Introduction
Kuwait is a country located in the Middle East on the northeast Arabian Peninsula. It borders the Persian Gulf, Iraq, and Saudi Arabia. The flat, sandy Arabian Desert covers most of Kuwait. The government system is a constitutional emirate; the chief of state is the emir or sheikh, and the head of government is the prime minister. Kuwait has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Kuwait is a member of the League of Arab States (Arab League) and the Gulf Cooperation Council (GCC).

Key Economic Facts

- **Income Level (by per capita GNI):** High Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $247.83 billion (2022)
- **GDP growth (annual %):** 8.18% (2022)
- **GDP per capita, PPP (current international $):** $58,056.23 (2022)
- **Manufacturing, value added (% of GDP):** 6.61% (2020)
- **Current account balance (BoP, current US$):** $63.08 billion (2022)
- **Inflation, consumer prices (annual %):** 3.42% (2021)
- **Labor force, total:** 2,419,833 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 2.48% (2022)
- **Imports of goods and services (current US$):** $61.14 billion (2019)
- **Exports of goods and services (current US$):** $72.58 billion (2019)

GDP Composition %

<table>
<thead>
<tr>
<th>Sector</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0</td>
</tr>
<tr>
<td>Services</td>
<td>69</td>
</tr>
<tr>
<td>Industry</td>
<td>45</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7</td>
</tr>
</tbody>
</table>

*Risk Assessment (Provided by Coface)*

**Country rating:** A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

**Business Climate rating:** A3 - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings. Intercompany transactions may run into occasional difficulties in the otherwise secure environments rated A3.

**Strengths**

- Large financial buffers
- One of the world's largest oil producers and exporters
- Strategic geographic location allowing the entry to key markets such as Eastern Asia, Europe and Turkey
- Solid public and external accounts

**Weaknesses**

- Low level of economic diversification, oil accounts for about 45% of GDP leaving the country vulnerable to fluctuations in hydrocarbon prices
- Slow bureaucracy that weighs on operational environment for companies
- Continuous standoff between the legislative opposition and the emir-appointed cabinet, which sometimes blocks legislative work
- Shortage of expatriate workers and mismatch between job offers and jobs sought by the Kuwaiti workforce

**U.S. Embassy**

Bayan 36302, Block 13, Al-Masjed Al-Aqsa Street (near the Bayan palace), Kuwait City
P. O. Box 77 Safat 13001 Kuwait; or PSC 1280 APO AE 09880-9000
[965] 2259-1001