



إتحاد أصحاب الفنادق - الكويت  
KUWAIT HOTEL OWNERS ASSOCIATION

# Kuwait Three Years Business Outlook

**Prepared by**  
Kuwait Hotel  
Owners Association

Sep 2024



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الجمعية الكويتية  
للصناعة السياحية

# INTRODUCTION

Kuwait Hotel Owners Association (KHOA) is pleased to present the sixth yearly report on : "Kuwait Three Years Business Outlook" 2025-2026-2027

This report is aimed to assist in the budget preparation of Hoteliers for 2025 and the three years plan which includes the following :

- Kuwait Economy
- Mega Projects in the pipeline
- Future Hotel Demand Performance - Occupancy Forecast Scenarios

Source of Information's :

- IMF
- NBK
- The Economist
- United Nations News
- STR
- Kuwait Central Statistic Bureau
- World bank data
- KHOA
- Kuwait Vision
- PACI
- Hotel Tech Report
- UNWTO



Meanwhile, plot distributions under the government's housing program reached above 5,000 in H1 by our estimates, but the backlog of applications still edged up to more than 97,000. Addressing the housing shortage is set to be a key focus of the new government.

## KUWAIT ECONOMY

- **Real estate sales hit a two year high Q2 2024** helped by sizable one-off deals across the main three segments. We still expect improving economic conditions and potentially lower interest rates to lift the market in 2025.
- **Domestic credit growth was a relatively decent 1.1% in Q2, resulting in a 2% YTD increase (+2.9% y/y). However, growth in Q2 was mainly driven by lending to banks/financial institutions (+9.2% q/q) and for securities purchase (+2.8%), not by business/household lending. Business credit growth, after a solid Q1, weakened to 0.5% q/q, pushing the YTD increase to 2.2%.**
- At the same time, the investment segment registered its first quarterly decline since Q2 2023 of -3.7% to KD223 million, despite a large building sale in Al-Salmiya of KD22 million.
- **Exports of refined products are around 23% higher in annual average terms (1.19 mb/d), so far in 2024. In Q1 2024, trade data published by the Central Statistical Bureau showed that Kuwait's export earnings from petroleum products (KD2.61 billion) were catching up to revenues from crude sales (KD2.96 billion), with products now accounting for 47% of all hydrocarbon exports revenues**

# KUWAIT POLITICS

2024



1

## Overview

Kuwait is a constitutional emirate ruled by Al Sabah family with an autocratic political system. The Emir of Kuwait, a hereditary monarch from the Al Sabah ruling family appoints the prime minister (who is always a royal) and other members of government, as well as members of judicial, police and financial institutions.

2

## Nominated Emir

**His Highness Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah has been nominated as the ruling Emir of the State Kuwait , after the death of Sheikh Nawaf Al Ahmad Al Sabah Al-Sabah on 16 December 2023,.His Highness Sheikh Sabah Al-Khalid Al-Sabah has been nominated Crowne Prince (1st June)**

3

## Planing

**The Kuwaiti Cabinet has instructed each government entity to assess their postponed projects and revise priorities accordingly. The action plan incorporates a timeline for scheduled steps, proposed solutions, and addressing key obstacles that impede timely project execution, aligning with the government's goal t**

4

## Parliament

10 May 2024 His Highness Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah dissolves the National Assembly and suspends some articles of the Constitution :12 May – signs a decree to form the 46th Cabinet of Kuwait. The Cabinet approves a draft decree forming the Central Agency for Public Tenders Board of Directors.

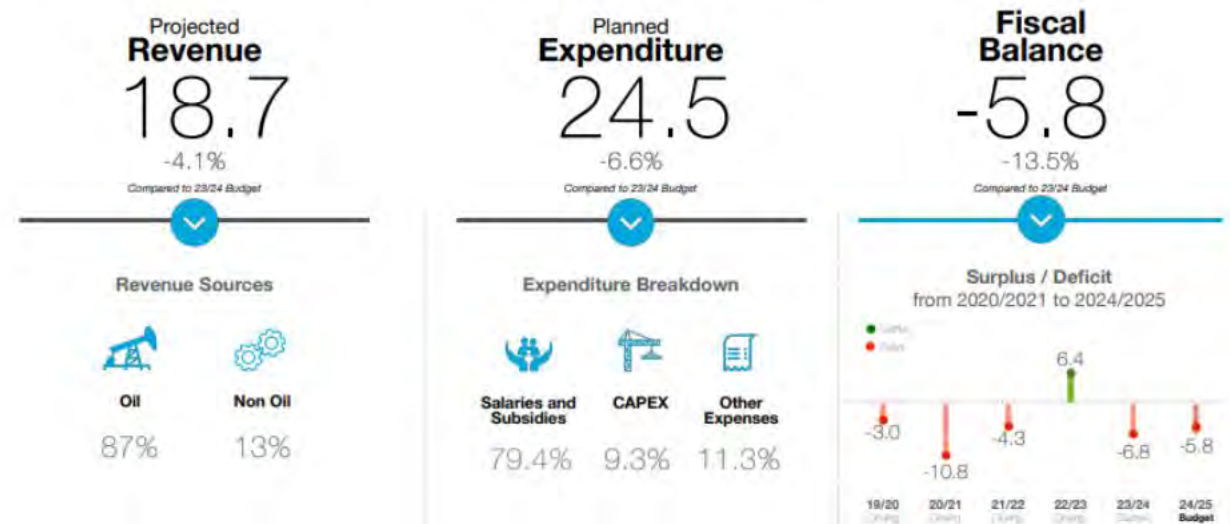
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## Projects

Project awards in Kuwait jumped 444 percent in the second quarter of 2024 to 688 million Kuwaiti dinars (\$2.25 billion), following a lacklustre first quarter 2024, driven by infrastructure and electricity sectors, the National Bank of Kuwait (NBK) said in a report, citing MEED data.Nearly KD7 billion worth of power-related potential projects are anticipated be awarded, which include KD1.2 billion Al-Zour Independent Water and Power Plant (IWPP) phases 2 & 3, KD 800 million Al-Khairan IWPP and KD 100 million Al-Shagaya Renewable Energy Complex, NBK said, citing MEED.

# MICRO & MACRO ECONOMIC TRENDS

## WORLD BANK COUNTRY ENGAGEMENT FRAMEWORK



- In terms of revenues, crude oil will continue to account for the bulk of the budgeted revenues in the fiscal year 2024/2025. However, the share of oil revenues to total revenues is expected to decline marginally from 88.2% estimated for fiscal year 2023/2024 to 87.0% budgeted for the fiscal year 2024/2025,
- This would imply non-oil revenue share of 13.0% for the fiscal year 2024/2025 as compared to 11.8% estimated for the previous fiscal year. The estimates for 2023/24 clearly shows the impact of oil prices on states finances.
- Total revenues during 2023/2024 is expected to have plunged 16.8% to KWD 19.5 Bn whereas non-oil revenues are estimated to increase by 10.6% to KWD 2.3 Bn from KWD 2.1 Bn during the previous fiscal year.

According to the budget document, revenue is expected to reach KWD 18.7 Bn (USD 60.8 Bn) during the fiscal year 2024/2025 as compared to KWD 19.5 Bn estimated for the fiscal year 2023/2024, down by 4.1%. The revenues are calculated with a budgeted crude oil price of USD 70/b. Oil revenues are expected to come in at KWD 17.2 Bn vs. KWD 21.3 Bn in 2022/23 mainly due to the decline in oil prices during the year coupled with curbs on production as part of the OPEC+ agreement.

# MICRO & MACRO ECONOMIC TRENDS

## WORLD BANK COUNTRY ENGAGEMENT FRAMEWORK

**TABLE 2 Kuwait /** Macro poverty outlook indicators

(annual percent change unless indicated otherwise)

	2021	2022	2023e	2024f	2025f	2026f
<b>Real GDP growth, at constant market prices</b>	1.3	7.9	-0.1	2.8	3.1	2.7
Private consumption	3.2	4.8	2.0	2.5	2.6	2.5
Government consumption	1.1	2.0	2.3	2.4	2.5	2.5
Gross fixed capital investment	3.9	4.4	1.8	2.5	2.9	2.3
Exports, goods and services	2.2	12.0	-1.9	3.1	3.2	3.2
Imports, goods and services	5.7	5.3	1.6	2.5	2.3	2.8
<b>Real GDP growth, at constant factor prices</b>	1.4	7.9	-0.1	2.8	3.1	2.7
Agriculture	0.5	1.1	0.1	1.1	1.1	1.2
Industry	2.2	8.3	0.2	3.3	3.3	3.3
Services	0.4	7.3	-0.6	2.1	2.8	1.9
<b>Inflation (consumer price index)</b>	3.4	4.0	3.6	3.0	2.6	2.4
<b>Current account balance (% of GDP)</b>	23.9	32.1	29.3	22.7	21.9	20.7
<b>Fiscal balance (% of GDP)<sup>a</sup></b>	-7.2	2.2	-6.8	-6.3	-8.0	-8.0
<b>GHG emissions growth (mtCO<sub>2</sub>e)</b>	10.7	6.1	1.4	5.0	6.7	6.9
<b>Energy related GHG emissions (% of total)</b>	68.0	68.1	66.8	66.5	66.7	66.9

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast.

a/ Based on fiscal year cycle (April to March 31). Fiscal balances exclude investment income and FGF transfers.

# MICRO & MACRO ECONOMIC TRENDS

## NBK UPDATE

- Inflation reached of 3.4% increase in 2024. The increase was led by a 6.7% growth in the Clothing & Footwear index followed by the Food & Beverages price index which registered 4.7% y-o-y
- Rental costs are ticking up as landlords look to recoup higher construction costs and as demand in the mid-level expatriate rental market stabilizes.

- Increase in Non-oil Revenue +5.7% To total revenue
- Salaries and Subsidies Contribution 79.4% of Total Expenditures

- Kuwait's Consumer Price Index (CPI) remained stable recording only a marginal 0.3% m-o-m growth during December-2023 due to mixed movement of price. According to the IMF, Growth in the MENA region was lowered by 50 bps to 2.9% for 2024 and revised upward by 30 bps to 4.2% for 2025.



**Table 1: Key economic indicators**

*KWD Million*

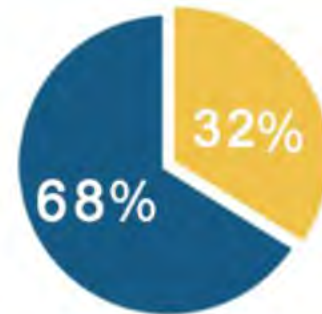
	<b>Budget</b> Year ending March 31 2025	<b>Budget</b> Year ending March 31 2024	% Change
<b>Revenue</b>			
Oil Revenue	<b>16,234.1</b>	17,168.8	(5.4%)
Non-Oil Revenue	<b>2,428.1</b>	2,297.8	5.7%
<b>Total Revenue</b>	<b>18,662.2</b>	19,466.6	(4.1%)
<b>Expenditure</b>			
Salaries	<b>(14,832.5)</b>	(14,948.0)	(0.8%)
Subsidies	<b>(4,668.3)</b>	(5,948.0)	(21.5%)
Capex	<b>(2,290.2)</b>	(2,481.3)	(15.2%)
Other Expenses	<b>(2,764.0)</b>	(2,901.2)	(4.7%)
<b>Total Expenditure</b>	<b>(24,555.0)</b>	(26,278.5)	(6.6%)
<b>Fiscal Balance</b>	<b>(5,892.8)</b>	(6,811.9)	(13.5%)



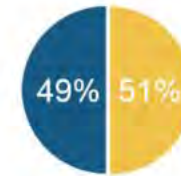
# MICRO & MACRO ECONOMIC TRENDS

## POPULATION STATISTICS

- The current population of Kuwait in 2024 is 4,918,571, a 0.91% increase from 2023.
- Kuwait counts 32 % Kuwaitis and 68 % Non-Kuwaitis.
- Among Nationality Groups highest 40% is among Asian , Kuwaiti is second by 32% , Arabian 26% ,African 1% and Other Nationals 1% (American ,European ,Australian).



Total Population  
 ■ Kuwaiti 1,559,925  
 ■ Non-Kuwaiti 3,358,645

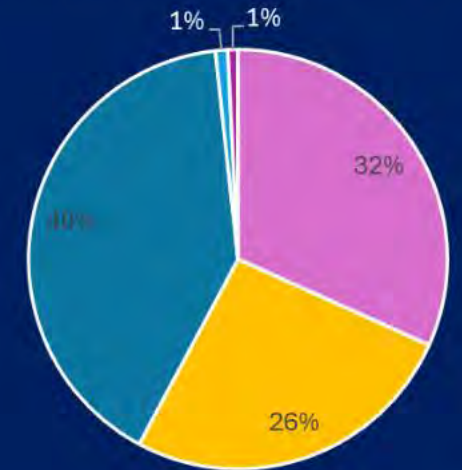


Kuwaiti  
 ■ Male 765,944  
 ■ Female 793,981



Non-Kuwaiti  
 ■ Male 2,227,047  
 ■ Female 1,131,598

## Nationality Groups



■ Kuwaiti ■ Arabian ■ Asian ■ African ■ Others

# MICRO & MACRO ECONOMIC TRENDS

## COUNTRY HEADLINES AFFECTING ECONOMY:

Capital expenditure is budgeted to decline with planned spending of KWD 2.3 Bn, a y-o-y decline of 7.7%. Main drivers for the decrease in Expenditure were:

1. Ministry of Electricity and Water (KWD -1.2 Bn) related to types of fuel used to operate stations.
2. Ministry of Health (KWD -192.2 Mn) related to reducing costs medicines and drugs based on the actual spending and need.
3. Ministry of Oil (KWD - 100 Mn) relating to reduction in Subsidies.
4. Ministry of Commerce and Industry (KWD - 59.3 Mn) relating to reduction in Subsidies.
5. Other Ministries totalled to (KWD -231.7 Mn).

The declines were partially offset by higher allocation to 1. Ministry of Interior (KWD + 159.5 Mn) related to fixed salaries and allowances. 2. Ministry of Health (KWD +102.2 Mn) related to the allocation for comprehensive health insurance for retirees and housewives

### KUWAIT AIMS FOR 'PAPERLESS GOVERNMENT' WITHIN 3-5 YEARS

The project includes mandating all government agencies to offer their services exclusively through the 'Sahel' application and linking them electronically. It aims to establish a national electronic cloud, for saving time, expediting processes, and reducing long-term costs. The government is drafting an agreement with Microsoft, akin to the one with Google last year

### KUWAIT GOVERNMENT PUSHES FOR RAPID DEVELOPMENT OF TOURISM SECTOR

The Council of Ministers has directed the Tourism Projects Company to accelerate the development of entertainment projects and enhance Kuwait's tourism sector. This call underscores the need for increased collaboration between relevant government agencies to ensure the timely completion of these projects

### KUWAIT REVISES FAMILY VISA RULES FOR NON- GRADUATE EXPATS

In a move adopted by First Deputy Prime Minister and Minister of Defense and Interior Sheikh Fahad Al Yousuf, an amendment has been made to the family visa regulations. It now permits expatriates without a university degree, working in Kuwait, to sponsor their wives and children under the age of 14 for residency under this visa category. The sponsor must demonstrate a monthly income of at least 800 Kuwaiti dinars to be eligible.

# SUSTAINABILITY MOVEMENT IMPACT ON TOURISM BUSINESS

SUSTAINABILITY CAN GREATLY BENEFIT THE HOSPITALITY SECTOR BY ENHANCING ITS LONG-TERM VIABILITY, IMPROVING CUSTOMER SATISFACTION, AND REDUCING OPERATIONAL COSTS. HERE'S HOW:

## Enhancing Brand Image and Customer Loyalty

Offering sustainable options, like eco-friendly toiletries or carbon-neutral stays, can differentiate a hotel from its competitors and build customer loyalty

## Attracting Talent:

A commitment to sustainability can also help attract and retain employees who prioritize working for socially responsible companies.

## Cost Reduction

Implementing energy-efficient systems, such as LED lighting, water-saving fixtures, renewable energy sources (like solar panels), Waste management practices, including recycling and composting.

## Regulatory Compliance and Risk Management

Hotels adopting sustainable practices can stay ahead of compliance requirements, avoiding fines and enhancing their reputation as responsible businesses.

## Contributing to the Local Economy

By sourcing products locally, hotels can support local communities and reduce their carbon footprint associated with long-distance transportation.

This practice also resonates well with guests who are interested in authentic, local experiences

# WORLDWIDE

## TOURISM ON TRACK FOR FULL RECOVERY

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- **International tourism is expected to fully recover pre-pandemic levels in 2024, with initial estimates pointing to 2% growth above 2019 levels. This central forecast by UNWTO remains subject to the pace of recovery in Asia and to the evolution of existing economic and geopolitical downside risks.**
- **The positive outlook is reflected in the latest UNWTO Tourism Confidence Index survey, with 67% of tourism professionals indicating better or much better prospects for 2024 compared to 2023. Some 28% expect similar performance, while only 6% expect tourism performance in 2024 to be worse than last year.**

# WORLDWIDE

## TOURISM ON TRACK FOR FULL RECOVERY

**Total export revenues from international tourism, including both receipts and passenger transport, reached USD 1.7 trillion in 2023, about 96% of pre-pandemic levels in real terms (i.e. excluding inflation).**

- **The Middle East** saw the strongest relative growth, with international arrivals exceeding by 36% pre-pandemic levels in Q1 2024.
- **Europe** exceeded pre-pandemic levels for the first time in a quarter (+1% from Q1 2019).

**According to the first UNWTO World Tourism Barometer of the year, international tourism ended 2023 at 88% of pre-pandemic levels, with an estimated 1.3 billion international arrivals. It is expected to underpin a full recovery by the end of 2024.**

- **Africa** welcomed 5% more arrivals in the first quarter of 2024 than in Q1 2019, while the Americas practically reached pre-pandemic numbers (99%). By subregions, North Africa saw the strongest performance with 23% more international arrivals in Q1 2024 than before the pandemic, followed by Central America (+15%), the Caribbean and Western Europe (both +7%).
- Arrivals in **Asia and the Pacific** recovered 82% of pre-pandemic levels in Q1 2024, after recovering 65% in 2023.

*Tourism direct GDP recovered pre-pandemic levels in 2023, reaching an estimated USD 3.3 trillion, equivalent to 3% of global GDP.*

*The latest UN Tourism Confidence Index shows positive prospects for the period May-August 2024, though economic and geopolitical headwinds continue to pose significant challenges to the complete recovery of international tourism and confidence levels.*

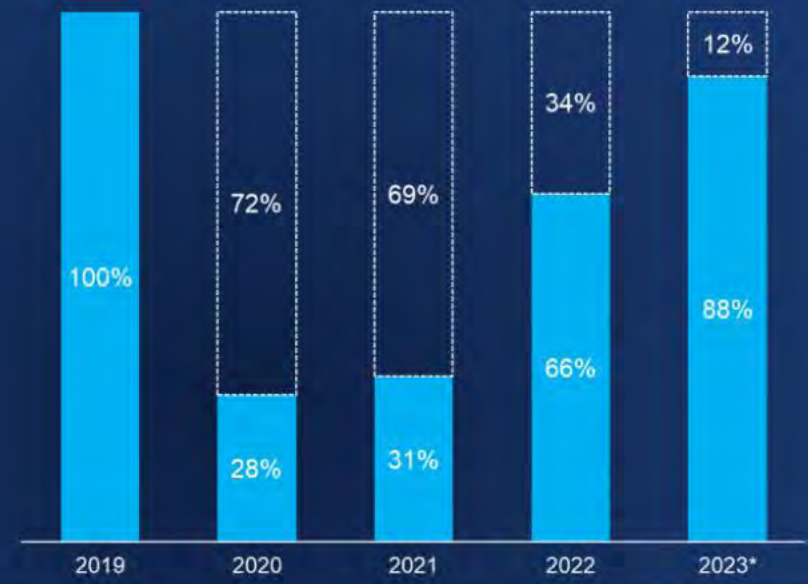
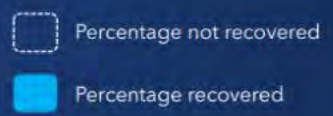
# WORLDWIDE

## TOURISM ON TRACK FOR FULL RECOVERY

- The latest UNWTO Panel of Experts survey shows that 67% of tourism professionals expect better performance in 2024 than in 2023, while 28% expect similar performance and 6% suggest it could be worse.
- The UNWTO Tourism Confidence Index indicates slightly weaker prospects for January-April 2024 (score of 122) than for September-December 2023 (score of 126).

### Recovery of international tourist arrivals

Percentage of 2019 levels



Source: UNWTO (January 2024)  
 \* Data for 2023 are provisional

### UNWTO Panel of Experts Survey

## What are the main factors weighing on the recovery of international tourism?

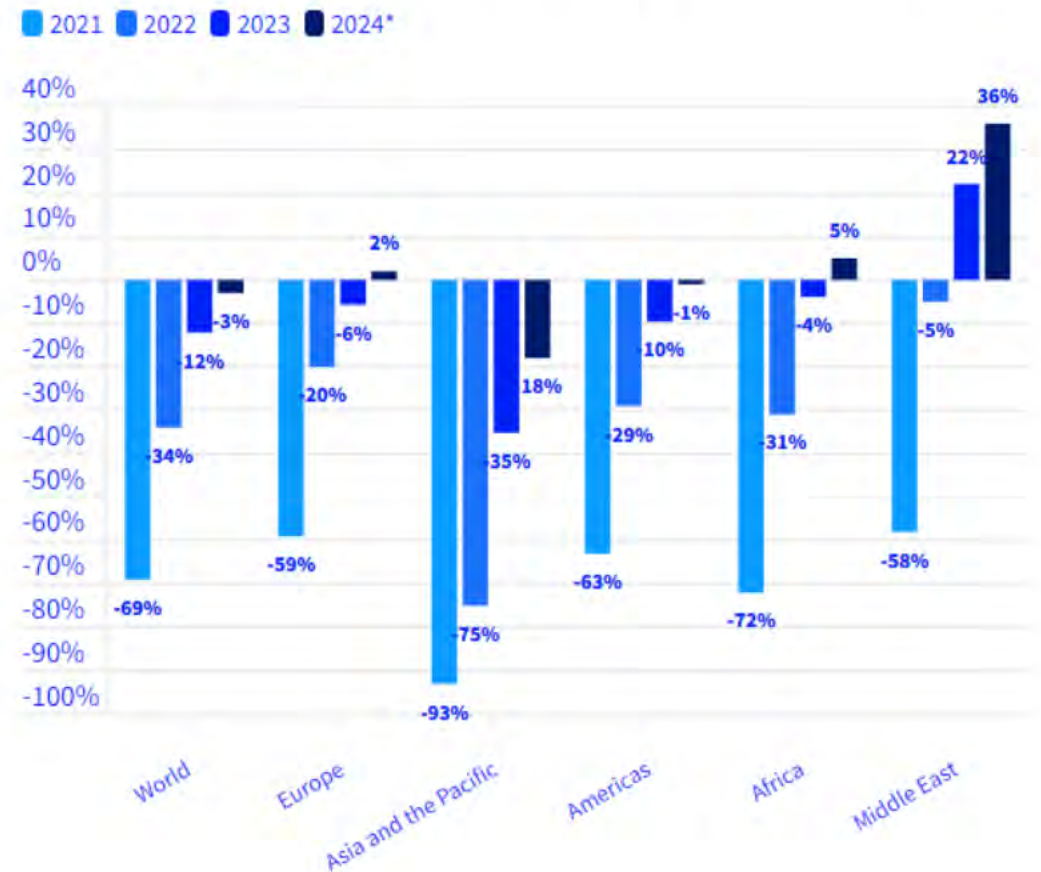


# WORLDWIDE

## TOURISM ON TRACK FOR FULL RECOVERY

- Following a strong rebound in 2023, international tourism is expected to fully recover pre-pandemic levels in 2024, with initial estimates pointing to 2% growth above 2019 levels in international tourist arrivals.
- The unleashing of remaining pent-up demand, increased air connectivity, and a stronger recovery of Asian markets and destinations are expected to underpin a full recovery by the end of 2024.
- Economic and geopolitical challenges continue to pose significant challenges to the sustained recovery of international tourism and confidence levels.

### International Tourist Arrivals, World and Regions



# KUWAIT VISION & PROJECTS

## KUWAIT VISION 2035

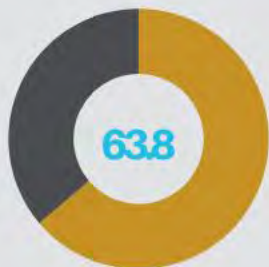
The Kuwait National Development Plan (KNDP) is the national strategic, steering, implementation and monitoring framework, through the quinquennial cycles of which the aims of Kuwait Vision 2035 and its seven pillars are meant to be achieved. It has been designed to guide relevant stakeholders in the country - more than 85 competent authorities and national partners including government, civil society

### OVERALL PERFORMANCE

COUNTRY RANKING

111/167

COUNTRY SCORE



REGIONAL AVERAGE: 65.6



# SUSTAINABLE DEVELOPMENT REPORT 2024

The SDGs and the UN Summit of the Future

*Includes the SDG Index and Dashboards*





# KUWAIT VISION & PROJECTS

## ▼ SDG DASHBOARDS AND TRENDS



- Major challenges
- Significant challenges
- Challenges remain
- SDG achieved
- Information unavailable
- ↓ Decreasing
- Stagnating
- ↗ Moderately improving
- ↑ On track or maintaining SDG achievement
- Information unavailable

Note: The full title of each SDG is available here: <https://sdgs.un.org>

# KUWAIT VISION & PROJECTS

## STATUS OF SDGS PROJECTS IMPLEMENTED

Currently, Projects awarded amounted to the construction market in Kuwait is valued at USD 13.94 billion. It is anticipated to reach USD 18.59 billion by 2029.

This growth is likely to occur at a compound annual growth rate (CAGR) of 5.93% over the forecast period from 2024 to 2029. In Addition there are :

- 14 substantial public projects with a combined worth USD 59 billion
- 4 partnership projects worth USD 3.2 billion.

As per a government report 12 significant housing projects, amounting to a total of approximately 10.2 billion (USD 33.66 billion), will be allocated the majority of the funds.

The strategy includes a limited number of development projects valued at 7 billion dinars (USD 23 billion) and ten energy projects totaling 5.8 billion dinars (USD 19 billion).

### KUWAIT CONSTRUCTION MARKET

2024-2028

2024

2029

CAGR  
5.93%

# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### New Kuwait International Airport Building (T2)

- Value: \$4.3 billion
- Start: 2017
- Completion: Expected by 2025
- Companies: Limak Holding (construction); Ministry of Public Works (owner)
- Brief: Expansion to accommodate 25 million passengers annually
- Source :[Meed](#)



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### TEC and UPAC's grand vision for Messilah beach

Client Touristic Enterprises Company(TEC)

Services :Aqua Play Pool

- Wave Pool,- Splash Pad,- Kids Pool,- Infinity pool
- Kids play area,- Adventure tower,- Fitness Areas
- Basketball, Football and Tennis Courts
- Beach Volleyball Courts,- Water Sports Facilities
- Restaurants,- Events Hall

500 shaded car parking spaces

Status Major construction has been underway .

**The opening has been targeted late 2024**



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Al-Zour Refinery

- Value: \$16 billion
- Start: 2015
- Completion: Late 2025
- Companies: KIPIC (Kuwait Integrated Petroleum Industries Company); Technip, Fluor, Daewoo (contractors)
- Brief: Largest refinery in the Middle East aimed at boosting oil processing capacity
- Source [Meed](#)

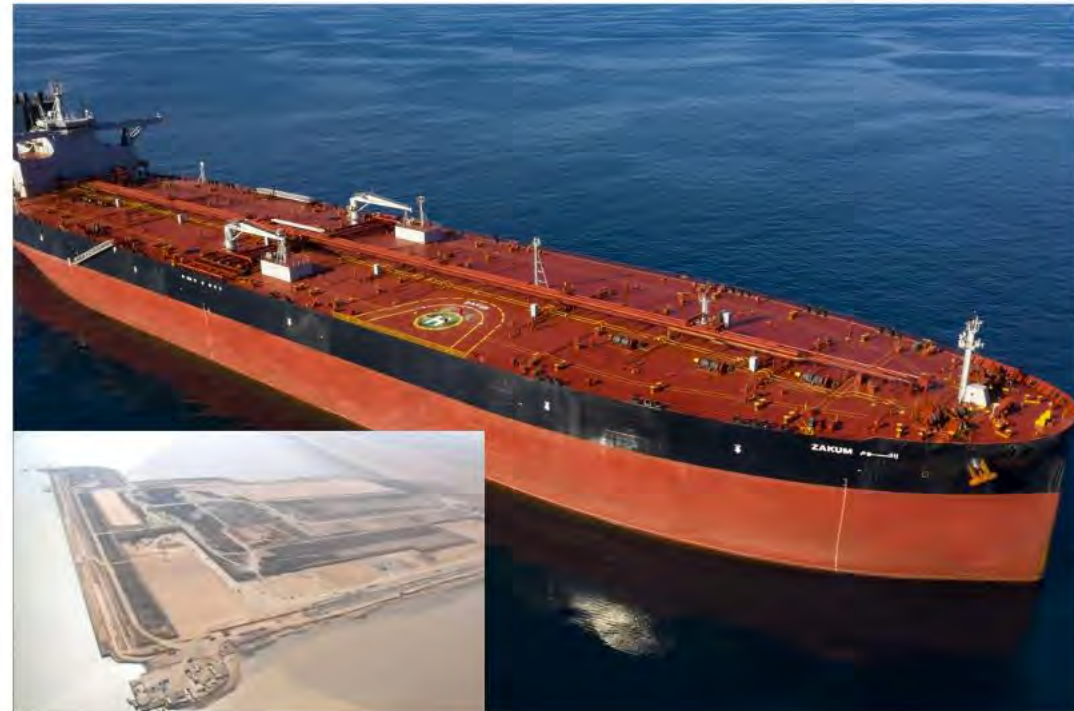


# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Mubarak Al-Kabeer Port

- Value: \$3 billion
- Start: 2010
- Completion: Ongoing (phase-wise)
- Second Phase Sources indicate Mubarak Al-Kabeer Port will resume operations in early September 2024. Tenders have implementation periods of six to thirty-six months, hinting at a 2027 project launch
- Companies: Ministry of Public Works
- Brief: A strategic port to support the Silk City project
- Source : Meed ,Kuwait tenders



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Jaber Al-Ahmad City

- Value: \$6.6 billion
- Start Date: 2012
- Completion: Ongoing, partial completion by 2025
- Companies: Public Authority for Housing Welfare (owner); various contractors
- Brief: A major housing initiative providing homes, schools, health centers, and commercial units to ease Kuwait's housing shortage
- Source :[Meed](#)



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### South of Saad Al Abdullah City

- Value: \$3 billion
- Start Date: 2021
- Completion: Expected by 2026
- Companies: Public Authority for Housing Welfare (PAHW); contractors include South Korean companies
- Brief: Large-scale development aimed at creating sustainable housing for over 30,000 families with eco-friendly infrastructure
- Source :[Meed](#)





# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### South Sabah Al-Ahmad City

#### Sabah Al Ahmad (S3) Mixed-Use Development

- Value: \$700 million
- Start Date: 2017
- Completion: Ongoing through 2025
- Companies: PAHW, various contractors
- Brief: This project focuses on creating residential communities with integrated services such as schools, mosques, and parks(
- Source :[Meed](#)



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Al Hamad Commercial Center Project

- Value: \$200 million
- Start Date: 2023
- Completion: Expected by 2026
- Companies: Al Hamad Real Estate; contractors include local construction firms
- Brief: A commercial hub designed to support local businesses with office spaces, retail outlets, and leisure facilities. Al Hamad Commercial Center is located in the heart of Kuwait City adjacent to Al-Awqaf Building
- Source :Meed



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Al Shagaya renewable energy complex project

- Phase 1 of the project, which included a mix of solar photovoltaic (PV), concentrated solar power (CSP), and wind energy, has been completed. This phase generated 70 MW of renewable energy—50 MW from CSP, 10 MW from PV, and 10 MW from wind.
- Phase 2 is currently underway, with the objective of generating an additional 1,500 MW of power through various renewable sources by 2030. This phase includes larger wind farms and expanded solar facilities.



- **Completion Date:** The entire project, once fully completed, is expected to supply 15% of Kuwait's energy needs by 2030. Full completion is anticipated around 2027-2028.
- **Companies Involved:** The project is a collaboration between Kuwait's Ministry of Electricity and Water and various international and local firms, including Spanish companies specialized in CSP technologies.
- The project is part of Kuwait's vision to integrate renewable energy into its grid and reduce the country's carbon footprint

# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Kuwait Silk City

1. As of 2024, the Kuwait Silk City Project (Madinat Al-Hareer) remains primarily in the planning. Critical infrastructure, like the Sheikh Jaber Al-Ahmad Causeway, has been completed, the major construction work on the core components of the project, such as residential, commercial, and tourism hubs, has not yet started. Key Current Activities: Master Planning
2. Environmental and Feasibility Studies:
3. Partnership Development: Ongoing discussions with potential foreign partners, especially China as part of the Belt and Road Initiative, are part of the current phase to secure funding and investment.

The actual construction phase for major developments like Burj Mubarak Al-Kabir and other city components has yet to begin. Delays have been caused by political, economic, and regulatory challenges



**Burj Mubarak will also have seven vertical villages which will include hotels, residences, offices as well as entertainment amenities.**

# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Failaka Island

Cost: 75 million dinars for the Failaka Resort project,

Status:

- **Planning Stage:** As of 2024, the Failaka Island project remains primarily in the planning phase. Initial groundwork, including infrastructure upgrades and environmental assessments, has been ongoing, but large-scale construction has yet to begin.
- **Tourism Focus:** The plan envisions luxury resorts, hotels, marinas, museums, and cultural centers, making Failaka a key tourist destination within Kuwait's long-term development goals. It also includes residential areas and recreational facilities.



The project is expected to attract significant foreign investments and partnerships,. Public-private partnerships (PPPs) are a key part of the development strategy.

# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### Al Mutla'a City

**Client:** Public Authority for Housing Welfare (PAHW)

**Area:** 104 km, and includes 12 residential suburbs

**Cost:** 2.054 billion dinars.

**Components:** The Mutla City is long term development ,with different phases having different completion dates. Initial phases are expected to be completed around 2025 and 2026 with the entire development anticipated to be fully completed by the 2030 s.



# KUWAIT VISION & PROJECTS

## MEGA FUTURE PROJECTS

### South Abdullah Al Mubarak City

**Client:** Public Authority for Housing Welfare (PAHW)

**Area:** 4.3 kilometers ,3000 housing plots

**Cost:** 140.53 million dinars.

**Status :**The Completion Date for city is 2027 as it is in mid-stage development . The development started with initial phases focused on infrastructure ,including road networks ,utilities ,and foundational works.

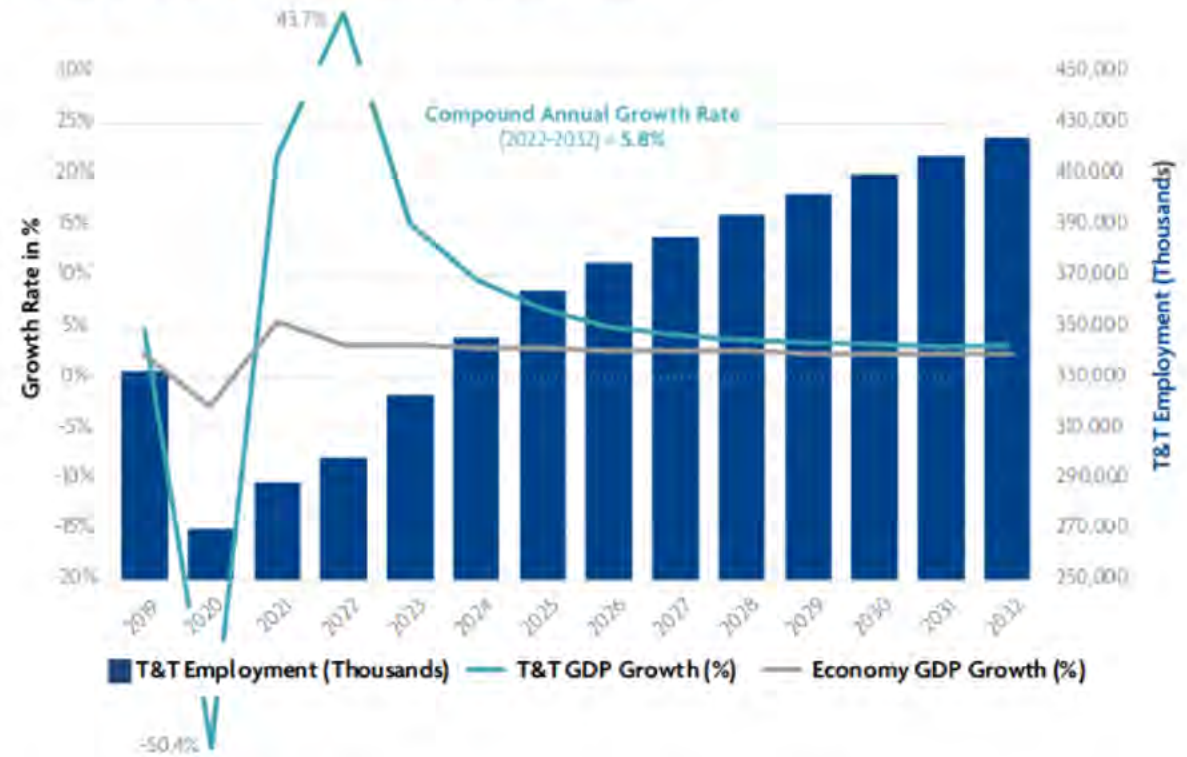


# WORLDWIDE HOSPITALITY SECTOR

- 4. The overall growth in the travel and tourism industry stands at +5.8% Vs. Overall GDP +2.7%.
- According to the [Hospitality Global Market Report 2023](#) the global hospitality market grew from \$4,390.59 billion in 2022 to \$4,699.57 billion in 2023 at a compound annual growth rate (CAGR) of 7.0%.
- This large growth rate is in part the bounce back from global restrictions on travel.
- What major challenges is the hospitality industry facing? 1. The threat of climate change
- 2. Industry consolidation 3. New competition from tech and digital players 4. Skilled talent shortage
- , 5. Energy Crisis ,6. Supply chain issues ,7. Economic downturn

- **The market is expected to continue growing but at a slower rate due to the global economic situation with a Compound Annual Growth Rate (GAGR) of +5,8% forecasted between 2022 and 2032.**

Figure 8: Travel & Tourism Forecast (2022 – 2032)





# WORLDWIDE HOSPITALITY SECTOR

## Occupancy Rates

Indicator

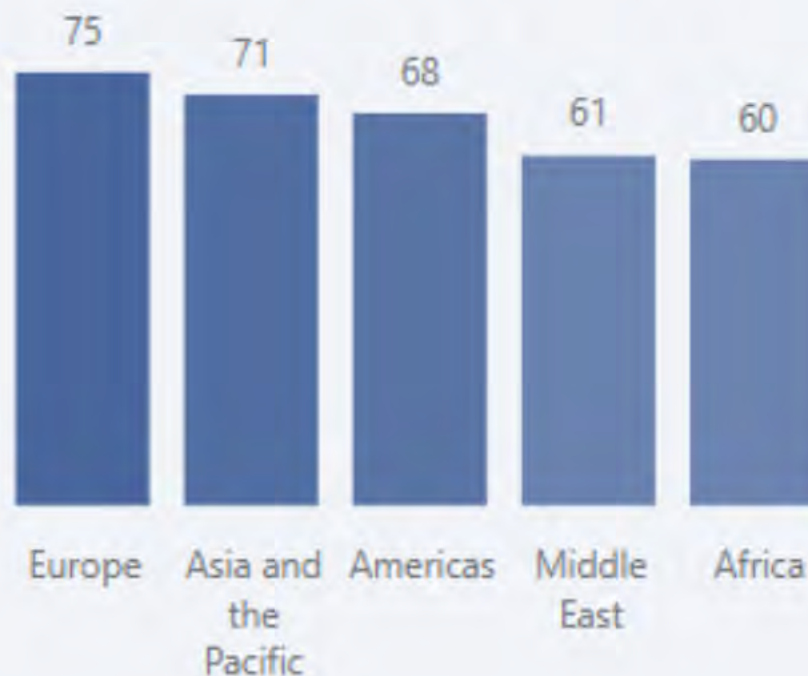
2024 is compared to the previous year (2023)

Click on a region or a month to visualize results in the graphs

Region	Jan	Feb	Mar	Apr	May	Jun	Jul	YTD
<b>Africa</b>	51	60	53	57	60	56	60	
North Africa	42	52	41	53	61	60	66	
Southern Africa	52	63	62	57	54	55	55	
Subsaharan Africa	52	59	55	53	58	57	57	
<b>Americas</b>	53	60	64	65	65	68	68	
Caribbean	71	75	76	72	65	68	68	
Central America	63	70	68	62	58	60	59	
North America	52	59	64	65	66	70	69	
South America	54	56	58	57	54	55	60	
<b>Asia and the Pacific</b>	62	60	67	68	67	66	71	
North-East Asia	61	58	67	68	68	66	72	
Oceania	67	74	73	68	66	66	70	
South Asia	66	70	64	62	59	60	62	
South-East Asia	62	67	62	61	64	65	70	
<b>Europe</b>	54	62	65	69	73	76	75	
Central/Eastern Europe	47	55	59	64	67	71	71	
Northern Europe	61	70	72	74	79	81	82	
Southern/Medit. Europe	54	62	63	68	74	75	76	
Western Europe	52	58	64	67	70	76	72	
<b>Middle East</b>	68	75	60	64	64	60	61	
<b>World</b>	57	62	65	67	68	70	71	

Values show actual occupancy rates in %.

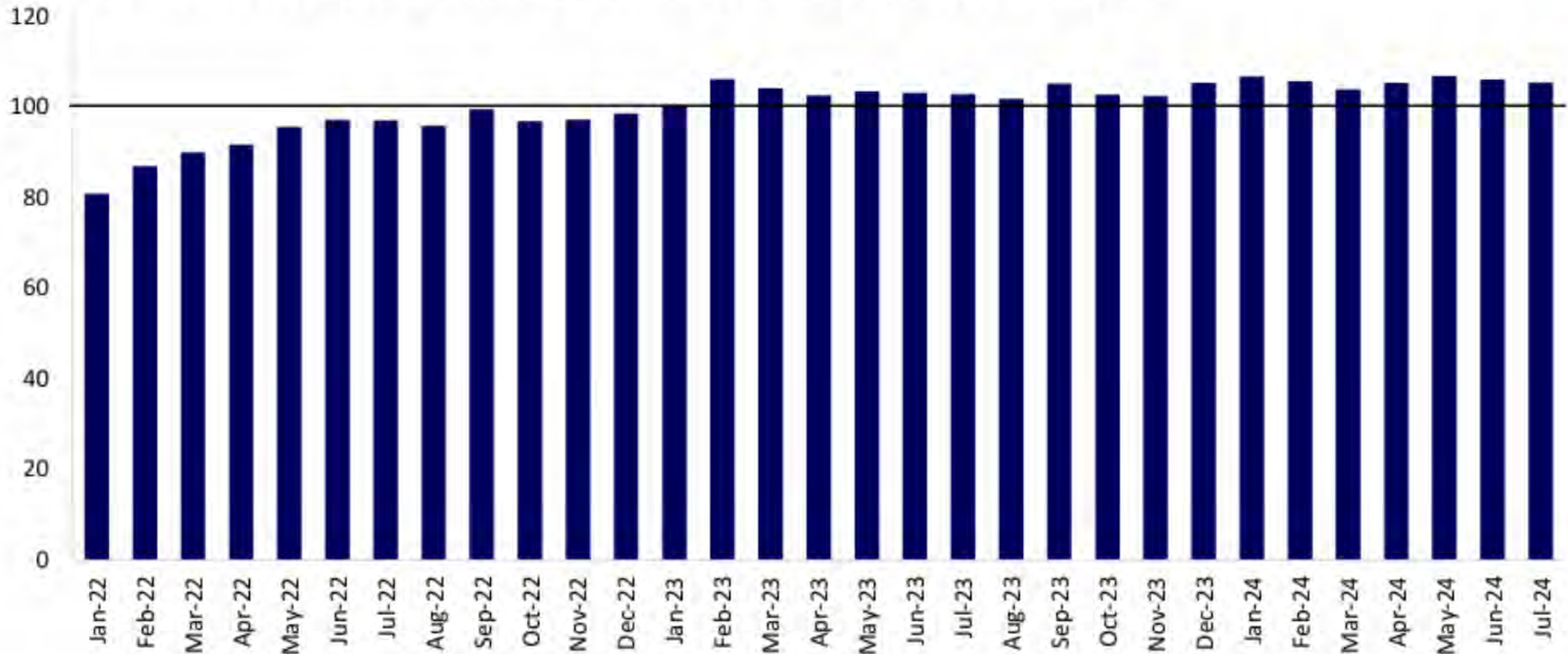
## Latest available data: Jul 2024



# WORLDWIDE HOSPITALITY SECTOR



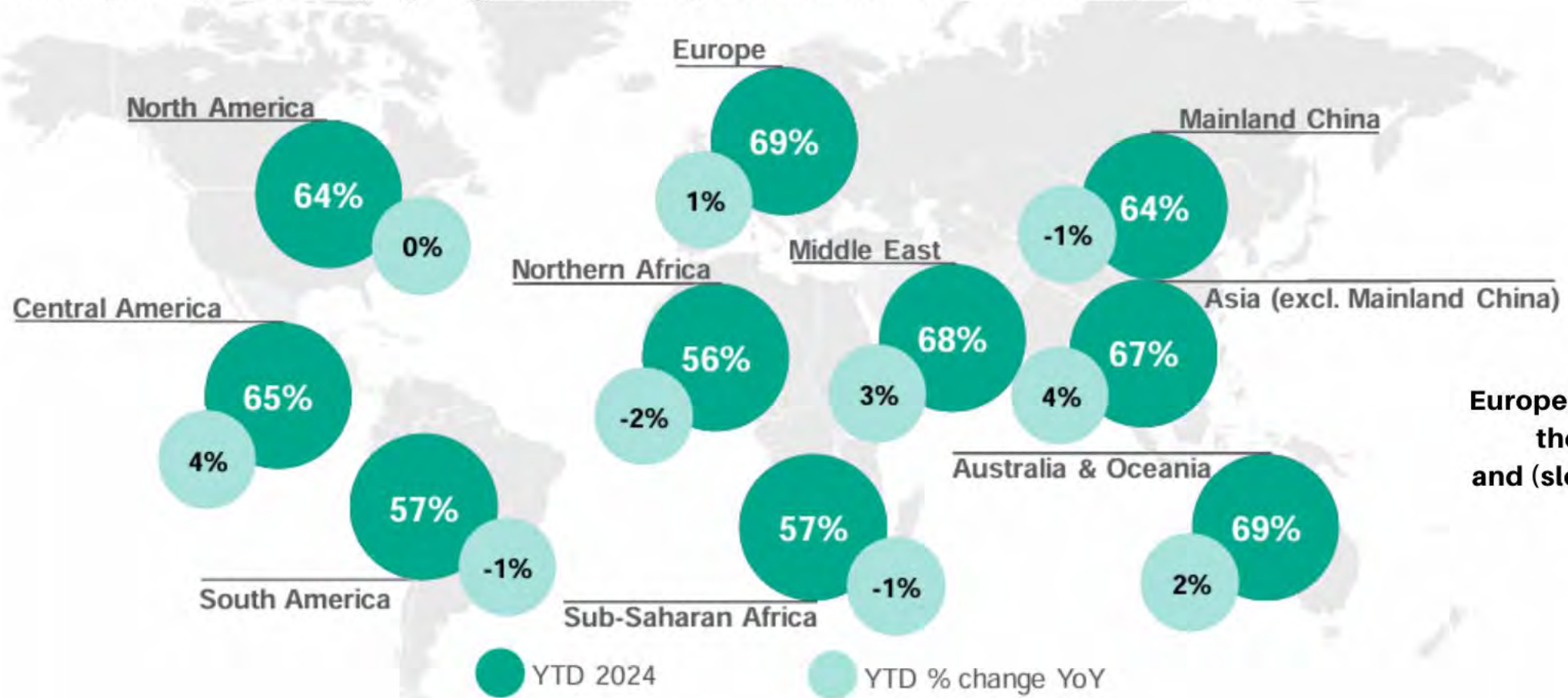
**Demand: recovered Global demand indexed to 2019, Jan 2022 - Jul 2024**



# WORLDWIDE HOSPITALITY SECTOR

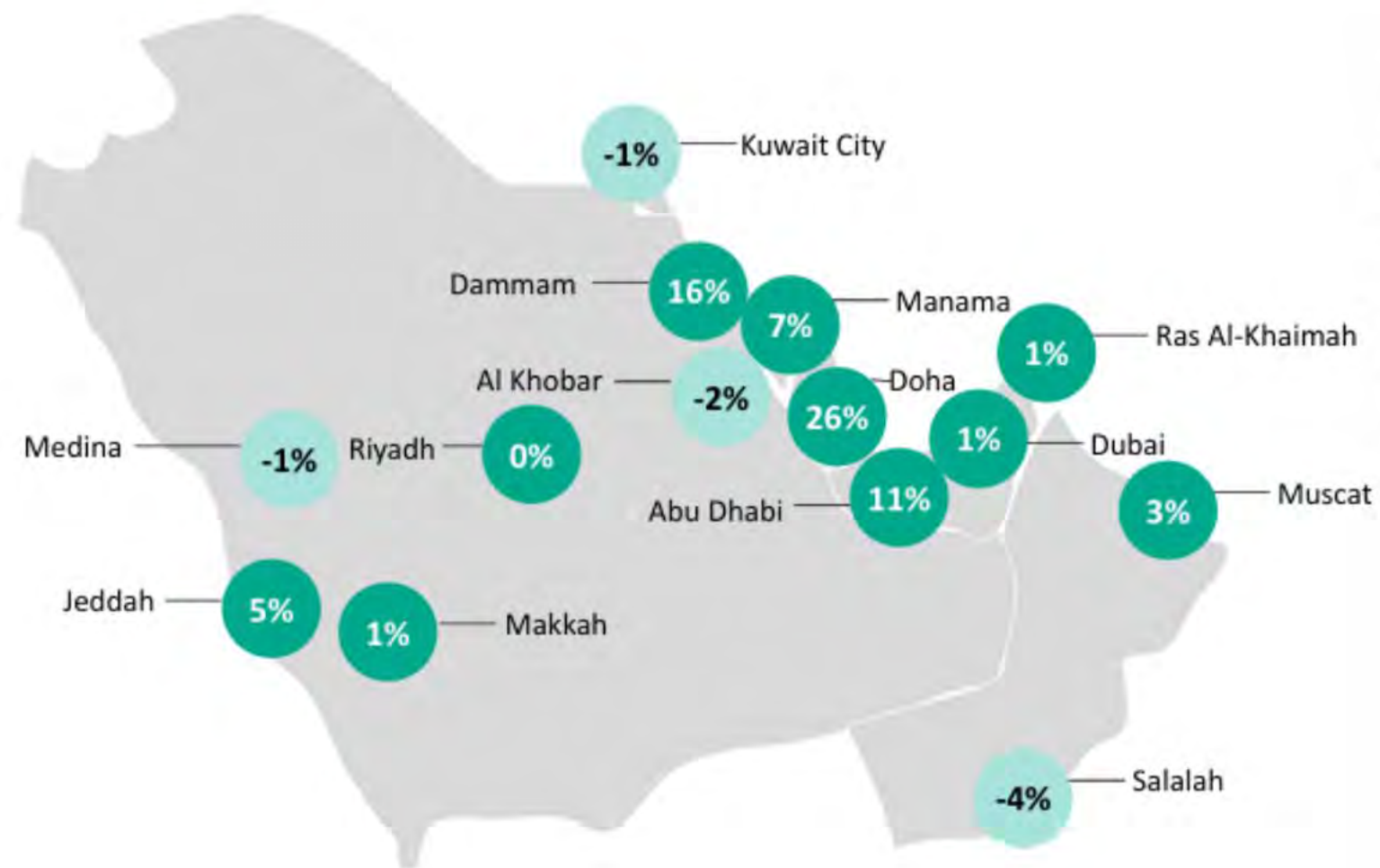


Occupancy recovery by region Occ ,July YTD 2024 and YTD % change to 2019



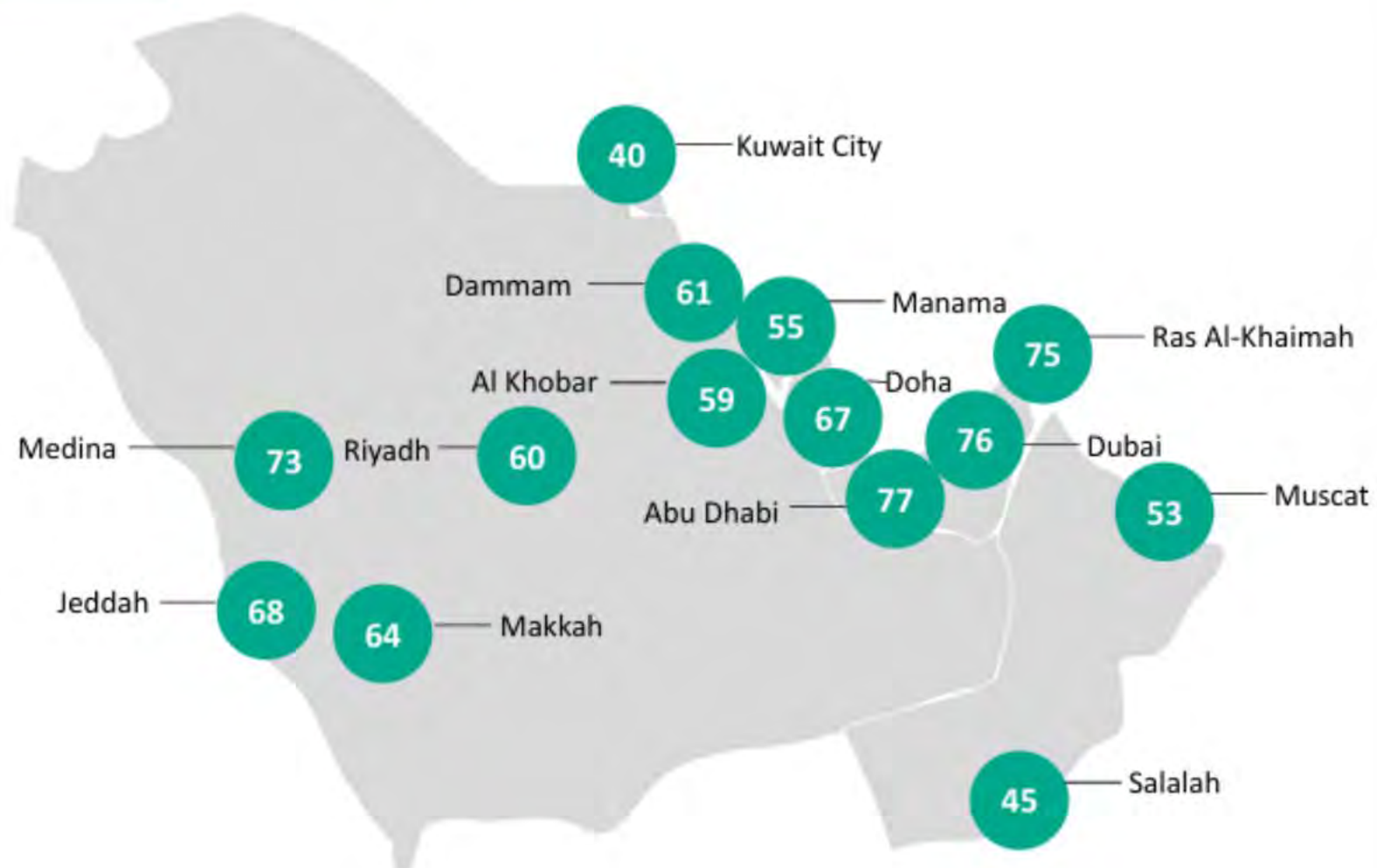
European occupancy the highest, and (slowly) growing.

# WORLDWIDE HOSPITALITY SECTOR



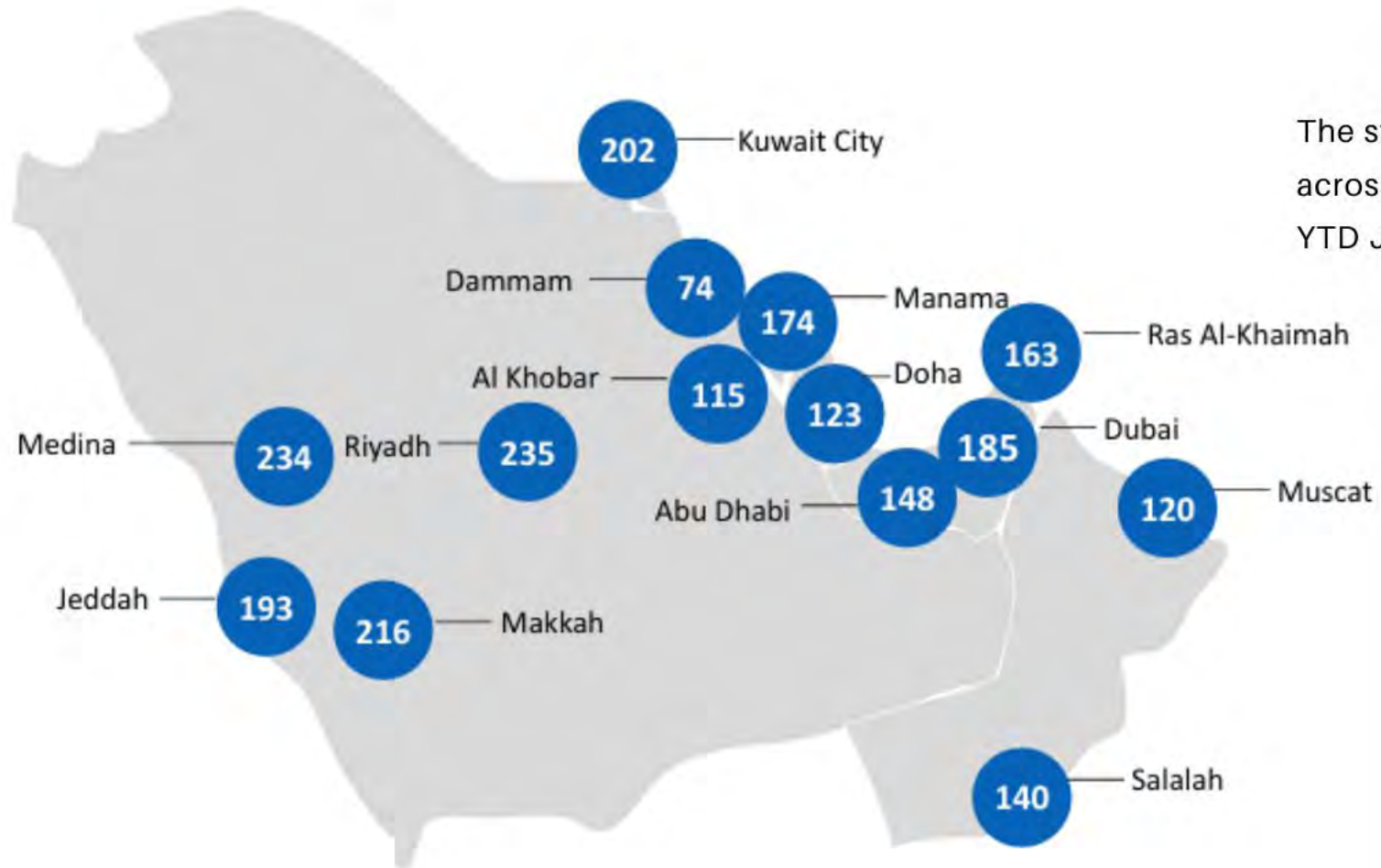
As demand outpaces supply, occupancies continue to rise  
Occupancy % change, YTD Jul 2024

# WORLDWIDE HOSPITALITY SECTOR



UAE occupancies lead the way across the GCC Occupancy %, YTD Jul 2024

# WORLDWIDE HOSPITALITY SECTOR



The strongest rates clearly across KSA ADR (USD), YTD Jul 2024

# KUWAIT HOSPITALITY SECTOR



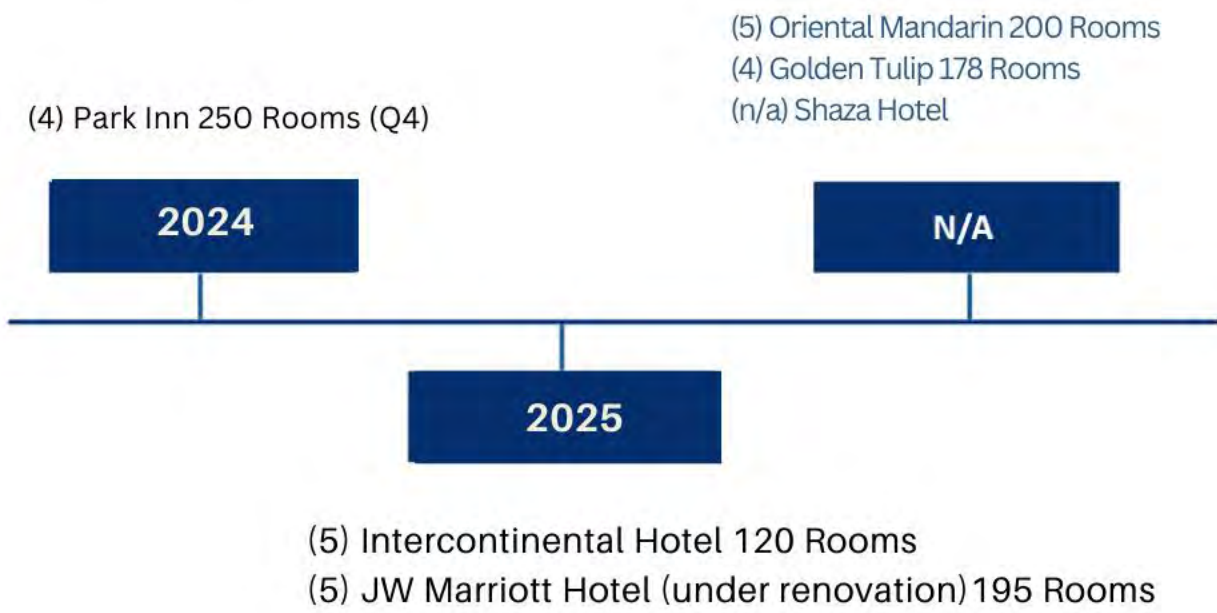
## KUWAIT HOTELS INVENTORY (60 HOTELS & 9,445 ROOMS)

5 Stars Hotels		Rooms	4 Stars Hotels		Rooms	3 Stars Hotels		Rooms
Crowne Plaza Al Thuraya		207	Courtyard by Marriott		264	Residence Inn by Marriott		135
Hilton Kuwait Resort		350	Movenpick Hotel Free Trade Zone		100	Ibis Salmiya		187
Radisson Blu		190	Four Points by Sheraton		406	Ibis Sharq		160
The Regency		203	Holiday Inn Al Thuraya		336	Oasis Hotel		66
Sheraton		150	Holiday Inn Salmiya		189	Le Royal Express Salmiya		60
St. Regis		135	The Convention Center & Royal Suites		54	Le Royal Express Sharq		48
Movenpick Hotel & Resort Al Bidaa		295	Costa Del Sol		96	Safir Airport		175
Marina Hotel		91	Le Royal Bneid Al Gar		76	Le Jazz		74
Hyatt Regency Al kout mall		190	Millennium Central Downtown		169	Palazzo Hotel		68
Four Seasons		284	Copthorne Al Jahra Hotel & Resort		261	Ramada Encore Kuwait Downtown		91
Safir Fintas		150	Grand Majestic Hotel		187	Dalal City Hotel		34
Symphony Style		175	Hilton Garden Inn The Avenues		385	Salmiya Grand Hotel		42
Jumeirah Messilah Beach		405	Al Hamra		96	Argan Albidaa Hotel & Resort		109
Millennium Hotel & Convention Center		295	Swiss BelBoutique		63	The Rester Hotel		64
Sea Shell Julaila		300	Best Western Salmiya		86	Divona Hotel		36
Grand Hyatt		302	Best Western Mahboula		96	Ramada Hotel Riggae		112
Waldorf Astoria		200	City Tower		131	Wahaj Boulevard hotel		80
Arabella Beach Hotel Vignette Collection		195	Adams Hotel Kuwait City		60	Hamton by Hilton		110
			Al Kout Beach Hotel		173	Riggae Tower Hotel		90
			City View		60	Panorama Hotel		90
			Kuwait Continental Hotel		64			
			Grand Hotel		145			
<b>Total 18 Hotels</b>		<b>4,117</b>	<b>Total 22 Hotels</b>		<b>3,497</b>	<b>Total 20 Hotels</b>		<b>1,831</b>



# KUWAIT HOSPITALITY SECTOR

## FUTURE HOTEL OPENINGS











# KUWAIT HOSPITALITY SECTOR

## KUWAIT PRE & POST VIRUS COMPARISON

Year	1 Rooms Supply	2 Rooms Demand	3 Occ%	4 ADR	Revenue
2019	2,1 mil	1.1 mil	51%	63	69.8 mil
2020	2,0 mil	0,5 mil	26%	66	34,0 mil
2021	3,0 mil	0,8 mil	29%	67	59,0 mil
2022	3,3 mil	1.2 mil	38%	63	80.4 mil
2023	3,5 mil	1.5 mil	41.4%	59	86.4 mil

# KUWAIT HOSPITALITY SECTOR

GCC RESULTS JULY YTD 2024 VS SAME RANGE 2023

GCC Countries	Occupancy%			ADR			RevPAR		
	2024	2023	%	2024	2023	%	2024	2023	%
 Oman	50.0	48.8	2.4	41.40	42.31	-2.1	20.70	20.65	0.2
 UAE	76.0	74.3	2.2	53.07	50.40	5.3	40.33	37.47	7.6
 Bahrain	53.8	50.7	6.2	56.02	54.68	2.4	30.13	27.70	8.8
 Saudi Arabia	62.6	62.5	0.1	64.08	61.86	3.6	40.11	38.68	3.7
 Qatar	67.2	53.1	26.5	37.74	35.35	6.7	25.36	18.78	35.0
 Kuwait	40.9	41.7	-1.9	61.37	61.16	0.3	25.09	25.50	-1.6

# S.W.O.T. ANALYSIS

## KUWAIT THREE YEARS BUSINESS OUTLOOK



### STRENGTHS

- Financial Reserves: Large sovereign wealth fund
- Strategic Location: Key trade hub in the Gulf region
- Oil Wealth: Major global oil producer
- Political Stability: Stable governance with democratic elements

### WEAKNESSES

- Oil Dependency: Vulnerable to oil price fluctuations (
- Slow Reforms: Bureaucratic obstacles to business development
- Labor Market: Limited participation of nationals in certain sectors, alongside skill gaps in key industries, presents challenges for labor market development

### OPPORTUNITIES

- Economic Diversification: "New Kuwait 2035" plan drives growth in non-oil sectors
- Infrastructure: Significant infrastructure projects underway
- Renewable Energy: Expanding renewable energy investments

### THREATS

- Oil Price Volatility: Global oil price fluctuations impact revenue
- Regional Tensions: Geopolitical risks in the Middle East
- Global Economic Slowdown: Recession risks could affect investment

# KUWAIT THREE YEARS SCENARIOS - Occupancy Forecast

- As of 2023, Kuwait Hotels have exceeded previous 2019 levels by 30% however due to higher supply Occ% shows it is behind.
- Kuwait has followed recovery of Scenarios 2 in 2023 while it is likely to continue with Scenario 2 in 2024
- Forecast for Kuwait Market- Occupancy % includes 5,4 & 3 Hotel Stars

## SCENARIO 1 :

High Opportunities & Strengths

## SCENARIO 2:

Similar to today's performance

## SCENARIO 3:

Weaknesses & Threats

# KUWAIT THREE YEARS SCENARIOS - Occupancy Forecast

## SCENARIO 1 :

### IN TERMS OF OCCUPANCY :

- 2020: Occupancy dropped to 25% with a 52% decline in demand.
- 2022: Demand rebounded with a 67% increase, pushing occupancy to 38%.
- 2027: Occupancy is forecasted to reach 60%, with a 13% rise in demand.
- These figures show a steady recovery but at a slower pace, driven by existing market conditions and limited external improvements. Scenario 2 follows a more conservative outlook compared to Scenario 1, focusing on gradual growth without significant market changes or enhancements.

### Kuwait Hotels Occupancy % by Year & Compare to previous Years Variance %



Forecast for Kuwait Market- Occupancy % includes 5,4 & 3 Stars Hotel

# KUWAIT THREE YEARS SCENARIOS - Occupancy Forecast

## SCENARIO 2 :

### IN TERMS OF OCCUPANCY :

From 2024 to 2027, Scenario 2 shows steady but moderate growth:

- 2024: Occupancy stabilizes at 42%
- 2025: Occupancy stays at 42%, with a 5% rise in demand.
- 2026: Occupancy reaches 45%, while demand grows by 10%.
- 2027: Occupancy improves to 47%, with a 10% increase in demand.

This period highlights gradual improvements in both occupancy and demand, reflecting a slow recovery but without major market changes.

### Kuwait Hotels Occupancy % by Year & Compare to previous Years Variance %



Forecast for Kuwait Market- Occupancy % includes 5,4 & 3 Stars Hotel

# KUWAIT THREE YEARS SCENARIOS - Occupancy Forecast

## SCENARIO 3 :

### IN TERMS OF OCCUPANCY :

- Scenario 3 reflects a situation driven by weaknesses and threats, showing a slower recovery with potential downturns:
- 2020: Occupancy dropped to 25% with a sharp 52% decline in demand.
- 2022: Occupancy improved to 38%, with demand increasing by 67%.
- 2027: Occupancy is projected to stagnate at 25%, with a 29% decline in demand.
- This scenario highlights the impact of existing market threats and weaknesses, with limited growth and even potential declines by 2027. The market faces challenges, such as slower recovery and shrinking demand in the later years.
- 

### Kuwait Hotels Occupancy % by Year & Compare to previous Years Variance %



# CONCLUSION

## Project Awards & Infrastructure Development

According to the National Bank of Kuwait (NBK), project awards in Kuwait surged by 444% in Q2 2024, reaching KD 688 million (\$2.25 billion). This growth was primarily driven by investments in infrastructure and electricity sectors. Key projects include developments in South Sabah Al Ahmad and affordable housing in Al Nayeem. Additionally, future projects in the power sector, such as the Al-Zour IWPP Phases 2 & 3 and the Al-Khairan IWPP, are expected to drive further growth

## Non-Oil Revenue & Inflation

Kuwait's non-oil revenue share is projected to rise to 13% in 2024/2025, from 11.8% the previous fiscal year, showcasing the country's incremental shift towards diversification. Inflation reached 3.4% in 2024, driven by significant price increases in Clothing & Footwear (+6.7%) and Food & Beverages (+4.7%). Rising rental costs, as landlords look to offset higher construction costs, further contributed to the inflationary pressures.

## Tourism Recovery

Following a robust rebound in 2023, international tourism is expected to fully recover to pre-pandemic levels by 2024, with a 2% increase in tourist arrivals compared to 2019. This recovery is bolstered by pent-up demand, increased air connectivity, and stronger recoveries in Asian markets. However, economic and geopolitical challenges continue to pose risks to sustained growth in global tourism.

## Kuwait Hospitality

According to STR Kuwait City continues to perform as anticipated with 2024 July YTD occupancy of 40% at a flat growth compared to same time last year. Despite being lower than the GCC average Kuwait displays significant rate resilience showcasing an ADR of 202 USD, ranking fourth behind Riyadh, Medina and Makkah so far into the year. With limited pipeline of just one hotel under construction and being delivered in 2025 the expectation is for stable market conditions to continue without significant changes in historical performance trends.

As per Scenario 2 KHOA forecast no changes from current situation a conservative recovery, it expects moderate but steady improvements YoY, driven by Kuwait's small government initiative and projects ongoing, supported by a stable ADR. International factors will play a limited role in recovery, with a significant turnaround expected only by 2025-2026.





Kuwait  
Hotel  
Owners  
Association

We thank you for your continued support to  
Kuwait Hotel Owners Association.

## CONTACT



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