stop five times a day for prayers. Some people prefer not to shake hands with those of the opposite sex. When sitting cross-legged on sofas or cushions, soles of the feet

must not be shown. A man should not enquire about another man's wife, only about the children. Pork and alcohol are forbidden.
Gratuities are around 10 per cent. Bargaining is not as common as in other countries. There are many restrictions on photography.

Security
Visitors should keep in touch with developments in the Middle East as any increase in regional tension might affect travel advice.
Kuwait is relatively safe but take normal travel precautions. Like the rest of the Middle East, there is a threat to westerners from possible terrorist attacks. Mines remain a problem outside Kuwait City.

Getting there
Air
National airline: Kuwait Airways.
International airport/s: Kuwait International (KWI), 16km south of city; duty-free shop, restaurant, banks, hotel reservations, post office, car hire. Taxis and hotel courtesy buses are available.
Airport tax: Departure tax: KD2, except transit passengers remaining in the airport.
Surface
Road: There are excellent roads from the Saudi Arabian and Iraqi borders.
Main port/s: Several commercial shipping lines call in at Kuwait City.

Getting about
National transport
Road: A network of 3,800km of good paved roads and expressways link towns.
Buses: Nationwide service operated by Kuwait Transport Company, generally rated good and inexpensive.
Rail: In February 2008 a plan to build a US$11 billion rail network was announced. The plan includes a metro system for Kuwait city.
City transport
Taxis: Taxis are not metered. Both private and shared taxis, which are orange and operate on set routes, are available. Taxis are more expensive from hotel ranks. There is a standard taxi fare in Kuwait City and drivers do not expect a tip. If hiring a taxi for a day or half-day agree the fare in advance. Call taxis are reliable and widely used.
Car hire
Locally approved/inspected international driving licence (valid for duration of entry permit) and insurance with Gulf Insurance Company or Kuwait Insurance Company are essential. Driving is on the right.

BUSINESS DIRECTORY
The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes
The international direct dialling code (IDD) for Kuwait is +965, followed by subscriber's number.

Useful telephone numbers
Ambulance: 777
Telephone enquiries: 101
Directory enquiries: 023 or 244-4777

Chambers of Commerce
American Business Council of Kuwait, PO Box 29992, Safat 13159 (tel: 564-3149; fax: 563-8012; e-mail: abckuwait@hotmail.com).

Banking
Al-Ahli Bank of Kuwait KSC, PO Box 1387 Safat-13014, Mubarak Al-Kabir St, Kuwait City (tel: 241-1101/2; fax: 242-4557).

Commercial Bank of Kuwait SAK, PO Box 2861 Safat-13029, Mubarak Al-Kabir St, Kuwait City (tel: 241-1001; fax: 245-0150).

Gulf Bank KSC, PO Box 3200 Safat-13032, Raed Centre next to Awadi Tower, Kuwait City (tel: 244-9501; fax: 244-5212).

Industrial Bank of Kuwait KSC, PO Box 3146, Safat 13032, Kuwait City (tel: 245-7661; fax: 246-2057).

National Bank of Kuwait SAK, PO Box 95 Safat-13001, Ali Awadi Tower, Ahmed Al-Jaber St, Kuwait City (tel: 242-2011; fax: 246-4156).

Central bank
Central Bank of Kuwait, PO Box 526, Abdulla Al-Salem Street, Safat 13006, Kuwait City (tel: 244-9200; fax: 244-0887; cbk@cbk.gov.kw).

Stock exchange
Kuwait Stock Exchange (KSE), www.kuwaitse.com

Travel information
Gulf Automobile Association, PO Box 827, Safat, Kuwait City (tel: 242-3864, 243-8640).

Kuwait Airways, PO Box 394, Safat, Kuwait International Airport, Safat 13004, Kuwait (tel: 434-5555; fax: 431-9204; internet site: www.kuwait-airways.com).

Kuwait International Airport (tel: 473-3625).

Touristic Enterprises Co (TEC), PO Box 23310, Safat 13094, Kuwait City (tel: 806-806, 565-0111; fax: 565-0514; internet: www.kuwaittourism.com).

Ministry of tourism

Tourism Department, Ministry of Information, PO Box 193, Safat, Kuwait City (tel: 242-7141).

Ministries

Ministry of Awqaf and Islamic Affairs, PO Box 13, 13001 Safat, Kuwait City (tel: 248-0000; fax: 243-3750).

Ministry of Communications, PO Box 318, 13004 Safat, Kuwait City (tel: 481-9033; fax: 484-7058).

Ministry of Defence, PO Box 1170, 13012 Safat, Kuwait City (tel: 484-8300; fax: 483-7244).

Ministry of Education, PO Box 7, 13001 Safat, Kuwait City (tel: 483-6800; fax: 483-7829).

Ministry of Electricity and Water, PO Box 12, 13001 Safat, Kuwait City (tel: 537-1000; fax: 537-1420).

Ministry of Foreign Affairs, PO Box 3, 13001 Safat, Kuwait City (tel: 242-5141; fax: 241-2169; e-mail: info@mofa.org).

Ministry of Health, PO Box 5, 13001 Safat, Kuwait City (tel: 246-2900; fax: 243-2288).

Ministry of Higher Education, PO Box 27130, 13132 Safat, Kuwait City (tel: 240-1300; fax: 245-6319).

Ministry of Information, PO Box 193, 13002 Safat, Kuwait City (tel: 241-5300; fax: 241-9642; e-mail: info@moinfo.gov.kw).

Ministry of Interior, PO Box 12500, 71655 Safat, Kuwait City (tel: 243-3804; fax: 243-6570).

Ministry of Justice, PO Box 6, 13001 Safat, Kuwait City (tel: 248-0000; fax: 243-3750).

Ministry of Oil, PO Box 5077, 13051 Safat, Kuwait City (tel: 241-5201; fax: 241-7088).

Ministry of Planning, PO Box 15, 13001 Safat, Kuwait City (tel: 242-8200; fax: 240-7326).

Ministry of Public Works, PO Box 8, 13001 Safat, Kuwait City (tel: 538-5520; fax: 538-0829).

Ministry of Social Affairs & Labour, PO Box 563, 13006 Safat, Kuwait City (tel: 248-0000; fax: 241-9877).

Other useful addresses
British Embassy, PO Box 300, 13003 Safat (tel: 240-3334; fax: 240-7395).

Central Tenders Committee, PO Box 1070, 13011 Kuwait City (tel: 243-1719; fax: 241-6574).

Council of Ministers, PO Box 1397, 13014 Safat (tel: 245-5333; fax: 245-5002).

General Secretariat, PO Box 1397, Safat 13014 (tel: 245-5333; fax: 245-5002).

Kuwait Foreign Trading, Contracting & Investment Co, PO Box 5665, Kuwait 13057 (tel: 244-9031).

Kuwait International Fair Co, PO Box 656, Safat, Kuwait City (tel: 245-8560/1/2/3/4/5).

Kuwait National Industries Co, PO Box 417, Safat, Kuwait City (tel: 815-466, 812-455).

Kuwait National Petroleum Company, PO Box 70, 13001 Safat (tel: 326-2616; fax: 326-0280).

Kuwait Oil Company (KOC), PO Box 9758, 61008 Ahmadi (tel: 398-9111; fax: 398-3661).

Kuwait Parliament, The National Assembly (tel: 245-5422; fax: 243-9032).

Kuwait Petroleum Corp, PO Box 26565, Safat, Kuwait City (tel: 245-5455; fax: 246-7159).

Kuwaiti Embassy (USA), 2940 Tilden Street, NW, Washington DC 20008 (tel: (+1-202)-966-0702; fax: (+1-202)-364-2868).

National Housing Association, PO Box 23385, 13094 Safat (tel: 471-7844; fax: 242-8801).

Petrochemical Industries Board Co, PO Box 1084, Safat, Kuwait City (tel: 242-2141; fax: 246-0224).

Shuaiba Area Authority, PO Box 4690, Safat (tel: 960-903).

National news agency: Kuwait News Agency (Kuna): www.kuna.net.kw

Internet sites

Business News, Arabia online: www.arabia.com

Gulf Business Explorer: www.igulf.com

Kuwait Information: www.kuwait-info.org