A Decade of Vision Kuwait 2035’s Framework and Projects

Vision Kuwait 2035, its mid-range plans and annual project developments, has reached its 10 year mark in 2020. The decade of planned development, seeking to propel the State of Kuwait into a regional centre for trade and finance, was not without obstacles, from costs to project selection and feasibility. In fact, what can be seriously analysed as a development plan, only commenced in 2017, with a revival of the vision under a new slogan, “New Kuwait”. This research assesses the feasibility of the vision by exploring the current Vision 2035’s framework as well as the various projects in progress today. Two main conclusions are drawn. First, although the vision has a sound framework which is wide-ranging in scope, the degree of development outlined would require significant organisation and training for local institutions to be successfully implemented. Second, there is evidence of inconsistencies in the projects and development plans, placing the long-term vision’s credibility at risk.

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Introduction

Vision Kuwait 2035, first launched in 2010, aimed to establish Kuwait as a strategic, regional center for trade and finance. An ambitious and costly set of project-based initiatives, the long-term vision was not well received and fell short of its initial aspirations to join the top 25 percent of countries across evaluating indicators. Nevertheless, in 2017, the Kuwait government alongside the General Secretariat for the Supreme Council for Planning and Development (GS-SCPD) decided to revive Vision 2035 under a different advertised title: “New Kuwait”.

The long-term vision is comprised of five quinquennial development plans. The first plan identified 884 projects with an initial budgeted cost of 5bn KD for the first year. This enormous plan and cost saw pushback and was eventually scaled down to 135 projects at 2bn KD by 2020/21. Meanwhile, research by the Shuwaikh Economic Office has demonstrated Kuwait’s difficulty in successfully implementing national development plans in the past (Al Jalal, 2021). Consequently, this raises the question: how practical is Vision 2035 for Kuwait?

This research takes a closer look at the evolving framework for Vision 2035 and studies the various strategic projects which make up the development plans. It concludes that although the vision is dynamic and comprehensive in nature, the scope of the development plans may be considered wide-ranging and complex for the local institutional environment. Also, inconsistencies found in project selection and progress pose a risk to the credibility of the development plan and consequently the vision.

Framework

From Vision to Projects

Law 60 of 1986, a significant year in Kuwait’s development planning history, concerning socio-economic planning stipulates that the government prepare detailed annual plans, segmented from medium and long-term plans, with periodical goals and policies to achieve. This law is the foundation for development planning frameworks which remain to present day.

On the 26th of May in 2010, the Supreme Council for Planning and Development published a 408-page document of the projects that fall under the annual development plan for 2010/11. This project-intensive plan, first of its kind in Kuwait, was structured as follows: long-term vision, medium-term plans, annual plans, interim policies and goals, and projects by appropriate institution. The three key themes for development centered around (i) the economy, (ii) human and society, and (iii) administration, planning, and statistics. More notably, it is difficult to consider the period between 2010 and 2017 as having any medium-term development plan. It is only half-way, during the proposed 2nd development plan, that efforts for reviving the national vision are seriously reinstated. Today, in 2020, the third of 5 quinquennial development plans, a medium-term plan for enabling and promoting the private sector acts as the focus. This section will explore the nature of planning, assessing, and implementing development projects under Vision 2035 “New Kuwait”.

Since inception in 2010, development plans under the vision have followed a multi-layered, coordinated effort of project-based initiatives. More specifically, its framework is based on a bottom-up approach, whereby projects are proposed and implemented by ministries which follow direction from a wider set of indicators. Figure 1 emphasises this relationship between the vision and the various projects. In fact, the framework is guided by the vision statement, which covers all pillars of development from a sustainable economy to high quality healthcare and quality infrastructure. Meanwhile, governance is structured as a coordinated effort of inter-institution collaboration and steered by supervisory committees. This supervisory effort is predominantly led by the GS-SCPD and the Vision Realization Committee (VRC).

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1 Vision Kuwait 2035: “[To] transform Kuwait into a financial and trade center, attractive to investors, where the private sector leads the economy, creating competition and promoting production efficiency, under the umbrella of enabling government institutions, which accentuates values, safeguards social identify, and achieve human resource development as well as balanced development, providing adequate infrastructure, advanced legislation and inspiring business environment.”
**Evolving structure**

The dynamic nature of a project and indicator-based development plan can also be a source of the flexible nature of the vision’s framework. Based on an in-depth review of 16 development plans and reports since 2010, there appears to be at least 6 instances of a change in framework. These changes include theme descriptions, areas of focus, degree of detail, and especially program and project categorisation. It has been increasingly difficult to track project performance year-on-year when project titles change and annual plans are formatted differently. Although the first and second national development plans did not succeed in implementation, records reveal that projects progressed. This stresses the criticality of the plan transforming from its intended vision to a loose grouping of project-based initiatives.
Meanwhile, development plans are accompanied by a set of legal proposals. In other words, plans and projects must work in harmony with the legislative branch of government and under Vision 2035. For example, a law project for consolidated tax systems is drafted for 2020/21. Meanwhile, the term of annual plans are in-line with the fiscal year. This is primarily due to the financing strategy for projects, most of which are incorporated into the respective institutions’ annual budget. More specifically, there are three ways of financing development projects: budgets inclusive of the ministry’s annual budget, public-private partnerships, or foreign investment. In fact, international partnerships are a core focus for Kuwait’s Vision 2035. For example, pillars and programs of the plans are matched with the UN’s Sustainable Development Goals and are outlined in the 2020/21 plan. The World Bank and IMF, among other international agencies, also play a vital role in training and supporting local institutions in implementing projects. Additionally, the World Economic Forum (WEF), an international agency which assesses and ranks global competitiveness levels, sees its indices act as a primary measure for assessing Vision 2035 plan performance.

**Indicator-based measure**

One feature of the framework which has remained consistent since the launch of Vision 2035 is the incorporation of an index-based measure of performance. As illustrated in Figure 1, the intersection between various pillars and themes settles on a set of indices made up of sub-indicators. Subsequently, indicator scores are utilised as a quantitative measure for both identifying and measuring areas for improvement. These areas, known as strategic directions, are then grouped into programs for the development of projects at the ministry-level.

The indices used are measured and published by the WEF in its annual Global Competitiveness Report. The WEF describes economic competitiveness as “the set of institutions, policies and factors that determine the level of productivity of a country” (World Economic Forum, 2021). Moreover, the scores given stem from quantitative reviews completed by international agencies, including the IMF and WHO, among other experts’ qualitative assessments. Vision 2035’s aim is to reach the top 30th percentile on global indicators by 2025 and top 20th percentile by 2035 (New Kuwait, 2021). Figure 2 depicts how Kuwait’s competitiveness ranking progresses over the last 15 years. Prominently, in the 5 years prior to the launch of Vision 2035, the average ranking placed Kuwait in the top 31% of total countries in terms of productivity. While, at the turn of the decade, the following five years would see that average raise Kuwait’s ranking to the top 25% across all countries, only to fall to the top 38%-39% during the revival of the vision in 2017/18.

![Figure 2](image_url)

**Kuwait’s Global Competitiveness (Percentile)**

**Notes.** Percentile represents the score of Kuwait compared to all countries ranked by the World Economic Forum. For example, in 2019, Kuwait ranked in the top 33% of countries across all competitive indicators.

The use of indices, has been cited as a key tool in combating corruption during the development phase. This can been attributed to both the global relevancy of the indicators as well as their quantitative and comprehensive nature. More so, the use of the WEF indicators as the only source of the vision’s project performance is justified due to the diversity of indicators used ranging from human capital to the ease of doing business. Nonetheless, it is significant to declare that the indicators are not specific to Kuwait or the region, and thus do not consider elements unique to the local environment. A prime example of this is the high dependency on a natural resource, oil, for all government activities and its influence on the local, social and economic environment. Another reason the WEF indicators may not be ideal for Kuwait’s development planning process is due to the immense scope for development. The framework and areas of focus is wide-ranging for a nation with an inconsistent planning history. Considering the bottom-up approach to project selection and implementation alongside the requirements for inter-institution cooperation and required capabilities, a 25-year visionary plan of 7 pillars, 5 themes, 100+ projects across all ministries is a feat of its own.

All in all, the framework for Vision 2035 cements the notion that it is a long-term, project-centered scheme reliant on a significant amount of cooperation and monitoring to accomplish. This vision, although facing pushback during the first 7 years, continued to progress with strategic projects and to advance into the third national development plan. Kuwait National Development Plan 3 would turn its focus to promoting private sector activities.

Projects in 2020/21

The core of the development plans are the projects. In 2017, a new framework for Vision 2035 “New Kuwait” presented a more condensed annual plan with the same project-based initiatives and a new 7-pillar area of focus. This would be followed by the 3rd National Development Plan commencing in 2020/21. For the purpose of this research, only the 3rd mid-range plan, focusing on enabling the private sector, will be studied (see Figure 3). In fact, in 2020/21 43 ministries and authorities identified 135 projects at a presumed budget of 2bn KD. Of the total project selection, there appears to be 5 strategic projects of focus. These projects include the Silk City & Islands development and accompanying projects as well as the Al-Zour refinery and Environmental fuel project, as efforts in diversifying the economic base. Notably, these strategic projects were also cited in the 2010/11 annual plan.

Strategic projects

Silk City (in cooperation with China’s BRI)

A strategic and popular project, under the umbrella of promoting Kuwait as a regional center for trade, is the Silk City development. It is characterised as a “multi-purpose” city encompassing a variety of commercial and residential areas covering an area of approximately 250 sq km, while accommodating between 500-700 thousand residents in the Subiyah area (New Kuwait, 2021). According to the 2020/21 development plan document, a key feature in the development of Silk City is the establishment of “a region with special laws and regulations that attract investment with an independent institutional structure that ensures the attraction of global investments with high added value and in a manner that encourages innovation while ensuring transparency in the management of financial resources” (p. 18). The development, in cooperation and advocated for by Chinese Development authorities, is part of China’s Belt and Road Initiative (BRI) to link the East with the West (Wu, 2015). More so, the project is unique in Vision 2035 as it is a cluster of various sub-projects which align to form this significant city. The total investment required for the development of Silk City is not published. Additionally, foreign investment is not clear.

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2 Evident also from quarterly reports, these projects are later reduced to 126 projects.
The Silk City development is predominantly supported by the Sheikh Jaber Al-Ahmad Al-Sabah bridge and islands. Forming the first phase of the Silk City project, the construction of the bridge achieves a reduction in the journey time between Silk City and Kuwait City by 66% (Dar, 2018). The bridge is estimated to have cost around 3bn KD and was completed in May of 2019 (See Annex 2).

The first phase of the Silk City development, also includes the construction of the Mubarak Al Kabir port. The port, located on Boubyan island, has an estimated development budget of 990mn KD and began planning in the early 2000s. Previously expected to be completed in 2014, the port is now anticipating completion by 2024 (HR Wallingford, 2021). The port’s relevance in global trade is first promoted with an agreement to cooperate with Pakistan’s Gwadar port, which is also part of the China-Pakistan economic corridor of the BRI. Meanwhile, with regards to TEU capacity, or annual cargo capacity, Mubarak Al Kabir port can welcome 8.1 million containers. On the other hand, Jebel Ali Port in Dubai, the busiest port in the region, seeks to receive up to 22.4 million TEU upon completion of its 4th terminal (Dubai Ports World, 2021). Nevertheless, it is important to recognise the geographical advantage of the Boubyan-based port in accessing trade with the Northern Arabian Gulf region (Iraq and Iran, predominantly).

3 From 70 mins to less than 30 mins.
4 Measured according to the dimensions of a 20 foot standardized shipping container.
Additionally, to support the nation’s efforts in promoting Silk City as an area for tourists, Terminal 2 of the Kuwait International Airport is currently under development and nearing completion with a target year of 2023. Designed by Foster + Partners, this landmark of a project will seek to increase passenger capacity to an estimated 25 million annually from the current 15 million. Comparatively, regional airports such as Dubai International welcomes 86.4 million passengers annually, while Hamad International Airport in Doha, Qatar has committed to increasing its capacity from 30 to 50 million passengers. In sum, the various projects outlined above join to form a special economic zone in the northern region of the country.

Al Zour Refinery & Environment fuel project
Alongside the key Silk City development projects, are the cost-intensive projects allocated for diversifying and generating a sustainable economy: the Al Zour refinery & Clean fuel project. More notably, the Al Zour refinery, upon completion, will become the largest refinery in the state. With regards to output, the objective of the refinery, as noted under New Kuwait’s pillar for a sustainable diversified economy, is to produce environmental fuel oil, particularly low sulfur fuel oil (LSFO) for local power plants. More specifically, the refinery will “provide a stable supply to power stations of about 225,000 barrels per day of environmental fuel oil, as well as produce approximately 340,000 barrels per day of high-quality petroleum products that meet the future specifications needed by global consumer markets” (New Kuwait, 2021). According to Fluor, an engineering, procurement and construction firm selected by the Kuwait Integrated Petroleum Industries Company (KIPIC), the refinery is designed to process 615,000 bpd of light Kuwait crude oil or 535,000 bpd of heavy mix Kuwait crude oil (2021). The large-scale development project will aim to offer up to 2,000 job opportunities and hold a total budget of 4.8bn KD with expected completion in 2022. Meanwhile, the Clean fuel project, which targets production increases of Mina Abdullah and Mina Ahmadi to 800 thousand bpd, maintains a budget of 4.6bn KD. This projects seeks to incorporate high quality petroleum derivatives to meet the demands for clean fuel (see Annex 6).

Recurring Challenges
Overall, the key challenges observed in past development plans include addressing the demographic balance, promoting a sense of ownership and productivity among Kuwait’s citizens, and diversifying sources of income. Based on the projects outlined above, both strategic or otherwise, in Vision 2035, there appears to be a disconnect between ambitious and overreaching projects compared with the required groundwork, educational training, and efficiency of existing institutional structures in Kuwait. The challenging goal to become a regional centre for trade and finance is similar to the fast-track efforts of development mirrored in neighbouring nations. In fact, as Kuwait begins to advance its development efforts for regional economic competitiveness, other nations in the Gulf are also well-underway in their respective “visions” for the future. In sum, the need to diversify income and promote private sector activity is reflected in Vision 2035. However, development would need to occur not only by projects such as building new cities but by modernising and refining its existing, local economic and social environment.

5 According to KNPC, the project’s clean products will conform to Euro-4 specifications to reduce the environmental impact.
References


New Kuwait, 2021.[online] Available at: https://www.newkuwait.gov.kw (accessed 15 August 2021)


Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BRI</td>
<td>Belt and Road Initiative</td>
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<tr>
<td>GS-SCPD</td>
<td>General Secretariat for the Supreme Council for Planning and Development</td>
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<tr>
<td>KIPIC</td>
<td>Kuwait Integrated Petroleum Industries Company</td>
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<tr>
<td>KNDP</td>
<td>Kuwait National Development Plan</td>
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<tr>
<td>LSFO</td>
<td>Low Sulfur Fuel Oil</td>
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<td>TEU</td>
<td>Twenty-foot Equivalent Unit</td>
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<td>VRC</td>
<td>Vision Realization Committee</td>
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<td>WEF</td>
<td>World Economic Forum</td>
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Annex

1. **Kuwait 2019 Global Competitiveness Scores**  
   (World Economic Forum)

   **Economy Profile:**

   **Kuwait**

   **46th/141**

   **Global Competitiveness Index 4.0 2019 edition**

   **Performance Overview Key:**
   - ▲ Previous edition
   - △ High-income group average
   - □ Middle East and North Africa average

   **2019**

   ![Kuwait Global Competitiveness Index](chart)

2. **Map of Sheikh Jaber Al-Ahmad Al-Sabah Causeway**  
   (Dar.com)
3. Silk City rendering
   (KUNA)

4. Kuwait International Airport T2
   (Foster + Partners)
5. South Sabah Al-Ahmad City
   (Foster + Partners)

6. Clean fuel project
   (Kuwait National Petroleum Company)