



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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NUSACC EXPERT ROUNDTABLE: “KUWAIT’S EVOLVING FINANCIAL LANDSCAPE”

*Kuwaiti Financial Leaders, Visiting Washington DC,
Say “New Kuwait is Open for Business”*

*“Kuwaiti banks are among the MENA region’s top financial institutions,
with strong and growing footprints around the globe”*

– Sheikh Ahmed Duaij Al-Sabah, Chairman, Kuwait Banking Association

Washington, DC – The National U.S. – Arab Chamber of Commerce (NUSACC), in partnership with the Kuwait Banking Association (KBA), recently hosted an Expert Roundtable highlighting the strength of Kuwait’s financial sector. Keynote speakers included H.E. Jasem Albudaiwi, Kuwait’s Ambassador to the United States, and H.E. Sheikh Ahmed Duaij Al-Sabah, Chairman of the KBA.

Moderators included the Hon. Edward “Skip” Gnehm Jr., former U.S. Ambassador to Kuwait, and Mr. David Hamod, President & CEO of NUSACC. Lead Sponsor of the Roundtable was [Ahli United Bank](#), with additional sponsorships provided by [Al Ahli Bank of Kuwait](#) (Platinum Sponsor) and [Kuwait Airways](#) (Airline Sponsor).



More than 30 high-level representatives from the United States and the State of Kuwait attended the Roundtable, including such leaders as Dr. Anwar Al mudhaf, Chairman of Ahli United Bank, Mr. Hamad Al Marzouq, Chairman of Kuwait Finance House, Mr. George Richani, CEO of Al Ahli Bank of Kuwait, and the Hon. Dwight Bush, NUSACC Board member and former U.S. Ambassador to Morocco.

Some of the roundtable leaders, from left to right: Mr. Hamad Al Marzouq, Chairman of Kuwait Finance House; Amb. Edward Gnehm, Kuwait Professor Emeritus at The George Washington University; H.E. Sheikh Ahmad Al-Sabah, Chairman of Kuwait Banking Association; Mr. David Hamod, NUSACC President & CEO; Dr. Anwar Al mudhaf, Chairman of Ahli United Bank of Kuwait; Amb. Dwight Bush, NUSACC Board Member.



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Introductory Remarks

Kuwait’s role in shaping the region’s financial industry has been 80 years in the making, noted Sheikh Ahmed, Chairman of KBA. “The Kuwaiti banking sector is diversified, with five conventional banks and five Islamic banks,” he said. “They are some of the pioneers in financial services, with a proven track record of good performance and a well-diversified business models, including the advent of Islamic banking in the late 1970s, launched by Kuwait Finance House.”



H.E. Sheikh Ahmad Al-Sabah,
Chairman of Kuwait
Banking Association.

He continued: “Kuwaiti banks have benefited from Kuwait’s stability, solidity of the banking sector, high solvency, and robust liquidity levels. Kuwaiti banks’ capital adequacy ratio reached 18.4 percent, which is the highest that it has been in a while.”

Sheikh Ahmed pointed out that net profit margins, the “bread and butter of any bank,” recently reached a historic high of almost 40 percent. “These solid indicators highlight the successful policies and balanced framework of the Central Bank’s regulatory and supervisory instructions.”

Sheikh Ahmed concluded, “Total consolidated assets at the domestic level reached KD 82 billion (US \$266 billion) by the end of the first half of 2022. Credit facilities reached KD 44.7 billion (US \$145 billion), with total deposits at KD 47 billion (US \$152 billion), and total investments at around KD 8.1 billion (US \$26 billion).”



H.E. Jasem Albudaiwi,
Kuwait’s Ambassador to
the United States.

H.E. Jasem Albudaiwi, Kuwait’s Ambassador to the United States, noted, “I would like to emphasize Kuwait’s pride in its financial sector. It is one of the strongest in the world, building on its solid foundation as the first such sector established in the Gulf region. Kuwait’s exceptional financial sector has been showcased by its sovereign wealth fund, established in 1953. This was the first sovereign fund of its kind in the world, and today it is the third largest internationally.”



Ambassador Albudaiwi continued, “Kuwait remains a popular destination for international investors for many reasons. First, its political stability. Second, its prominent and strong financial institutions that are built on great foundations. Third, its commitment to transparency when it comes to engaging in financial and trade transactions.”

The Kuwaiti Ambassador concluded, “Please consider Kuwait as your financial hub in the Gulf region, and I invite you to visit us soon. I would also like to assure you that my door is open if my team and I may be of service to you in Kuwait. We are here to listen to you.”

Kuwait – U.S. Relations: Unparalleled Cooperation



Former U.S. Ambassador to Kuwait, the Hon. Edward “Skip” Gnehm.

Former U.S. Ambassador to Kuwait, the Hon. Edward “Skip” Gnehm, reflected on the long partnership enjoyed by Kuwait and the USA. “America’s relationship with Kuwait goes well beyond 1990 [when America helped to liberate Kuwait]. America has benefited from the enormous investments that Kuwait has made in the United States through the decades, and which continue today.”

Over these past 30 years, Gnehm said, “the relationship has grown in depth and breadth. In the early 1990s, I negotiated a defense agreement with Kuwait, one which has been extended repeatedly over the years based on our mutual interests, which serve as a solid basis for our relationship.”

Gnehm concluded, “Today, the United States and Kuwait engage in a strategic dialogue that covers all fields – not just defense – including trade, banking, investment, and other issues. I’m pleased that we can highlight today the work of the banking and financial community because that’s one of the pillars of our relationship.”

Kuwait's Evolving Financial Landscape

For decades, Kuwait has been a leader in Islamic finance around the globe, contributing significantly to the nation's financial sector development. "It has been 70 years since the creation of Ahli United Bank, the oldest bank in Kuwait," stated Dr. Anwar Almudhaf, the bank's Chairman. "You can imagine how many crises we have gone through, and we have weathered all of these. That made us more resilient."



Dr. Anwar Almudhaf, Chairman of Ahli United Bank of Kuwait.

Today, he said, there is a "push and a vision to open up the economy by allowing foreign investments with full foreign ownership. The culture is changing from one that has been very insular to one that is more open to joining the global investment community."

Hamad Al Marzouq, Chairman of Kuwait Finance House (KFH), also highlighted the growing globalization of Kuwait's financial sector. "Size really matters in being able to access markets with a more efficient cost of funding," he noted. "This is quite significant for our bank, KFH, and its profitability going forward."



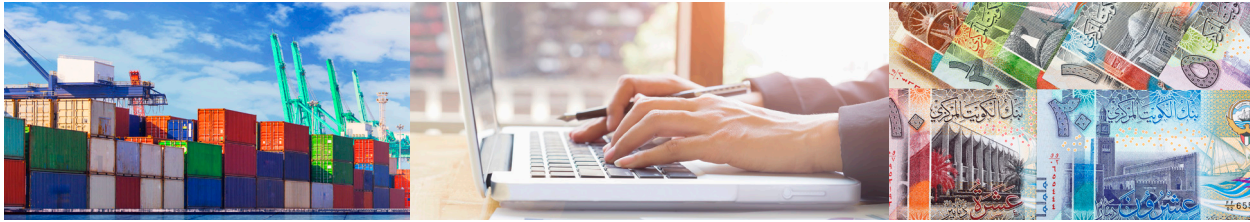
Hamad Al Marzouq, Chairman of Kuwait Finance House (KFH).

On October 2, 2022, Kuwait Finance House completed its acquisition of Ahli United Bank, creating one of the largest banks in the Arabian Gulf region and the world's #2 bank for Islamic finance in terms of assets. "KFH has now become the largest bank in Kuwait and in Bahrain," Al Marzouq pointed out. "We have an asset base of around US \$115 billion and a capital base over US \$10 billion. So, that should position Kuwait Finance House to finance big projects in Kuwait and in the region, as well as to become a significant player for U.S. bankers."

Both Chairmen suggested that Kuwait must continue to innovate and diversify in finance.

"On the macro level," Al Marzouq stated, "Kuwait is quite dependent on two pillars, the oil sector and its sovereign wealth fund. The challenge and the opportunity is to diversify into other sectors, mainly involving small and medium-sized enterprises. We must also promote local Kuwaiti institutions so that they will be able to access markets outside Kuwait and generate foreign currency to support the nation's oil revenues and sovereign fund revenues."

Almudhaf added, "Boundaries defining banks are being crossed by other economic agents around the world. In Kuwait, however, players in the digital ecosystem are not operating at the same speed, thereby delaying significant transformation."



Almudhaf went on to say, “A shortage of talent is also one of the main impediments to full digital transformation.” However, he said, “Kuwait’s new technologies and abundant capital represent fuel for the emergence of new players.”

The most recent report of the Central Bank of Kuwait (CBK), “Preempting The Shock,” emphasized CBK’s amendments to its regulatory instructions and its macro-prudential policy to expand banks’ lending capacity. “This increased credit supply,” the CBK noted, “contributed to a reduction in interest rates, reflecting positively on demand for financing.” This illustrates the proactive nature of Kuwait’s Central Bank in anticipating corporate growth, while also highlighting incentives for U.S. businesses looking to expand into Kuwait.

CBK SNAPSHOT:

Total CBK balance sheet: **KD 12.74 billion (US \$41 billion)**
Deposits: **KD 11.702 billion (US \$38 billion)**
Local banks’ current accounts and deposits: **KD 5.586 billion (US \$18 billion)**
Currency in circulation: **KD 2.1 billion (US \$7 billion)**
Operating income: **KD 68.56 million (US \$222 million)**
Operating expense: **KD 46.8 million (US \$152 million)**
Net profit: **KD 21.8 million (US \$71 million)**

Human Capital

Nationalization: **National labor amounted to 93%**

Women’s Empowerment:

- ◆ **Women among CBK staff: 58.3%**
- ◆ **Women in top CBK positions: 41.5%**

Training: **90 in-house and external training programs**

Scholarships: **Nationals are eligible for scholarships to obtain Master’s degrees and PhDs**

Facilitating U.S. – Kuwait Trade

In 2021, there was a 38 percent increase in goods exports from the USA to Kuwait. That nation’s top imports included transportation equipment, computer & electronic products, oil & gas, machinery (except electrical), food & kindred products. Last year, Kuwait was the fourth largest export market in the Middle East & North Africa region for U.S. goods.

For U.S. citizens wishing to visit Kuwait, ease of access is “icing on the cake” because on-arrival visas are available to Americans. Kuwait Airways, Airline Sponsor of the NUSACC/KBA Roundtable, is currently operating four direct flights a week to John F. Kennedy International Airport in New York. Very soon, this will expand to daily flights to and from JFK.

In the words of Kuwait Airways' CEO, Eng. Maen Razouqi, "This expansion will undoubtedly benefit businesses and investors, in line with our Transformation Program, 'Beyond Excellence.'" Razouqi went on to say, "Kuwait Airways' new aircraft are equipped with unique and diverse features for the comfort and convenience of our passengers, such as the new Business Class suite, with spacious and comfortable seating, and extensive entertainment options."

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Closing Remarks

In his closing remarks, NUSACC's David Hamod stated, "Our focus today has been on the private sector, especially the financial sector, which is an important economic driver. Our business communities have a big responsibility in Kuwait's historic transition from a hydrocarbons-based economy to a knowledge-based economy. And chambers of commerce like NUSACC and the Kuwait Chamber of Commerce & Industry – along with business associations like KBA – have a special role to play in facilitating that transformation."

Ambassador Gnehm concluded, "I want to thank the National U.S. - Arab Chamber of Commerce for its decades of service. In my years as ambassador, I benefited from the effectiveness of the Chamber, so I thank you and all of those who work with you."

H.E. Jasem Albudaiwi, Kuwaiti Ambassador to the United States

"We are proud of the longstanding relationship between NUSACC and the Kuwait Chamber of Commerce & Industry," he said, "and we look forward to many more years of collaboration between these chambers."



The last word belonged to Ambassador Albudaiwi, who commended the Chamber on its 50th anniversary. "We are proud of the longstanding relationship between NUSACC and the Kuwait Chamber of Commerce & Industry," he said, "and we look forward to many more years of collaboration between these chambers."



For five decades, the National U.S. - Arab Chamber of Commerce (NUSACC) has served as a commercial bridge between the United States and the Arab world. Widely regarded as the voice of American business in the Middle East and North Africa (MENA) region, the Chamber serves over 50,000 members and stakeholders in the USA and across the Arab world. Awarded the E-Award for export excellence by the President of the United States, NUSACC is the only business entity in the USA that is recognized by the League of Arab States and the Union of Arab Chambers.

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