Export to Kuwait

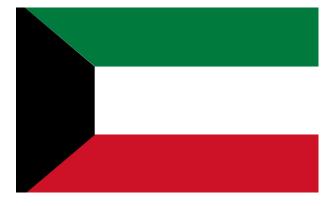




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1. General information

- Oil policy: As Kuwait is heavily dependent on oil exports, any decision regarding oil
 production or price has a considerable impact on government revenues and the
 country's economic stability.
- Political stability: Internal political stability is crucial to maintaining an environment conducive to business and investment, which is not the case in Kuwait. The Emir's power to dissolve parliament for any reason makes political stability questionable, given that the last dissolution of parliament was in February 2024, when parliament had just been elected in June 2023 following another dissolution earlier that year. The country has had 4 elections in 4 years, whereas a minister's term of office is supposed to last 4 years.
- Foreign policy: Kuwait is a member of several organizations such as the United Nations, the Arab League, the Organization of Petroleum Exporting Countries, the Gulf Cooperation Council, and the Organization of Islamic Cooperation. Its involvement in these various organizations enables it to maintain good diplomatic relations with other countries around the world, particularly with major global players such as China and the United States, which has a positive effect on the confidence of future investors and capital flows.
- **Fiscal policy:** With the Kuwait Vision 2035 project, the Kuwaiti government is inclined to invest in sectors other than the oil sector to become economically independent from this sector. One of the government's wishes is therefore to attract foreign investment in economies other than oil.
- Food security: Following the coronavirus pandemic, the Kuwaiti government questioned its dependence on exports for food (they import 95% of their food requirements). To remedy this situation, it has decided to improve its food security system, by investing in a sustainable economic farm project. In the long term, this decision should have a major impact on the country's economic situation.
- **Economic diversity:** In addition to foreign investment, Kuwait Vision 2035 aims to stimulate and optimize economic and industrial production. This vision is based on the contribution of the private sector as a key sector.
- **Reform spirit:** Corruption is a major problem within the Kuwaiti government. But the rise to power of the new Emir could change things, as in his first speech as Emir, he stressed his determination to fight corruption to achieve effective governance.



2. Additional indicators

Economic indicators

Find the main socio-economic indicators for this country, as well as its trade with Brussels and Belgium, in the publication "Brussels and the world – Country statistics" on analytics.brussels, hub.brussels' online data library.

The "Brussels and the world - General statistics" publication also provides data on trade between the Brussels-Capital Region and the rest of the world, by continent and by major world region. The same type of data is also available for the various regions of Belgium, as well as for Belgium as a whole.

Social and environmental indicators

If you'd like to know where your country stands in terms of social, environmental and economic issues, access a series of <u>composite indicators from the European Commission</u>, structured according to the 17 United Nations Sustainable Development Goals¹ and the European Commission's 6 priority policy areas².

Free trade agreements

European agreements have a major impact on market accessibility and trade with certain countries. The links below, published by the European Commission, will provide you with all the information you need on free trade agreements and trade barriers. Existing agreements, those that have not yet been ratified and those that are expected to be ratified, can be consulted here:

- Free trade agreements
- Trade barriers

² A green pact for Europe, An economy serving people, A Europe fit for the digital age, A stronger Europe on the world stage, Promoting our European way of life, A new impetus for European democracy.



¹No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Clean and affordable energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Sustainable consumption and production, Measures to combat climate change, Water life, Land life, Peace, justice and effective institutions, Partnerships to achieve the goals.

3. On-site: a step-by-step guide

Market access and first contacts

Prospecting

- Preferred face-to-face meetings: In Kuwaiti culture, personal relationships are essential in business. Face-to-face meetings demonstrate commitment and respect for the business partner. It is therefore recommended that face-to-face appointments are preferred to establish and strengthen business ties.
- Respect for Kuwaiti culture and traditions:

 During business interactions, it is crucial to respect local culture and traditions. This means avoiding sensitive subjects such as politics or religion, and politely accepting any drinks offered, as this is considered a mark of hospitality. These gestures show your respect and willingness to integrate into the local culture.
- Prolonged meetings requiring icebreakers: Business meetings in Kuwait often tend to be long and detailed. To facilitate these meetings, it's useful to have icebreakers, such as cultural anecdotes or light-hearted topics, to create a relaxed atmosphere and encourage fruitful exchanges.
- Language barrier and preference for Arabic: Although English is widely used in business, there may be cases where some interlocutors prefer to express themselves in Arabic. To overcome this language barrier, it is useful to have an interpreter or translated documents. This demonstrates your willingness to communicate effectively and your respect for the local language and culture.
- Requesting exclusivity: Due to the complexity of administrative procedures in Kuwait, local companies may often request exclusivity when concluding commercial contracts.
 This is motivated by the desire to guarantee a unique product or service on the market. It is important to take this request into account during negotiations and to find common ground that is mutually beneficial for all parties involved.

Exporting

Payments: The most common form is the letter of credit.

Documents: General documentation procedures require all commercial shipments to be accompanied by a commercial invoice, certificate of origin, packing list, and air waybill.

company types: Most companies fall into the categories of general merchants, conglomerates, and groups.

support and subsidies: Belgium Trade office.

Discover all subsidies for Brussels businesses on the Brussels Economy and Employment website.



Interesting markets for a first export

Food and beverages: Kuwait imports a large proportion of its food and beverages due to its limited resources. High-quality food products, such as organic products or specialty foods, have a strong demand in this market.

Cosmetics and skin care: Kuwaiti consumers attach great importance to their appearance and invest in high-end beauty products. Quality cosmetics, skin care products, and perfumes are therefore very popular in this market.

Health and fitness equipment: With a growing concern for health and well-being, the market for health and fitness equipment is experiencing strong demand. Gym equipment, personal care products, and innovative medical devices can all find their place in this market.

Trade shows:

6-11 May 2024: Kuwait Build

22-27 May 2024: International Gold & Jewellery Exhibition

6-7 June 2024: Kuwait Medica

10-15 December 2024: Mirzaam Expo

14-16 January 2025: HORECA Kuwait



4. Business culture

Working week: Sunday - Thursday is the norm for the working week in Kuwait.

Working hours: Typical working hours are from 9am to 5pm, with a break for lunch.

Dress code: For women, it is important to avoid short dresses or skirts, shorts, and high necklines. Formal, conservative dress is generally preferred in a professional context.



Holidays: The main national holidays include National Day on 25 February and Liberation Day on 26 February. The dates for Eid Al-Fitr & Eid Al-Adha vary each year and can last up to 3 days.

Communication: Formal and respectful communication is valued in Kuwaiti business culture. It is important to use appropriate titles in business interactions, and politeness and courtesy are important aspects of communication.

Hierarchy: A strong hierarchical structure is often present in Kuwaiti companies, with an emphasis on respect for superiors and decision-making by those in positions of power.

Religiosity: Kuwait is a Muslim country, and religion plays a central role in daily life and business practices. It is important to respect religious traditions and customs during professional interactions.

Meetings: Meetings are often organized with care and punctuality. It is advisable to arrive on time and be prepared to contribute meaningfully to discussions.

Language: Arabic is the official language of Kuwait, but English is widely used in business. It is useful to have a basic knowledge of Arabic to facilitate business interactions.



5. What can we do for you?

Local contact points

The General Delegates and Local Representatives of the Region employed by hub.brussels are official representatives of the Brussels Government abroad, they support Brussels companies that want to export, and search and prospect for new investors.

They have the information, expertise and in-depth knowledge about the specifics of different foreign markets. Based on that knowledge, they help to refine and fine-tune your export plans, with advice on regulations, competition, market entry conditions, permits, etc. Furthermore, they can support you with your questions regarding exports, certain sectors within the jurisdiction, contacts with intermediaries, business culture, and much more.



Laurence Heyblom Kuwait - Bahrain - Qatar

Embassy of Belgium PO Box 3280 Safat 13033 Kuwait

+488 69 25 94 kuwait@hub.brussels T: +965 2537 6053

Key addresses

Embassy of Belgium: Bayan, Block 13, Street 4, Villa 8

Useful website to delve into

Kuwait Government Online Services

