



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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## U.S. – ARAB CHAMBER SUPPORTS KUWAIT INVESTMENT FORUM

***Kuwait's Prime Minister: "These New Partnerships and Initiatives Reflect . . . An Alignment of the Nation's Leadership with the Private Sector"***

***U.S. Ambassador: "Forum Represents an Important Step Forward in Kuwait's Efforts to Position Its Economy for Enhanced Foreign Direct Investment"***

**Kuwait City, Kuwait** – The National U.S. - Arab Chamber of Commerce (NUSACC) recently supported the Kuwait Investment Forum, organized by the Kuwait Direct Investment Promotion Authority (KDIPA). The Forum, the first of its kind in the State of Kuwait, highlighted the wide-ranging reforms that that nation is implementing to attract more foreign direct investment (FDI). The Forum, held under the auspices of H.H. Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Emir of Kuwait, brought together senior government officials, private sector leaders, and media from around the world.

The U.S. – Arab Chamber (NUSACC), a partner of KDIPA, was proud to participate in the Forum. (Click [here](#) to read about KDIPA's 2015 visit to Washington DC.) In Kuwait City, David Hamod, NUSACC's President & CEO, noted, "This Forum is helping to raise awareness about new opportunities in Kuwait, which has adopted a gradual approach to economic development over the years. With these top-to-bottom reforms – including the opportunity for U.S. companies to hold 100 percent equity ownership – I anticipate that American commercial interest in Kuwait will begin to pick up significantly."



The Kuwait Investment Forum brought together government officials and business leaders from around the world.

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## High-Level Support for the Forum

The Forum was inaugurated by H.H. Sheikh Jaber Mubarak Al-Hamad Al-Sabah, the Prime Minister of Kuwait, and it was attended by a “Who’s Who” of Kuwaiti government and business leaders. In his opening remarks, Sheikh Jaber said, “The Kuwait Investment Forum – which is held during a critical time for the Middle East – focuses on the advantages of Kuwait as a State of law and strong institutions, enjoying favorable social, economic, and legal environments that are advantageous for foreign investors. [The Forum] also sheds light on the security and political stability of the nation, which are key catalysts for foreign investment.”



H.H. Sheikh Jaber Mubarak Al-Hamad  
Al-Sabah, Prime Minister of Kuwait

“Since its establishment,” the Prime Minister continued, Kuwait has believed in a “policy of openness and communication. It opened its doors to partnerships and friendships among its economic partners in the public and private sectors, on the one hand, and partners in friendly neighboring countries, on the other hand.”

“These new partnerships and initiatives,” he concluded, “will reflect our new economic and legislative policies, the alignment of the nation’s leadership with the private sector, and [the business community’s] leading role as the engine of economic development.”

The Prime Minister’s focus on public private partnerships (PPPs) was echoed by H.E. Ali T. Alghanim, Chairman of the Kuwait Chamber of Commerce & Industry. He said, “We are looking forward to a long-term partnership, a strategic perspective that integrates regulations in the fields of education, health, housing, industry, and trade facilitation. These provide tremendous opportunities for small and medium-sized enterprises.”

Kuwait has been less affected by low oil prices than some of its neighbors, but not immune from those effects. On this point, the KCCI Chairman noted, “Despite the fact that the sharp decline in oil prices has put heavy pressure on the country’s budget, this decline has coincided with unprecedented reform efforts, which are all designed to support the role of the private sector and promote its projects. In addition, these reforms aim to strengthen public investment spending in the context of Kuwait’s vision to expand and diversify the productive base.”

The U.S. Ambassador to Kuwait, Hon. Douglas Silliman, attended the opening session of the Forum. He noted, “The Kuwait Investment Forum represents an important step forward in Kuwait’s efforts to position its economy for enhanced foreign direct investment. I compliment KDIPA on the success of this Forum, and the U.S. Embassy looks forward to working with KDIPA on additional outreach efforts to the United States in the months ahead.”



Hon. Douglas Silliman, U.S. Ambassador in Kuwait, during the Fourth Annual Ambassadors Forum in Washington, DC.

During a recent visit to the United States, at NUSACC’s Fourth Annual [Ambassadors Forum](#) at the U.S. Department of State, Ambassador Silliman highlighted Kuwait’s efforts to withstand oil shocks and to make the Kuwaiti market even more attractive.

### **KDIPA: The Driving Force**

The government entity tasked with carrying out this initiative to make Kuwait even more business-friendly is the [Kuwait Direct Investment Promotion Authority](#) (KDIPA), established in 2013. The mandate of this “one stop shop” is to promote direct investment by local and foreign investors, streamline the investment environment to improve Kuwait’s competitive position in the region, license direct investments, and raise awareness of business opportunities in the State of Kuwait.



H.E. Sheikh Dr. Meshaal Jaber Al-Ahmad Al-Sabah,  
Director General of the Kuwait Direct Investment  
Promotion Authority

The Authority’s Director General, H.E. Sheikh Dr. Meshaal Jaber Al-Ahmad Al-Sabah, is the driving force behind the reform effort. Dr. Meshaal and his team have been serving as a bridge among local and overseas stakeholders: The Government of Kuwait, that nation’s Parliament, Kuwaiti companies, and the international business community.

In his welcoming remarks at the Forum, Dr. Meshaal stated, “The timing of this Forum coincides with an important phase in the history of Kuwait. We are



H.E. Ali T. Alghanim, Chairman of the  
Kuwait Chamber of Commerce & Industry

now taking active steps toward realizing a promising future that adopts entrepreneurial ideas and focuses on a qualitative shift in the economy, based on knowledge and innovation.”

In a nod to Kuwait’s young adults, who make up two-thirds of Kuwait’s population, Dr. Meshaal noted, “We are focusing on the positive aspects of the Kuwaiti economy, which depends on the talents of our educated, ambitious and entrepreneurial youth . . . This Forum constitutes an opportunity to renew confidence in the strength of the Kuwaiti

economy, and to announce that the future of Kuwait depends upon the private sector playing a pivotal role in building a promising and stable future for generations to come.”

Kuwait’s most recent development plan, part of “Vision 2035,” places special emphasis on encouraging entrepreneurship and promoting small & medium-sized enterprises (SMEs). This reflects a sea change in culture, Dr. Meshaal suggested, because Kuwaitis have historically preferred the security of government jobs. “Today, Kuwait is less interested in capital investments than in added-value investments,” he said, “which includes knowledge transfer, advanced technology, innovative ideas, and know-how.”



**Session One: Foundation and Prospects of Economic and Developmental Policy**

(Left to right):

- Mr. Nizar Al-Adsani, CEO of Kuwait Petroleum Corporation
- H.E. Dr. Yousef Al-Ali, Minister of Commerce and Industry
- H.E. Hind Al-Sabeeh, Minister of State for Development and Planning Affairs
- Moderator: Mr. Faisal Al-Shaya, Chairman of the Finance Committee, Kuwaiti Parliament

“The democratic process and freedom of speech that distinguishes the Kuwaiti political system is another asset to guarantee the economy’s steadiness and stability.”

### **Kuwait’s Economic Reforms**

Kuwait’s reform efforts began before the recent downturn in oil prices. This downturn has resulted in tighter budgets in Kuwait – and other energy-producing nations – which makes the work of KDIPA even more relevant and timely. Against this backdrop, Kuwait has promulgated laws in recent years that focus on Foreign Direct Investment (FDI), Public Private Partnerships (PPP), commercial companies, privatization, and Small and Medium-Sized Enterprises (SMEs). Additional laws, concerning bankruptcy and public procurement, are in the works.



H.E. Dr. Mohammad Al-Sabah (left) – a former Deputy Prime Minister and Minister of Foreign Affairs – served as a moderator at the Forum. Sharing the stage with him is David Hamod, NUSACC’s President & CEO.

As a “one stop shop,” KDIPA tries to cut through bureaucratic red tape. Some of the incentives that KDIPA offers are these:

- Up to 100 percent foreign ownership
- Corporate income tax exemptions for up to 10 years
- Total or partial exemptions from customs duties
- Facilitating allocation of land in accordance with local laws
- Facilitating the employment of labor



H.E. Anas Al-Saleh, Deputy Prime Minister, Minister of Finance, and Acting Minister of Oil

The Government of Kuwait and that nation’s Parliament are working together to simplify investment procedures and to improve Kuwait’s commercial environment. These reforms are part of a Five-Year Development Plan that will spend over \$100 billion to aid infrastructure development and increase Kuwait’s economic competitiveness, especially in the energy sector. The plan aims to encourage investment by the private sector, thereby enabling the business community to play a more prominent role in creating wealth and economic growth.

This is a wide-ranging initiative. According to the U.S. Embassy, sectors of particular interest to U.S. companies include education, healthcare, information and communications technology (ICT), transportation & logistics, oil & gas, and renewable energy.

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Education is a cornerstone of Kuwait's "Vision 2035" master plan and an integral part of Kuwait's transition to a knowledge-based economy. ICT opportunities include new developments in mobile banking, data security, and smart city technology. (Kuwait's mobile penetration rate has surpassed 200 percent, one of the highest levels in the world.) On the energy front, Kuwait intends to utilize new technologies to add one million barrels per day of oil over the next five years and to ensure that 15 percent of the nation's energy consumption comes from renewable sources by the year 2030.



### Session Two: Why Invest in Kuwait Now?

(Left to right):

- Ms. Henadi Anwar Al-Saleh, Chair of the Board, Agility
- Sheikha Al-Zain Al-Sabah, Under Secretary, Ministry of State for Youth Affairs
- Moderator: Mr. Manaf Al Hajeri, CEO, Kuwait Financial Centre (Markaz)
- H.E. Dr. Yousef Al-Ibrahim, Economic Advisor at the Amiri Diwan
- Mr. Abdul Aziz Al-Yaqout, Founding Partner, Meysan & Co.

### Kuwait Foundation for the Advancement of Sciences

One of the entities that is crucial to Kuwait's transition from a hydrocarbons-based economy to a knowledge-based economy is KFAS, the [Kuwait Foundation for the Advancement of Sciences](#). KFAS is a private nonprofit organization that is a leading advocate for scientific inquiry in the State of Kuwait.

The KFAS Board of Directors is drawn from Kuwait's business and academic communities and is chaired by H.H. the Emir of Kuwait, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah. KFAS was established by an Amiri Decree in 1976, and it is funded exclusively by private sector shareholding companies that currently contribute one percent of their annual net profits to the Foundation.



Dr. Adnan Shihab-Eldin, Director General of KFAS, served as a keynote speaker at the Forum.

Dr. Adnan Shihab-Eldin, Director General of the Kuwait Foundation for the Advancement of Sciences

Shihab-Eldin made a passionate appeal for the creation of a National Council for Science, Technology & Innovation (STI) to work hand-in-hand with KFAS. He argued that Kuwait has built a significant STI base, but that base needs to be strengthened and expanded through increased government funding of R&D – to at least one percent of GDP – and increased private sector investment in R&D to generate more value-added goods & services in Kuwait.

The role of KFAS, he suggested, would be to work with businesses to build scientific capacity. Specifically, KFAS would:

- Create demonstration projects to promote commercialization of R&D;
- Coordinate with KDIPA and others to attract and incubate investments in international R&D / S&T centers in Kuwait, beginning with GE and IBM;
- Collaborate among Kuwaiti STI institutions and international centers of excellence.



#### **Closing Session: Future of Investment for Sustainable Development**

(Left to right):

- H.E. Anas Al-Saleh, Deputy Prime Minister, Minister of Finance, and Acting Minister of Oil
- Moderator: Sheikh Dr. Meshaal Jaber Al-Ahmad Al-Sabah, Director General, KDIPA

KFAS already oversees a number of centers of excellence in the State of Kuwait, including: [The Scientific Center](#), which has attracted over nine million visitors; [The Dasman Diabetes Institute](#), best in class in Kuwait and an incubator for some 60 ongoing research projects; [The Jaber Al Ahmad Center for Molecular Imaging](#), the first of its kind in the Arabian Gulf, providing advanced diagnoses of cancer and heart disease; [The Sabah Al Ahmad Center for Giftedness & Creativity](#), designed to encourage gifted and talented youth to contribute actively to scientific advancement in Kuwaiti society.

KFAS currently operates programs with a number of international partners, including Sciences Po in France, the London School of Economics (LSE) in the UK, and three academic institutions in the United States: Harvard University, Massachusetts Institute of Technology, and the University of California at Berkeley.

KFAS is also partnering with the National U.S. – Arab Chamber of Commerce, the Embassy of Kuwait in Washington DC, and Kuwait’s Ministry of Higher Education to support the Professional Development Initiative (PDI). This innovative program, now in its third

year; enables select Kuwaiti graduates of U.S. universities to gain valuable hands-on work experience for one year with American companies before returning home to Kuwait.

For more information about the Professional Development Initiative, please click [here](#).



NUSACC's David Hamod (left) joins Dr. Meshaal Al-Sabah of KDIPA (center) and Dr. Mohammad Al-Zuhair, Chairman of the SME Fund (right).

#### **National Fund for SME Development**

The Government of Kuwait recently established the National Fund for Small and Medium Enterprise Development, an independent public corporation. The Fund's mission is to build a world-class institution that leverages the power of entrepreneurs to generate economic prosperity for the State of Kuwait. Over 90 percent of Kuwaitis in the workforce have government jobs, and the Fund is working to strengthen the role of the private sector – especially SMEs – in creating productive jobs and driving the nation's economic growth. With this in mind, the Fund will finance up to 80 percent of qualified projects submitted by SMEs, including entrepreneurs.

For additional photos from the panel sessions, please proceed to the next page.

All photos courtesy of the Kuwait Direct Investment Promotion Authority.

For more information about the National U.S.-Arab Chamber of Commerce, please click [here](#).

*The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.*

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### Session Three: Modern Legislation for an Attractive Investment Environment

(Left to right):

- Dr. Mohammad Al-Zuhair, Chairman, National Fund for Small and Medium Enterprise Development
- Mr. Charles Yang, President, Middle East Region, Huawei Technologies Co. Ltd.
- Mr. Yoshito Murakami, CFO, GE Power Services – Middle East & Africa
- Dr. Rasheed Al-Qenae, Managing Partner, KPMG Kuwait
- Dr. Robert JT Morris, Vice President of Global Laboratories, IBM Research
- Moderator: Mr. Nader Al-Awadhi, Founding Partner, Al-Wagayan, Al-Awadhi & Al-Saif Legal Office



### Session Six: Financing Investment

(Left to right):

- Ms. Shaikha Al-Bahar, Deputy CEO, National Bank of Kuwait Group
- Dr. Nayef Al-Hajraf, Chairman & Managing Director, Capital Markets Authority
- Moderator: Mr. Hamad Abdulmohsen Al Marzouq, Chairman, Kuwait Finance House
- Mr. Yousef Al-Obaid, Deputy Governor, Central Bank of Kuwait
- Mr. Roger Winfield, CEO, HSBC – Kuwait