

## COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-KUWAIT BILATERAL TRADE RELATIONS

### INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The State of Kuwait lies at the northwest extreme of the Persian (Arabian) Gulf, bordered to the northwest by Iraq and to the south by Saudi Arabia. The State comprises a mainland region and nine small islands, of which the largest is Bubiyan and the most populous is Failka. Immediately to the south of Kuwait, along the Gulf, lies a Neutral (Partitioned) Zone of 5,700 sq. km., which is shared between Kuwait and Saudi Arabia. Kuwait is a member of the UN, Arab League, Gulf Co-operation Council and OPEC. This report emphasises on India- Kuwait trade relations, inter-alia. As per available data from DGCI&S database India and Kuwait have observable bilateral (goods) trade relations primarily in the form of India import from Kuwait and Kuwait had ranked 17<sup>th</sup> as an Import partner of India in 2022-23.

2. Kuwait is one of the richest countries in the world. The Kuwaiti dinar is the highest-valued unit of currency in the world. According to the World Bank, Kuwait is the fifth richest country in the world by gross national income per capita. As per available report of IMF Executive Board Concludes 2023 Article IV Consultation with Kuwait August 23, 2023. Benefiting from high oil prices, Kuwait's economic recovery continues, and inflation is contained. Non-oil GDP growth rose to an estimated 3.4 percent in 2021, benefiting from a recovery in domestic and external demand, and strengthened further to 4.0 percent in 2022. This, together with a pickup in oil production, resulted in a rebound in overall real GDP growth to 8.2 percent in 2022. While oil GDP growth is expected to decline in 2023 due to oil production cuts, non-oil GDP growth would stay robust, driven by domestic demand, and is foreseen to remain steady over the medium term. After peaking at 4.7 percent y-o-y in April 2022, headline inflation has receded to 3.7 percent in May 2023. Subsidies on basic food items such as rice and sugar, and caps on domestic gasoline prices, helped contain inflation, as did tighter monetary policy. Core inflation (excluding food and transport items) has also been trending down since 2022Q2.

A snapshot of Kuwait's select economic indicators is as under.

#### Kuwait: Selected Economic Indicators, 2019–28

	2019	2020	2021	Prel. 2022	Est. 2023	Projections				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Oil and gas sector										
Total oil exports (billions of U.S. dollars)	58.7	35.8	63.0	94.0	72.5	68.1	68.5	67.7	67.2	67.0
Average crude oil export price (U.S. dollars/barrel)	64.0	41.5	69.2	102.7	77.7	71.7	68.9	66.7	64.9	63.4
Crude oil production (millions of barrels/day)	2.68	2.44	2.43	2.71	2.59	2.68	2.81	2.87	2.92	2.97
National accounts and prices	(Annual percentage change, unless otherwise indicated)									
Nominal GDP (market prices, in billions of Kuwaiti dinar)	41	32	41	57	50	50	52	53	54	56
Real GDP 1	-0.6	-8.9	1.3	8.2	0.1	2.6	4.1	2.4	2.4	2.4
Real oil GDP (including refineries)	-0.1	-9.8	-0.3	11.6	-2.7	2.0	4.8	2.0	2.0	2.0
Real non-oil GDP 1	-1.1	-7.5	3.4	4.0	3.8	3.5	3.2	3.0	3.0	3.0
CPI inflation (average)	1.1	2.1	3.4	4.0	3.6	3.0	2.4	2.0	2.0	2.0
Budgetary operations 2	(Percent of GDP at market prices)									

Revenue	56.2	47.6	54.3	63.9	57.2	53.1	52.2	51.3	49.4	48.7
Oil	39.3	25.3	35.7	48.2	37.6	35.6	34.8	33.8	31.5	30.6
Nonoil, <i>of which:</i>	16.9	22.3	18.6	15.7	19.6	17.5	17.5	17.5	17.9	18.1
Investment income	11.9	17.1	13.1	12.0	13.1	13.1	12.9	12.8	13.1	13.1
Expenditures 3	55.7	62.0	47.7	40.5	52.5	50.5	50.4	50.6	51.0	51.1
Expense	49.0	56.6	43.4	37.5	47.5	45.4	45.3	45.5	45.9	46.0
Capital	6.7	5.5	4.3	3.0	5.0	5.1	5.1	5.1	5.1	5.1
Balance	0.5	-14.5	6.6	23.4	4.7	2.6	1.8	0.7	-1.5	-2.4
Balance (after transfer to FGF and excl. invest. income)	15.9	-31.5	-6.5	11.4	-8.4	-10.5	-11.1	-12.2	-14.6	-15.4
Domestic financing (net)	-4.4	-1.8	-1.7	0.0	-0.1	1.7	1.9	1.5	1.1	1.1
External borrowing and drawdown on GRF (net)	20.3	33.3	8.1	-11.4	8.5	8.9	9.2	10.7	13.5	14.3
Non-oil balance excl. invest. inc. (percent of non-oil GDP) 4	95.2	-99.3	-90.1	-88.3	-92.6	-88.0	-85.7	-83.9	-82.3	-80.6
Excl. oil subsidies and benefits (percent of non-oil GDP)	86.4	-88.4	-78.3	-76.8	-78.9	-79.3	-77.5	-76.0	-74.7	-73.3
Total gross debt (calendar year) 5	11.6	11.7	8.6	2.9	3.3	3.2	5.9	9.5	11.9	17.1
Net government financial assets	11.6	511.4	497.1	409.2	497.3	529.7	536.1	540.9	543.9	542.2
Money and credit	(Percent change, unless otherwise indicated)									
Net foreign assets 6	6.2	12.4	-12.5	24.5	4.0	9.1	7.5	6.9	6.7	6.4
Claims on nongovernment sector	4.4	2.9	7.2	7.6	6.2	6.1	5.6	5.5	5.4	5.4
Kuwaiti lending rate (year average; in percent)	4.8	4.1	3.7	3.9	...	...	...	...	...	...
Stock market all share index (annual percent change)	23.7	-11.7	27.0	3.5	...	...	...	...	...	...
External sector	(Billions of U.S. dollars, unless otherwise indicated)									
Exports of goods	64.7	40.1	68.4	100.3	77.9	73.7	74.6	74.2	74.0	74.3
<i>Of which:</i> nonoil exports	6.0	4.3	5.4	6.3	5.4	5.7	6.1	6.5	6.9	7.3
Annual percentage change	11.9	-28.1	26.5	16.4	-13.9	4.5	7.0	6.5	6.1	6.0
Imports of goods	29.4	-24.5	-27.9	-28.4	-29.1	-30.0	-32.3	-34.8	-37.2	-39.8
Terms of trade (ratio, annual percent change)	3.8	-19.3	65.4	6.8	-0.5	5.5	-10.0	-7.9	-6.8	-6.2
Current account	17.9	4.9	37.4	63.1	42.1	36.0	33.7	30.1	26.7	23.5
Percent of GDP	13.1	4.6	27.2	33.8	25.7	22.0	19.9	17.3	15.0	12.9
International reserve assets 7	39.9	48.3	45.2	48.2	50.0	53.9	58.3	63.0	67.9	72.9
In months of next year's imports of goods and services	11.3	12.9	9.7	10.4	10.5	10.6	10.7	10.9	11.1	11.1
Memorandum items:										
Non-oil primary fiscal balance, excl. investment income 8	95.2	-99.3	-90.1	-88.3	-92.6	-88.0	-85.7	-83.9	-82.3	-80.6
Non-oil structural primary fiscal balance, excl. invest. inc. 8	94.0	-94.4	-89.6	-88.1	-86.4	-88.0	-85.7	-83.7	-81.8	-76.9
Exchange rate (U.S. dollar per KD, period average)	3.29	3.27	3.32	3.27	...	...	...	...	...	...
Nominal effective exchange rate (Percentage change)	2.5	-0.1	-0.2	5.8	...	...	...	...	...	...
Real effective exchange rate (Percentage change)	1.7	0.2	0.2	3.2	...	...	...	...	...	...
Non-oil output gap	1.6	-7.3	-5.6	-3.5	-1.7	-0.3	0.0	0.0	0.0	0.0

Sources: Data provided by the authorities; and IMF staff estimates and projections.
1 Calculated at market prices.
2 Based on fiscal year cycle, which starts on April 1 and ends on March 31.
3 Starting FY2016/17, there has been a reclassification of expenditure items.
4 Excludes pension fund recapitalization.
5 Excludes debt of Kuwait's SWF related to asset management operations; assumes resumption of debt issuance from FY 2024/25.
6 Excludes SDR holdings and IMF reserve position.
7 Does not include external assets held by KIA.
8 Percent of non-oil GDP.

**Source: IMF Executive Board Concludes 2023 Article IV Consultation with Kuwait August 23, 2023.**

## FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the four major merchandise export partners of Kuwait are United Arab Emirates, Saudi Arab, China and India. On the other hand four major import partners of Kuwait are China, United Arab Emirates, United States, and Japan. Major five exported goods of Kuwait are (i) Petroleum oils and oils obtained from bituminous (ii) Petroleum oils, etc, (excl. crude); preparation (iii) Propane, liquefied (iv) Butanes, liquefied and (v) Sulphonated, nitrated or nitrosated derivatives. On the other hand major five imported goods of Kuwait are (i) Automobiles with reciprocating piston engine, (ii) Art. of jewellery and pts thereof, (iii) Gold in unwrought forms non-monetary (iv) Other medicaments of mixed or unmixed products and (v) Transmission apparatus.

4. Kuwait's total exports in 2018 were of the order of US\$ 71,941 million. It has scaled up to US\$ 99,775 million in 2022. Exports from Kuwait had steeply increased by 57.17% in the year 2021 immediate after pandemic hit year followed by another 58.05% increase in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of exports was 8.52%.

5. Kuwait's total imports in 2018 were of the order of US\$ 35,867 million and which has touched US\$ 35,926 million mark in 2022 after having experienced a decline in 2019 and 2020 later a jump by 12.50% in the year 2021. During the period from 2018 to 2022, the annual average compound rate of growth of imports was 0.04%.

6. Kuwait runs an overall Balance of Trade surplus from 2018 to 2022 and that has scaled up to USD 63,849 million in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of total volume of trade was 5.92%.

**A snapshot of Kuwait's overall Trade Statistics is presented in Table 2 and Figure 1 below.**

**A snapshot of India's merchandise trade statistics w.r.t. Kuwait is presented in Table 3 Figure 2.**

## BILATERAL TRADE WITH INDIA

### Merchandise Trade

7. India and Kuwait enjoy traditionally friendly relations which are rooted in history and have stood the test of time. Geographic proximity, historical trade links, cultural affinities and presence of large number of Indian nationals in Kuwait continue to sustain and nurture this long-standing relationship. India has been a natural trading partner of Kuwait and until 1961 Indian Rupee was the legal tender in Kuwait. Kuwait ranked 40th as an export destination of India in FY 2023-24. India's exports to Kuwait

was only 0.48 % of its total export value in FY2023-24. In the same financial year Kuwait was the 21<sup>st</sup> major import partner of India in FY 2023-24. Almost 1.78% of India's total international trade value was between India and Kuwait as has been recorded in FY 2023-24 as per DGCI&S data base.

8. Indo- Kuwait total volume of bilateral trade in FY 2019-20 was of the order of US\$ 10,860.36 million. It has scaled up to US\$ 10,524.02 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of -3.16%.

9. It appears from the available figures that between 2019-20 and 2023-24, India has had a deficit Balance of Trade with Kuwait. Exports from India to Kuwait increased by 25.65% in FY2022-23 followed by another 34.78% increase in FY 2023-24 over FY 2022-23. The annual average compound rate of growth of Exports was 13.07%. On the other hand, imports from Kuwait to India remarkably increased by 111.00% in FY 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was -3.16%.

10. Additionally, **from Tables 4 & 5 presented** below the following are stated:

a. **Aircraft, Spacecraft And Parts, Rice-Basmati and Organic Chemicals**, had occupied the top three slots in India's exports to Kuwait in the year 2023-24.

b. **Petroleum Crude; Petroleum Products and Aircraft, Spacecraft And Parts** were the three major commodities in India's imports list from Kuwait in the year 2022-23, India imports a significant amount of **Petroleum: Crude** from Kuwait with a share of 51.11% of total imports from Kuwait recorded in 2023-24.

#### **“NOTICE”**

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**TABLE - 2**  
**KUWAIT'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE**  
**BETWEEN 2018 TO 2022**

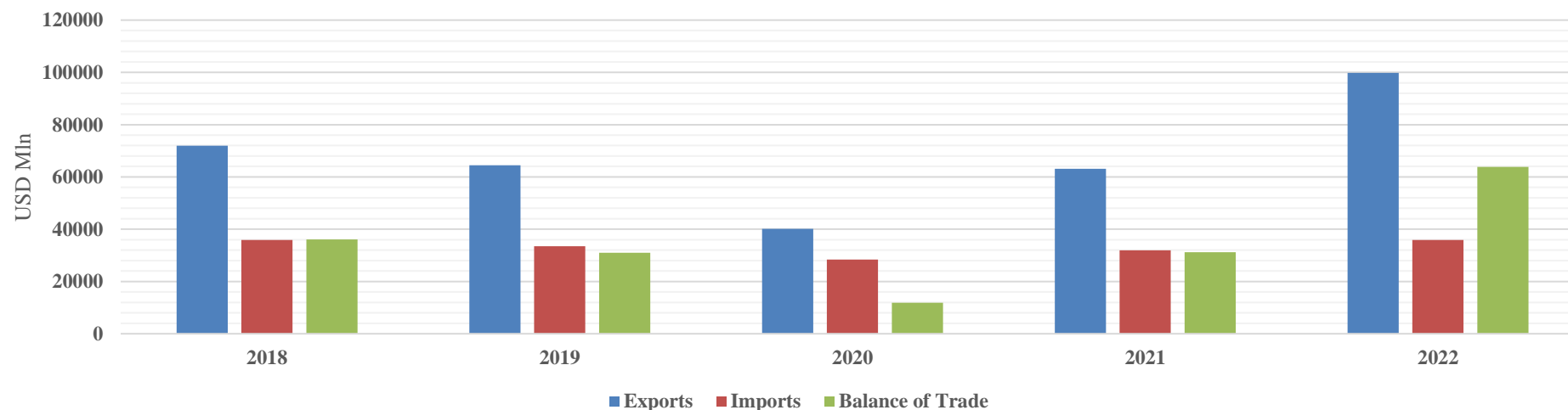
(Figures in USD Million)							
Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2018	71941		35867		1,07,808		36074
2019	64482	-10.37	33531	-6.51	98,013	-9.09	30951
2020	40166	-37.71	28344	-15.47	68,510	-30.10	11822
2021	63130	57.17	31886	12.50	95,016	38.69	31244
2022	99775	58.05	35926	12.67	1,35,701	42.82	63849
<b>Annual Growth Rate</b>	<b>Compound</b>	<b>8.52</b>		<b>0.04</b>		<b>5.92</b>	

**NOTE : Figures relate to calendar year (January to December)**

**SOURCE : UN COMTRADE PUBLICATION**

**Figure - 1**

**KUWAIT'S Exports, Imports and BoT 2018-2022**



**TABLE - 3**  
**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. KUWAIT**  
**FY 2019-2020 to 2023-2024**

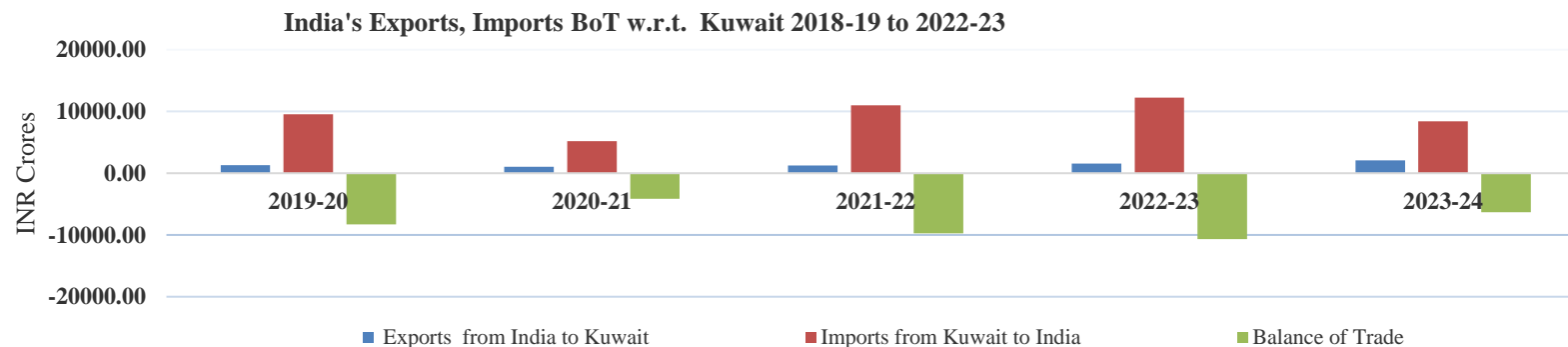
(Value in USD Million)

Year	Exports from India to Kuwait	Percentage Growth in Exports	Imports from Kuwait to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	1286.56		9573.80		10860.36		-8287.24
2020-21	1054.20	-18.06	5214.15	-45.54	6268.35	-42.28	-4159.95
2021-22	1241.93	17.81	11001.76	111.00	12243.69	95.33	-9759.83
2022-23	1560.45	25.65	12247.37	11.32	13807.82	12.77	-10686.92
2023-24	2103.22	34.78	8420.80	-31.24	10524.02	-23.78	-6317.58
<b>Annual Growth Rate</b>	<b>Compound</b>	<b>13.07</b>		<b>-3.16</b>		<b>-0.78</b>	

**NOTE** : Figures relate to Financial Year (April to March)

**SOURCE** : DGCI&S, M/o C&I

**Figure 2**



**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO KUWAIT  
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
<b>1</b>	<b>Aircraft, Spacecraft And Parts</b>	<b>1.65</b>	<b>1.59</b>	<b>0.14</b>	<b>0.68</b>	<b>508.61</b>	<b>-3.64</b>	<b>-91.19</b>	<b>385.71</b>	<b>74695.59</b>
	Share in total export	0.13	0.15	0.01	0.04	24.18				
<b>2</b>	<b>Rice- Basmati</b>	<b>201.05</b>	<b>168.26</b>	<b>128.86</b>	<b>158.84</b>	<b>201.79</b>	<b>-16.31</b>	<b>-23.42</b>	<b>23.27</b>	<b>27.04</b>
	Share in total export	15.63	15.96	10.38	10.18	9.59				
<b>3</b>	<b>Organic Chemicals</b>	<b>44.26</b>	<b>29.92</b>	<b>99.29</b>	<b>146.77</b>	<b>139.75</b>	<b>-32.40</b>	<b>231.85</b>	<b>47.82</b>	<b>-4.78</b>
	Share in total export	3.44	2.84	7.99	9.41	6.64				
<b>4</b>	<b>Motor Vehicle/Cars</b>	<b>84.49</b>	<b>50.17</b>	<b>42.87</b>	<b>78.64</b>	<b>103.17</b>	<b>-40.62</b>	<b>-14.55</b>	<b>83.44</b>	<b>31.19</b>
	Share in total export	6.57	4.76	3.45	5.04	4.91				
<b>5</b>	<b>Ceramics And Allied Products</b>	<b>57.61</b>	<b>76.70</b>	<b>71.27</b>	<b>88.30</b>	<b>94.15</b>	<b>33.14</b>	<b>-7.08</b>	<b>23.90</b>	<b>6.63</b>
	Share in total export	4.48	7.28	5.74	5.66	4.48				
<b>6</b>	<b>Gold And Other Precs Metl. Jwlery.</b>	<b>26.66</b>	<b>35.27</b>	<b>64.63</b>	<b>64.61</b>	<b>91.25</b>	<b>32.30</b>	<b>83.24</b>	<b>-0.03</b>	<b>41.23</b>
	Share in total export	2.07	3.35	5.20	4.14	4.34				
<b>7</b>	<b>Products Of Iron And Steel</b>	<b>63.62</b>	<b>41.91</b>	<b>41.02</b>	<b>62.72</b>	<b>59.70</b>	<b>-34.12</b>	<b>-2.12</b>	<b>52.90</b>	<b>-4.82</b>
	Share in total export	4.94	3.98	3.30	4.02	2.84				
<b>8</b>	<b>Marine Products</b>	<b>29.33</b>	<b>39.40</b>	<b>48.48</b>	<b>46.71</b>	<b>37.66</b>	<b>34.33</b>	<b>23.05</b>	<b>-3.65</b>	<b>-19.37</b>
	Share in total export	2.28	3.74	3.90	2.99	1.79				
<b>9</b>	<b>RMG Cotton Incl Accessories</b>	<b>47.99</b>	<b>30.90</b>	<b>38.71</b>	<b>45.28</b>	<b>36.52</b>	<b>-35.61</b>	<b>25.28</b>	<b>16.97</b>	<b>-19.35</b>
	Share in total export	3.73	2.93	3.12	2.90	1.74				
<b>10</b>	<b>Manmade Yarn Fabrics, Madeups</b>	<b>24.52</b>	<b>16.06</b>	<b>25.63</b>	<b>32.54</b>	<b>36.47</b>	<b>-34.50</b>	<b>59.59</b>	<b>26.96</b>	<b>12.08</b>
	Share in total export	1.91	1.52	2.06	2.09	1.73				
	<b>Total export to KUWAIT</b>	<b>1286.56</b>	<b>1054.20</b>	<b>1241.93</b>	<b>1560.45</b>	<b>2103.22</b>	<b>-18.06</b>	<b>17.81</b>	<b>25.65</b>	<b>34.78</b>

**NOTE : Figures relate to each Financial Year (April to March)**

**SOURCE : DGCI&S, M/o C&I**

**TABLE -5**  
**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM KUWAIT**  
**2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
<b>1</b>	<b>Petroleum Crude</b>	<b>4840.35</b>	<b>3126.93</b>	<b>7943.04</b>	<b>8024.61</b>	<b>4304.21</b>	<b>-35.40</b>	<b>154.02</b>	<b>1.03</b>	<b>-46.36</b>
	Share in total imports	50.56	59.97	72.20	65.52	51.11				
<b>2</b>	<b>Petroleum Products</b>	<b>1009.29</b>	<b>1004.10</b>	<b>1964.63</b>	<b>2598.12</b>	<b>1906.63</b>	<b>-0.51</b>	<b>95.66</b>	<b>32.24</b>	<b>-26.62</b>
	Share in total imports	10.54	19.26	17.86	21.21	22.64				
<b>3</b>	<b>Aircraft, Spacecraft And Parts</b>	<b>2934.26</b>	<b>450.64</b>		<b>263.53</b>	<b>845.18</b>	<b>-84.64</b>	<b>-100.00</b>		<b>220.71</b>
	Share in total imports.	30.65	8.64		2.15	10.04				
<b>4</b>	<b>Organic Chemicals</b>	<b>466.43</b>	<b>338.18</b>	<b>623.96</b>	<b>759.00</b>	<b>825.56</b>	<b>-27.50</b>	<b>84.51</b>	<b>21.64</b>	<b>8.77</b>
	Share in total import	4.87	6.49	5.67	6.20	9.80				
<b>5</b>	<b>Plastic Raw Meterials</b>	<b>81.24</b>	<b>53.57</b>	<b>52.75</b>	<b>133.60</b>	<b>106.62</b>	<b>-34.06</b>	<b>-1.53</b>	<b>153.27</b>	<b>-20.19</b>
	Share in total import	0.85	1.03	0.48	1.09	1.27				
<b>6</b>	<b>Iron And Steel</b>	<b>35.43</b>	<b>42.39</b>	<b>58.09</b>	<b>108.11</b>	<b>91.75</b>	<b>19.64</b>	<b>37.04</b>	<b>86.11</b>	<b>-15.13</b>
	Share in total import	0.37	0.81	0.53	0.88	1.09				
<b>7</b>	<b>Copper And Products Made Of Copr.</b>	<b>40.06</b>	<b>45.81</b>	<b>105.91</b>	<b>74.13</b>	<b>72.70</b>	<b>14.35</b>	<b>131.19</b>	<b>-30.01</b>	<b>-1.93</b>
	Share in total import	0.42	0.88	0.96	0.61	0.86				
<b>8</b>	<b>Aluminium, Products Of Aluminium</b>	<b>41.73</b>	<b>35.94</b>	<b>87.75</b>	<b>73.77</b>	<b>71.58</b>	<b>-13.87</b>	<b>144.16</b>	<b>-15.93</b>	<b>-2.97</b>
	Share in total import	0.44	0.69	0.80	0.60	0.85				
<b>9</b>	<b>Gold And Other Precs. Metl. Jweellery</b>	<b>6.06</b>	<b>0.01</b>	<b>1.86</b>	<b>19.69</b>	<b>40.26</b>	<b>-99.83</b>	<b>18500.00</b>	<b>958.60</b>	<b>104.47</b>
	Share in total import	0.06	0.00	0.02	0.16	0.48				
<b>10</b>	<b>Sulpher, Unroasted Iron Pyrit</b>		<b>8.76</b>	<b>45.48</b>	<b>23.05</b>	<b>18.45</b>		<b>419.18</b>	<b>-49.32</b>	<b>-19.96</b>
	Share in total import		0.17	0.41	0.19	0.22				
	<b>Total import from KUWAIT</b>	<b>9573.80</b>	<b>5214.15</b>	<b>11001.76</b>	<b>12247.37</b>	<b>8420.80</b>	<b>-45.54</b>	<b>111.00</b>	<b>11.32</b>	<b>-31.24</b>

**NOTE : Figures relate to each Financial Year (April to March)**

**SOURCE : DGCI&S, M/o C&I**