

Future of Kuwaiti economy under microscope at London event

London, June 17—Some of Kuwait's top public- and private-sector leaders, as well as a range of international investors, came together in London on June 17 to bring new momentum to Kuwait's development vision at the latest The Business Year event, *The Role of the Private Sector in the Future of the Kuwaiti Economy*. The event coincided with 120 years of UK-Kuwait friendship, and sought to bring new energy to Kuwait's plans for a diversified future and its bold Vision 2035.

After a welcome address by The Business Year CEO Ayşe Valentin, HE Dr. Nayef F. Al-Hajraf, Kuwait Minister of Finance, kicked off the event, discussing the significance of 120 years of UK-Kuwait friendship, while also delving into the future of Kuwait and highlighting the significance of young Kuwaitis in a post-oil environment. On the role of the ministry, he stated that, "We will continue providing all necessary financing to make sure all projects are completed and infrastructure upgraded." On Kuwait-UK relations, he said; "We welcome cooperation with the UK and Kuwaiti private sectors. With the help of the UK private sector, we hope we can achieve another 120 years of friendship between our two countries."

Director-General of Kuwait Direct Investment Promotion Authority (KDIPA) Sheikh Meshaal Jaber Al-Ahmad Al-Sabah made a presentation on Kuwait's advantages and potential, primarily highlighting the legislative and legal atmosphere and available investment opportunities, which are aimed at achieving economic diversification and promoting the private sector's role in the economy. He said Kuwait boasts great potential to be a significant destination for attracting investment in the region, pointing to progress in the field of developing and streamlining investment-bearing legislation and procedures. Sheikh Meshaal also said the holding of the conference in London comes within the framework of achieving Kuwait's 2035 development plan, and of promoting Kuwait's advantages. He noted that the aim of these conferences in 2 major capitals is to attract direct added-value investments that provide jobs to young Kuwaiti people.

Among other speakers were Sir Roger Gifford, City of London Corporation and Chair of Green Finance Institute, Sylvain Broyer, Chief Economist EMEA at S&P Global, Vomic Shah, Head of Origination at UK Export Finance (UKEF), Mazin Saad Al Nahedh, Group CEO of Kuwait Finance House, and Baroness Morris of Bolton, UK Trade Envoy to Kuwait.

Sir Roger Gifford, a former Lord Mayor of London, discussed the relationship between the City of London and Kuwait. "In my previous role as Lord Mayor of London, I went to Kuwait more than once, and indeed every Lord Mayor goes to Kuwait," he began. Switching to the green agenda, he said, "the UK has positioned itself as a hub for green finance. I encourage Kuwait to embrace the green agenda and be a leader in the Gulf. The newly established Green Finance Institute, which I'm happy to represent today, is designed to be a driver for private capital. It also intends to be world leader in climate science and help to turn climate risk into commercial opportunity. We hope to work with Kuwait to develop the green economy as it continues to diversify."

Sylvain Broyer started by discussing the difficulties of diversifying an economy. He pointed to the dependence of countries like Indonesia on palm oil and a recent decision in Brussels to phase out the use of palm oil in the EU. Thus, he highlighted the importance of increasing the diversification of exports to insure political and social stability.

Vomic Shah discussed the role of UK Export Finance to encourage trade between the UK and its partners overseas. "We provide support to British businesses that want to export to countries like Kuwait. Most

significantly, we provide support to buyers of UK goods overseas. We provide financing support to Kuwait investors for projects in Kuwait that involve the procurement of goods from the UK.” He added that, “We will look to support British businesses and contractors looking at investment projects in Kuwait, but also Kuwaiti contractors themselves. We will treat them like British businesses because we can expect a certain level of procurement from the UK.”

Mazin Saad Al Nahedh concentrated on the two main pillars he suggests will change Kuwait’s financial landscape, namely digital transformation in the banking sector and goals contained within Kuwait’s Vision 2035. “The 2030s will be the age of ‘me,’ with personalized services offered via the help of digital connectivity and AI models.” He continued, “this trend will enhance the role of the private sector in the economy as it is a key part of Kuwait’s efforts to become a finance hub.”

Baroness Morris of Bolton also wished to mark the 120th anniversary of UK-Kuwait friendship and drew attention to the strength of bilateral ties. “I was one of the first eight Trade Envoys to be appointed and there are now far more. The fact that Kuwait was one of the first countries to be assigned a UK trade envoy speaks volumes about the level of ties between the two countries,” she said. She later added that, “Our total trade in goods and services amounted to GBP1.3 billion in 2012 and has more than doubled over the years. This is thanks to the ingenuity of private firms in both countries—total trade now amounts to over GBP4 billion.” She also drew attention to the fact that the majority of British exports to Kuwait are services, with Kuwaitis appreciating British expertise, while cars, medical equipment, aerospace equipment, and more are also part of the export basket. “The job of the Trade Envoy is to break down barriers and some of the biggest areas we have made are in healthcare, education, and food. We are looking to new areas of trade. One key milestone was the opening of a USD3 billion export credit line with the KPC.”

Waleed Khaled Alkhashti, Chief Corporate Communications & Relations Officer at Zain Group, spoke on behalf of Vice Chairman and Group CEO Bader Nasser Al-Kharafi. Alkhashti spoke about the expansion of the role of Zain and its focus on digital transformation, innovation, the creation of ecosystems together with the public sector, and the role of women. He emphasized the need to encourage more people from the public sector into the private sector.

Philip Kotsis, Partner & Co-Head of Office-Kuwait at, Al Tamimi & Co., discussed some of the legal aspects of doing business in Kuwait. “What is the catch to doing business in Kuwait? There really isn’t one. It is all about knowledge. You have to know the local market and the local regime,” he said. Expanding on the process of setting up a business in Kuwait, he said, “Most companies come into Kuwait with their commercial plan set up and don’t seek local legal advice until the last moment. That isn’t the right approach.”

The event also featured a trio of panels. In the first, the diversification of the Kuwaiti economy was up for discussion. Speakers included Osama J. Bukhamseen, Executive Manager of Bukhamseen Group Holding Co., Waleed Alsharian, CEO of Mabane Group, and David Walker, Head of Public Sector EMEA at Citi. Osama J. Bukhamseen was passionate about inviting investors to Kuwait to see all that it has to offer. Waleed Alsharian, a key figure in the real estate sector, discussed the need to put more focus on hospitality and other areas as retail lags, while David Walker was keen to point out that Kuwaiti banks have a big opportunity in MENA in terms of client base and other opportunities. On the role of KDIPA and the overall regulatory environment, Walker stated that, “We applaud the work being done by KDIPA and part of our role as an international firm is to communicate the story and encourage our international clients to seriously consider Kuwait in their investment plans.”

Later, Kuwait's financial sector and its role in continuing privatization was the focus of a second panel. Participants included Sheikh Ahmad Duajj Al-Sabah, Chairman of the Commercial Bank of Kuwait (CBK), Faisal Mansour Sarkhou, CEO of KAMCO, Adel Abdul Wahab Al-Majed, Chairman of the Kuwait Banking Association (KBA), and Roger Winfield, CEO Kuwait at HSBC Bank Middle East Ltd. Under the microscope was the role of Kuwait's banks in financing Kuwait's lofty development goals, the privatization story of Bursa Kuwait, Islamic finance, and how foreign investors evaluate the current landscape. Roger Winfield spoke of the history of HSBC in Kuwait, stating that, "We have had a longstanding commitment to Kuwait and the region," later delving into the Bursa Kuwait Story, saying, "The Bursa Kuwait deal, with KAMCO successfully completing its advisory role in the bidding process, was put to bed in a highly efficient manner and is something that we point out to our clients about what is being done." Speaking on the health of the overall banking sector, Adel Abdul Wahab Al-Majed stated that, "We are well capitalized with a good quality of assets... This is even better than prior to 2008." Discussing Islamic finance, he said that, "Islamic banking used to mostly be in the consumer space, but is now moving into the corporate area." Faisal Mansour Sarkhou added that, "there is great demand for Islamic instruments," adding that, "there is great opportunity for growth and it is already approaching the level of conventional banking."

Finally, a panel on digital economy and entrepreneurship gathered Fahad AlSharekh, Founder & General Partner at TechInvest Corporation, Abdullah Al Mutawa, former CEO of Carriage, Athbi Alenezi, Co-founder & Managing Partner of Just Clean, and Henadi Al-Saleh, Chairperson of Agility. Discussing the tech start-up ecosystem, Fahad AlSharekh talked about the difficulty of creating a sufficient ecosystem, suggesting that even London was struggling compared to places like Silicon Valley. "I think Kuwait needs a lot of work in terms of the legislation sector, the banking sector, and the education sector," he summarized. Henadi Al-Saleh discussed the significance of blockchain in the future of logistics and praised the public-private dynamics on show in Kuwait. Discussing the role of women in the sector, she drew attention to the fact that over 50% of Agility's venture capital team are women. Fahad AlSharekh, discussing the need to create more private-sector jobs, stated that, "The biggest problem is a lack of meaningful jobs. An accountant in the public sector will be doing relatively the same thing as an accountant in the private sector. But if we can create more niche, meaningful jobs, such as digital marketing or branding roles, which do not exist in the public sector, we can encourage more people into the private sector." Athbi Alenezi spoke of changing attitudes, with young Kuwaitis slowly getting used to the pace of the private sector, reflecting on his own experiences of running a successful start-up.

Event sponsors included the Central Agency for Information Technology (CAIT), Kuwait Finance House (KFH), Zain, Al Tamimi & Company, and Schlumberger, while supporting organizations included the Kuwait Banking Association (KBA), Kuwait Petroleum International (KPI), and Pathfinder Trade and Invest, while among media partners were M2R, Al-Qabas, Savvy Investor, and the *Kuwait Times*.