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## YOUR CONTACT



### Mike CAMUS

Head of International Desk Middle East, Turkey

## SUPPORT BY THE CRÉDIT AGRICOLE GROUP



*Last updated: August 2023*

The International Desk Middle East provides support to Crédit Agricole Group's corporate and professionals clients in Kuwait, through a leading local partner bank, by providing banking information and advice, assistance in opening accounts and setting up guarantees and financing.

For non-bank financial services, the International Desk offers the support of its leading partners in business prospecting and internationalization.

## MEANS OF PAYMENT



### With Kuwait

Company cheque

Bank cheque

SWIFT transfer

Bill of exchange

Promissory note

Documentary remittance

Documentary credit

## Usage

Weak / None

Weak / None

Common

Weak

Weak

Weak

Common

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## ADVICE FROM THE INTERNATIONAL DESK



### General Information

Kuwait is a rich country that has established a welfare state for its citizens.

Kuwait is a member of the Gulf Cooperation Council (GCC), a political and economic organization that includes Kuwait, Qatar, the Sultanate of Oman, Saudi Arabia, Bahrain and the United Arab Emirates.

It is important to note that there is a gap with western countries regarding the weekend: Friday and Saturday.

To trade with Kuwait, it is mandatory to have a local agent.

In order to incorporate a company, it is essential to have a local partner associated with the capital (sponsor). Foreign investors may not hold more than 49% of the company's capital. Law No. 8/2001 on foreign direct investment allowed foreign companies to incorporate as Kuwaiti companies without having a Kuwaiti partner.

It is strongly recommended to rely on a local firm for the training required to incorporate a company (advice, administrative procedures, etc.), particularly regarding tax matters.

It should be recalled that while oil exploitation represents 48.4% of GDP (total industrial sector 59.6% of GDP) and the service sector represents 51.1% of GDP, particularly via the real estate and financial sub-sectors, which employs 72.4% of the active population, the agricultural sector represents only 0.4% of GDP due to the lack of water and cultivable land in a post covid context where access to food and health care have become crucial issues for the country and the population.

Kuwait's economic and social model based solely on oil income is particularly vulnerable to oil price drops, which highlights the structural problems typical of oil-income economies: lack of economic diversification and underdevelopment of the private sector. Public spending will support non-oil GDP growth.

Project to introduce VAT postponed to 2024.

However, the country is endowed with considerable financial resources, allowing for more than enough room for manoeuvre in the face of falling income.

In the long term, however, economic prospects are hampered by the underdevelopment of the non-oil and private sector, and by the unproductive nature of the public sector, which employs 70% of nationals.

The Kuwaiti dinar (KWD) is linked to a multitude of international currencies in which the US dollar prevails. This is an exception within the GCC where fixed exchange rates are the rule. The reserves protect the country from a sudden exit from this "fixed" exchange rate regime.

### Means of Payment & Banking Specificities

The US dollar and the euro are the most common currencies used in commercial transactions.

The recommended means of payment for commercial transactions is the confirmed documentary credit payable on demand or within 30 days.

We have evidence that there has been an increase in payment delays, especially for transactions with the public sector.

Advance payments are possible if the amount justifies it.

OUR OFFER AVAILABLE  
IN THIS MARKET



OPTIMISE  
YOUR CASH FLOW

RESIDENT COMPANY

Availability

Account opening

Local  
currency



International currencies



NON-RESIDENT COMPANY

Availability

Local deposit account opening

Local  
currency



International currencies



PROCESSING LOCAL PAYMENTS METHODS

Availability

Cheque



Bill of  
exchange



Electronic banking



Cash



CASH MANAGEMENT/E-BANKING

Availability

MT101 Transfer  
order



MT942 Intraday bank  
statements



Cash pooling  
domestic



Cash pooling  
international

