

bonds

The Central Bank of Kuwait (CBK) announced the most recent issues of CBK Bonds and related Tawarruq at a total value of KWD (240) million for (3) months with Rate of Return (4.375%).

Gulf bonds, sukuks surge by 33% in Q1/24

The report by the Kuwait Financial Center "Markaz" highlights a significant increase in the total initial issuances of Gulf bonds and sukuks during the first quarter of 2024 compared to the same period in 2023. The total value reached \$37.7 billion, marking a 33% increase, with a total of 77 issues compared to 68 in the first quarter of 2023, reports Al-Qabas daily. Saudi Arabia led in the total value of initial issuances, accounting for 62%

with \$23.2 billion, followed by the UAE with 16% (\$6.2 billion), Qatar with 11% (\$4.2 billion), Bahrain with 5% (\$2 billion), and Oman with 3% (\$1.3 billion). Kuwait recorded one issuance totaling \$1 billion. Sovereign issuances represented 48% of the total value, amounting to \$18.1 billion, a 57.2% increase from the first quarter of 2023. Meanwhile, Gulf companies' issuances reached \$19.6 billion, a 16.3% increase.

banking sector dominates foreign ownership

According to the Al-Shall weekly report, foreign ownership in companies listed on the Kuwait Stock Exchange's Premier Market is notably concentrated in certain sectors, reports Al-Qabas daily. The banking sector, for instance, holds the lion's share, accounting for approximately 74.5% of foreign ownership, with seven other companies in various sectors collectively holding about 20%. Notably, the GFH

Group, a Bahraini company listed on the Kuwait Stock Exchange, is considered an exception as Bahrainis are not classified as foreigners in this context. The total value of foreign ownership in the first market stands at about 5.14 billion dinars, representing approximately 14.7% of the market's total value. Excluding the GFH Group, foreign ownership decreases to around 4.87 billion dinars. Beyond the banking

sector, notable foreign ownerships are concentrated in six other primary market companies. Zain stands out with a significant absolute contribution from foreign ownership, amounting to approximately 308.7 million dinars, representing 14.6% of its shares. Human Soft leads in relative ownership with about 38.8% of its shares, while ranking second in absolute value with ownership of approximately 151.5 million dinars.

Market Movements 20-05-2024

	Change	Closing pts		Change	Closing pts
JAPAN - Nikkei 225	+282.30	39,069.68	SAUDI - TASI	-73.02	12,125.36
PHILIPPINES - PSEI	+64.09	6,682.78	DUBAI - DFMGI	-1.03	4,067.20
			EGYPT - EGX 30	-86.98	27,228.85
			PAKISTAN - KSE 100	-258.56	75,067.31

Business

Academy reflects NBK's vision of fostering sustainable human capital as key strategic objective

National Bank of Kuwait Academy welcomes 29th wave of trainees

KUWAIT CITY, May 20: In line with its strategy to attract high-caliber national talent from Kuwaiti fresh university graduates and offer them suitable job opportunities, National Bank of Kuwait (NBK) welcomed the 29th wave of newly hired employees to its annual NBK Academy program especially designed for developing Kuwaiti fresh graduates.

The Opening ceremony was attended by Mr. Mohamed Al-Othman, CEO - Consumer and Digital Banking Group at National Bank of Kuwait, Mr. Mohammad Al-Kharafi, COO - Head of Group Operations and Information Technology, Mr. Ahmed Bourisly, GM - Corporate Banking Group, along with a number of executive managers and officials from Talent Management Department.

The program will run for 7 months, from May to November 2024, during which the trainees will receive intensive training on technological, behavioral and other skills that allow them to build a thriving career at NBK.

It also covers various aspects of the banking business including key banking principles, risk management, financial accounting, marketing, negotiation, as well as training on creativity, innovation and design thinking, increasing productivity. Following that, the trainees will receive intensified training on branch work mechanism for 5 weeks be-



Najla Al Sager

Najla Al-Sager: NBK Academy aims to prepare highly qualified leaders across all banking disciplines

fore having on-site training at NBK branches for 1 month.

At the final part of the program, the trainees will be familiarized with all NBK groups and departments through on-site visits to gain better understanding of the banking sector.

The participants will also present new ideas to the heads of different departments through the "Innovation Challenge" program, which aims to stimulate trainees' creativity and



NBK Academy

introducing innovative solutions for the various training aspects covered in the Academy.

NBK Academy boasts a long record of success for 16 years. The program was specially designed for Kuwaiti fresh university graduates who successfully meet the admission criteria. It also hosts internationally accredited trainers to enable employees acquire specialized banking skills.

Commenting on this, Najla Al-

Sager, Head of Talent Management, Group Human Resources at National Bank of Kuwait, said, "At NBK, we always seek to offer suitable job opportunities for Kuwaiti fresh graduates by attracting, developing and upskilling them to become and paving their way to start a thriving career based on solid foundations, thus creating added value to the banking sector in the future."

"The Academy reflects NBK's vision of fostering sustainable human

capital as a key strategic objective and joint responsibility between the government's different entities and the private sector," she added.

"NBK Academy's objective is to prepare highly skilled young Kuwait banking leaders in all the banking disciplines. This resonates with our ambitious plans to build a sustainable future, continuous elevation of service levels, and achieving steady business growth and expansion both locally and regionally," she noted.

NBK Academy is an award-winning program which has received 3 awards from prestigious organizations over the past 3 years. The Academy was launched in 2008 with the aim of paving the way for Kuwaiti fresh university graduates to join the banking sector. It provides the trainees with the best-in-class training programs developed in cooperation with leading international institutions and universities to meet the demands of the labor market.

GCC sovereign wealth funds reach record \$4.1 tln in 2023

Dubai sees 80% surge in millionaires over decade

KUWAIT CITY, May 20: The Gulf region stands as the epicenter of the world's largest pool of sovereign wealth fund capital, boasting assets held by the 19 sovereign wealth funds of the Gulf Cooperation Council (GCC) that soared to a historic peak of \$4.1 trillion by the conclusion of 2023, reports Al-Qabas daily.

Projections suggest this figure could escalate to a staggering \$7.6 trillion by 2030, according to certain expectations.

A recent report from Al-Monitor underscores the concerted efforts of the global finance industry to bolster its presence in the Gulf region, drawn by the proximity to trillions of dollars in sovereign wealth. Concurrently, the Dubai International Financial Center anticipates 2024 to be its busiest year yet, actively enticing more companies to relocate segments of their operations to the region.

To augment their appeal as emerging centers of wealth, Gulf countries can leverage the depth of their local capital. Recent reports on the wealthiest cities in 2024 revealed a notable 80% surge in millionaires in Dubai from 2013 to 2023, solidifying its position atop the list while designating several other Gulf cities as "rising wealth magnets of the future."

However, the wealth profile in the Gulf region still lags behind leading global wealth centers. Credit Suisse estimates the total wealth of households in the United States at

about \$151 trillion, \$104 trillion in Europe, and \$84 trillion in China, significantly eclipsing per capita wealth in the Gulf countries, which remains lower than North America and Europe.

The real estate sector emerges as a pivotal repository of Gulf families' wealth while attracting international capital, notably in Dubai and Abu Dhabi. Foreign ownership of real estate has been encouraged in many areas, known as freehold ownership, attracting significant interest, particularly following the Russo-Ukrainian War, which prompted a surge in demand. Dubai recorded 118,993 residential transactions in 2023, marking a substantial 29.6% increase from 2022.

In a bid to elevate the region as a rising center for global wealth, the next strategic move for Gulf states involves opening their economies and major assets to foreign investors. Attention is focused on the much-anticipated IPO of Etihad Airways, which witnessed a 41% year-on-year increase in passenger numbers in the first quarter of 2024. The IPO of Etihad Airways would garner global attention, offering international investors access to the profits of Gulf airlines and their dominance on the Asian-European route.

The momentum of public offerings in the Gulf region extends beyond the UAE, with nearly 70% of the 138 initial public offerings of Gulf state companies between 2018 and 2023 occurring on the Saudi Tadawul. Booming stock market activities have attracted foreign inflows, with Saudi Arabia aiming to achieve 25% foreign ownership by 2020. While falling short of this goal, foreign ownership has steadily risen, reaching 11.6% by May 2024.

Kuwait Oil Company and Ministry ink deal to integrate solar energy into national grid

KUWAIT CITY, May 20: The Kuwait Oil Company has inked a memorandum of understanding with the Ministry of Electricity, Water, and Renewable Energy to integrate renewable energy plants into the national electricity grid, reports Al-Jarida daily.

The aim is to generate one gigawatt of electricity from solar energy to power the company's facilities. This collaboration involves establishing a joint working group to devise strategies for energy transformation and achieving carbon neutrality by 2050.

The focus is on coordinating efforts and overcoming obstacles hindering the implementation of renewable energy projects.

Experts view this memorandum as a significant stride towards fulfilling the state's objective of attaining a renewable energy production rate of approximately 15% by 2030.

They emphasize that this endeavor is not solely the responsibility of the Ministry of Electricity but also entails active participation from the oil sector.

Given that the oil sector is a major energy consumer, accounting for over 10% of total electrical energy consumption, its involvement in energy production can alleviate the burden on the electricity sector while mitigating environmental impact by reducing emissions from traditional fuel combustion.

The move towards solar energy production is deemed highly suitable for Kuwait despite facing challenges such as prolonged dust seasons. Experts advocate for establishing partnerships with leading solar energy institutions to tailor technologies to Kuwait's climatic conditions.

While acknowledging the efficacy of solar energy in moderate conditions, they underscore the need for heat-resistant panels and increased panel area to withstand Kuwait's hot, dusty environment. However, they caution that implement-

ing such technologies incurs significant costs, posing economic feasibility challenges.

Reflecting on past renewable energy projects like the Dabdaba project, experts criticize the lack of learning from previous experiences and emphasize the importance of aligning energy projects with national goals and environmental realities. They assert that the primary objective of renewable energy initiatives should be economic feasibility rather than geopolitical motives or meeting international agreements.

Former officials from the Ministry of Electricity and Water stress the benefits of the oil sector's involvement in renewable energy projects, highlighting the potential to reduce state support for the electricity sector and mitigate environmental impact.

They note that the direct integration of renewable energy sources into oil company facilities can alleviate strain on the national grid.

Oil experts emphasize Kuwait's ambition to achieve carbon neutrality by 2050 and underscore the urgent need for concerted efforts to transition to renewable energy sources.

Despite Kuwait's abundant solar potential, the country lags in global energy indicators, necessitating a reevaluation of current strategies to ensure future energy security and environmental sustainability.

Academics advocate for clear goals and mechanisms for purchasing clean energy from the private sector to encourage investment in renewable energy infrastructure.

They emphasize the importance of creating opportunities for investors in renewable energy projects and call for strategic partnerships between the government and private sector to expedite progress towards national renewable energy targets.



Photo during the event

Corporate tie-ups & member benefits highlighted by KCICAI

KCICAI hosts insightful CPE event on Kuwait and GCC economic landscape

KUWAIT CITY, May 20: The Kuwait Chapter of The Institute of Chartered Accountants of India (KCICAI) hosted a captivating Continuing Professional Education (CPE) event focused on the economic landscape of Kuwait and the wider Gulf Cooperation Council (GCC) region. The event was held at the prestigious Jumeirah Messilah Beach Hotel, Kuwait. The event garnered significant attention from industry professionals and stakeholders alike.

The keynote address was delivered by Mr. Daniel Kaye, Group Chief Economist of the Economic Research Group at the National Bank of Kuwait. With a wealth of experience and expertise in macroeconomic analysis, Mr. Kaye provided invaluable insights into the global and regional economic dynamics shaping the future of Kuwait and the GCC.

The event commenced with opening remarks by CA Andaleeb Girkar, setting the stage for a comprehensive exploration of the factors influencing the economic trajectory of the region. CA Rabin Gonsalves, Chairperson of KCICAI, emphasized the significance of the Kuwait and GCC economic outlook, underscoring its impact on residents and businesses in the region. He expressed gratitude to the attendees for their participation and highlighted the importance of staying abreast of economic developments in a rapidly evolving landscape. He highlighted the rarity of such events post-pandemic, and emphasized the challenges in accessing accurate economic data in the region.

CA Sweta Chipra, took over as meeting coordinator, introduced Mr. Daniel Kaye, acknowledging his accomplishments in the field of economic research. Mr. Kaye delved into a detailed analysis of the global economic outlook and Oil prices, providing nuanced perspectives on key economic indicators and trends. He highlighted

the resilience of the US economy, the challenges facing Europe, and the evolving dynamics in China and Japan. Additionally, Mr. Kaye offered insights into the outlook for oil prices, emphasizing the importance of geopolitical factors and supply-demand dynamics.

The session also featured comprehensive highlights of GCC countries' economic prospects, including Saudi Arabia, UAE, Qatar, Oman, and Bahrain. Each country's unique opportunities and challenges were examined, providing a holistic understanding of the regional economic landscape.

Turning the focus to Kuwait, Mr. Kaye outlined the country's economic outlook, noting the subdued growth post-pandemic and the challenges posed by its reliance on the oil sector. Structural challenges such as low GDP growth, limited economic diversification, and low investment were discussed, along with potential strategies to address them in alignment with Kuwait's Vision 2035.

The vote of thanks was proposed by KCICAI Vice Chairperson, CA Aditya Dhanuka. He expressed gratitude to Mr. Daniel Kaye for his enlightening presentation, the attendees and the annual sponsors Al Mulla Exchange and NBK for their unwavering support. He also thanked KCICAI's media partners for their extensive coverage of the events. The event was conceptualized, structured and executed under the leadership of Executive Committee member and CPE lead CA Venkata Raman.

The event concluded with an emphasis on the benefits available to KCICAI members through corporate tie-ups with Al Rifai, Crowne Plaza, Metro Medical, Jazeera Airways, Mugal Mahal & Pokiddo, highlighting the chapter's commitment to enhancing member value and fostering professional development.

For more information about KCICAI and upcoming events, please visit icaikw.org.