

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S
INDIA-KUWAIT BILATERAL TRADE RELATIONS**

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. 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.

2. Kuwait is one of the richest countries in the world. Kuwait has a wealthy petroleum-based economy. Its official currency is the Kuwaiti dinar. By various per-capita measures of economic output, Kuwait is one of the wealthiest countries in the world. As per available report of Article IV Consultation of IMF Executive Board with Kuwait December 9, 2024, the economy of Kuwait remains in recession due to OPEC+ production cuts, but a recovery has begun in the non-oil sector, and inflation is moderating. Real GDP contracted by 3.6 percent in 2023, led by a 4.3 percent contraction of the oil sector given an OPEC+ production cut, and reinforced by a 1.0 percent contraction of the non-oil sector primarily reflecting lower manufacturing activity. More recently, real GDP contracted by 1.5 percent (y-o-y) in 2024Q2, driven by a further 6.8 percent contraction of the oil sector that was partially offset by a 4.2 percent rebound of the non-oil sector. Headline CPI inflation declined to 3.6 percent in 2023, reflecting lower core and food inflation. More recently, headline CPI inflation moderated further to 2.6 percent (y-o-y) in September 2024.

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

Table 1

Table 1. Kuwait: Selected Economic Indicators, 2022-2026					
			Projections		
	2022	2023	2024	2025	2026
Output and prices	(Percent change)				
Real GDP	5.9	-3.6	-2.8	2.6	2.2
Oil 1/	12.1	-4.3	-6.9	3.0	2.0
Non-oil 1/	-0.3	-1.0	2.0	2.1	2.3
CPI inflation (average)	4.0	3.6	3.0	2.4	2.2
Core 2/	3.3	3.1	2.5	2.2	2.0
External sector	(Percent of GDP, unless noted otherwise)				
Current account balance	34.3	31.4	27.2	22.5	19.8
Official reserve assets (months of imports)	9.1	9.2	9.3	9.4	9.5
Gross external debt	35.0	39.4	39.5	41.7	42.3
Government finance 3/	(Percent of GDP)				
Revenue 4/	69.8	78.6	75.4	74.0	73.2
Oil	65.5	73.7	70.2	68.5	67.3
Other 4/	4.3	4.9	5.2	5.5	5.9
Expenditure	39.4	48.7	50.7	50.2	49.7
Net lending (+) / borrowing (-) 4/	30.4	29.9	24.7	23.8	23.4
Budgetary central government	7.2	0.9	-5.8	-7.9	-8.8

Gross government debt 5/	2.9	3.2	7.3	12.9	16.3	
Money and credit	(Percent change)					
Credit to nonfinancial private sector	8.6	1.8	3.9	4.7	5.1	
Broad money: M2	6.5	1.0	2.7	4.6	5.1	
<i>Memorandum items</i>						
Nominal GDP (US\$ billions)	184.0	163.7	159.1	158.6	162.2	
Population (millions)	4.8	4.9	5.0	5.1	5.2	
GDP per capita (US\$)	38,380	33,321	31,753	31,029	31,104	
Sources: Kuwaiti authorities; IMF staff estimates.						
1/ Factor cost basis.						
2/ Excludes food and non-alcoholic beverages.						
3/ Calendar year basis.						
4/ Includes estimated KIA investment income and GRF profit transfers from the KPC and CBK.						
5/ Assumes resumption of government debt issuance from FY2024/25.						

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the four major merchandise export partners of Kuwait during the year 2023 were United Arab Emirates, India, Saudi Arabia and China. On the other hand, five major import partners of Kuwait in 2023 were China, United States, United Arab Emirates, Japan and India. Major five exported goods of Kuwait were (i) Petroleum oils and oils obtained from bituminous [270900], (ii) Petroleum oils, etc, (excl. crude); preparation [271000], (iii) Propane, liquefied [271112], (iv) Butanes, liquefied [271113] and (v) Sulphonated, nitrated or nitrosated derivatives [290490]. On the other hand, major five imported goods of Kuwait were (i) Automobiles with reciprocating piston engine [870324], (ii) Transmission apparatus, for radiotelephony [852520], (iii) Automobiles with reciprocating piston engine [870322], (iv) Automobiles with reciprocating piston engine [870323] and (v) Art of jewellery and parts thereof precious metals [711319].

4. Kuwait's total exports globally in 2020 were of the order of USD 40,166 million. It was USD 75,991 million in 2024. Exports from Kuwait increased by 57.17% and 58.05% in the year 2021 and 2022 respectively. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 17.28%.

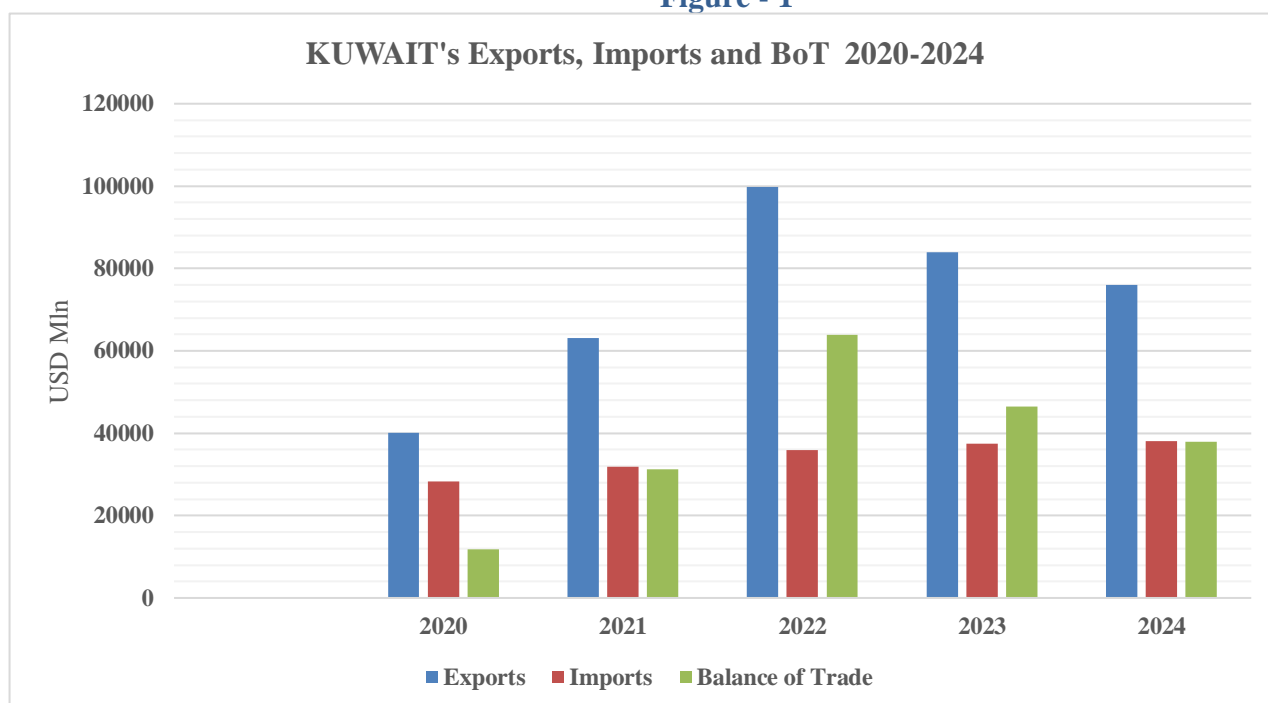
5. Kuwait's total imports from the world in 2020 were of the order of USD 28,344 million and it was USD 38,106 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 7.68%.

6. Kuwait faced an overall Balance of Trade surplus from 2020 to 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 13.60%.

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

TABLE - 2**KUWAIT'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024****(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
2020	40166		28344		68,510		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
2023	83980	-15.83	37490	4.35	1,21,470	-10.49	46490
2024	75991	-9.51	38106	1.64	1,14,097	-6.07	37885

Annual Compound Growth Rate**17.28****7.68****13.60****NOTE: Figures relate to calendar year (January to December)****SOURCE: UN COMTRADE PUBLICATION****Figure - 1**

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Indo-Kuwait relations have always had an important trade dimension. India has consistently been among the top trading partners of Kuwait. 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. As per Department of Commerce, Ministry of Commerce & Industry data base, Kuwait ranked 42nd as an export destination of India in FY 2024-25 accounting for almost 0.44 % of India's total export value in FY 2024-25. In the same financial year Kuwait was the 22nd major import partner of India in FY 2024-25 with almost 1.15% of India's total international import value was between India and Kuwait in FY 2024-25 as per Department of Commerce, Ministry of Commerce & Industry data base.

8. Indo-Kuwait total volume of bilateral trade in FY 2020-21 was of the order of USD 6268.35 million. It was USD 16629.69 million in FY 2024-25. The annual compound growth rate of total volume comprising both exports and imports during the period from 2020-21 to 2024-25 had been of the order of 27.62%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a deficit Balance of Trade with Kuwait. It has been observed that exports from India to Kuwait increased by 17.81% in FY 2021-22 over FY 2020-21 and further by 25.65% and 34.78% respectively in subsequent two FYs. The annual average compound rate of growth of Exports was 16.39% during the period under review. On the other hand, imports from Kuwait to India remarkably increased by 111.00% in FY 2021-22 over FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 29.57%.

A snapshot of India's merchandise trade statistics with respect to Kuwait is presented in **Table 3 Figure 2**.

TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. KUWAIT
FY 2020-2021 to 2024-2025

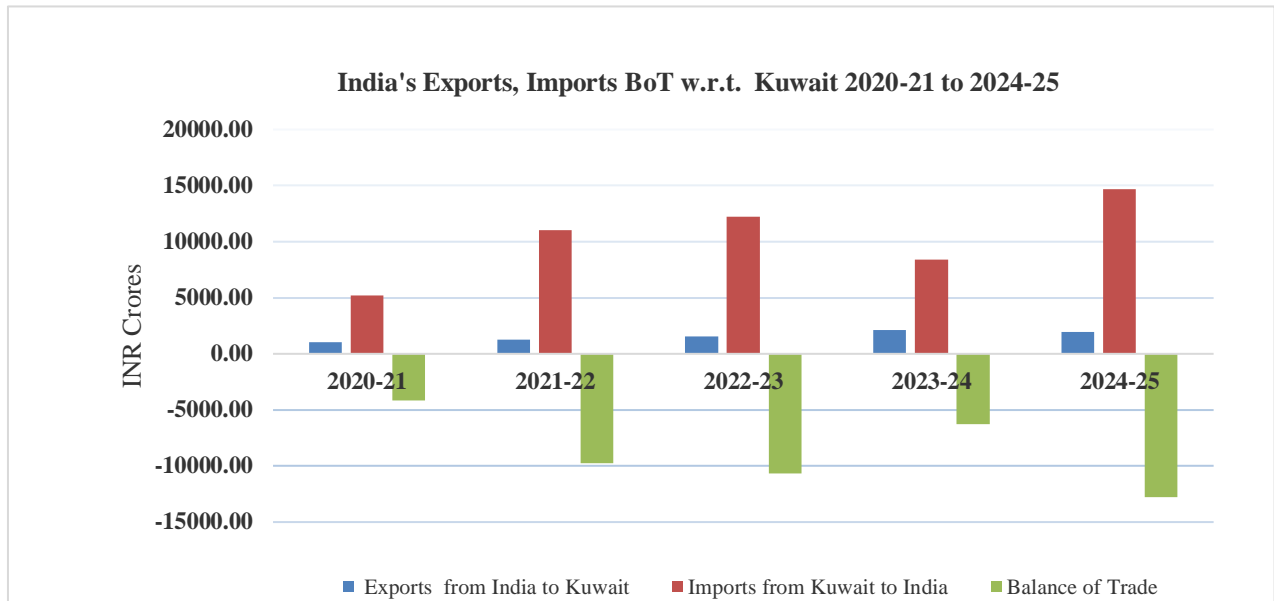
(Value in USD Million)

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
2020-21	1054.20		5214.15		6268.35		-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	8375.97	-31.61	10479.19	-24.11	-6272.75
2024-25	1934.72	-8.01	14694.97	75.44	16629.69	58.69	-12760.25

Annual Compound Growth Rate	16.39	29.57	27.62
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NOTE: Figures relate to Financial Year (April to March)

Figure 2



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

a. Top five commodities in terms of Principal Commodity wise exports from India to Kuwait include (i) **Aircraft, Spacecraft and Parts**, (ii) **Rice-Basmati**, (iii) **Organic Chemicals**, (iv) **Gold and Other Precious Metal Jewelry**, and (v) **Motor Vehicle/Cars** in FY 2024-25 with their respective percentage shares of India’s total exports to Kuwait in FY 2024-25 being 16.68%, 9.32%, 7.01%, 5.14% and 4.89%.

b. Top five commodities in terms of Principal Commodity wise imports from Kuwait to India include (i) **Petroleum: Crude**, (ii) **Petroleum Products**, (iii) **Organic Chemicals**, (iv) **Gold and Other Precious Metal Jewelry** and (v) **Plastic Raw Materials** in the FY 2024-25 with their respective percentage shares of India’s total imports from Kuwait in FY 2024-25 being 54.70%, 32.14%, 5.89%, 3.66% and 0.67%.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO KUWAIT
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Aircraft, Spacecraft and Parts	1.59	0.14	0.68	508.61	322.75	-91.19	385.71	74695.59	-36.54
	Share in total export	0.15	0.01	0.04	24.18	16.68				
2	Rice-Basmati	168.26	128.86	158.84	201.79	180.39	-23.42	23.27	27.04	-10.61
	Share in total export	15.96	10.38	10.18	9.59	9.32				
3	Organic Chemicals	29.92	99.29	146.77	139.75	135.67	231.85	47.82	-4.78	-2.92
	Share in total export	2.84	7.99	9.41	6.64	7.01				
4	Gold And Other Precious Metal Jewellery	35.27	64.63	64.61	91.25	99.37	83.24	-0.03	41.23	8.90
	Share in total export	3.35	5.20	4.14	4.34	5.14				
5	Motor Vehicle/Cars	50.17	42.87	78.64	103.17	94.57	-14.55	83.44	31.19	-8.33
	Share in total export	4.76	3.45	5.04	4.91	4.89				
6	Ceramics And Allied Products	76.7	71.27	88.30	94.15	83.09	-7.08	23.90	6.63	-11.75
	Share in total export	7.28	5.74	5.66	4.48	4.29				
7	Products Of Iron and Steel	41.91	41.02	62.72	59.70	67.01	-2.12	52.90	-4.82	12.25
	Share in total export	3.98	3.30	4.02	2.84	3.46				
8	Petroleum Products	14.18	11.88	13.17	14.65	61.43	-16.22	10.86	11.24	319.34
	Share in total export	1.35	0.96	0.84	0.70	3.18				
9	Marine Products	39.4	48.48	46.71	37.66	41.73	23.05	-3.65	-19.37	10.81
	Share in total export	3.74	3.90	2.99	1.79	2.16				
10	RMG Cotton Including Accessories	30.9	38.71	45.28	36.52	37.46	25.28	16.97	-19.35	2.58
	Share in total export	2.93	3.12	2.90	1.74	1.94				
	Total export to KUWAIT	1054.20	1241.93	1560.45	2103.22	1934.72	17.81	25.65	34.78	-8.01

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

SOURCE: DGCIS&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM KUWAIT
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Crude	3126.93	7943.04	8024.61	4304.21	8038.85	154.02	1.03	-46.36	86.77
	Share in total imports	59.97	72.20	65.52	51.39	54.70				
2	Petroleum Products	1004.10	1964.63	2598.12	1906.63	4722.42	95.66	32.24	-26.62	147.68
	Share in total imports	19.26	17.86	21.21	22.76	32.14				
3	Organic Chemicals	338.18	623.96	759.00	825.56	865.30	84.51	21.64	8.77	4.81
	Share in total imports.	6.49	5.67		9.86	5.89				
4	Aircraft, Spacecraft and Parts	450.64	0.03	263.53	845.18	537.42	-99.99	878333.33	220.71	-36.41
	Share in total import	8.64	0.00	2.15	10.09	3.66				
5	Plastic Raw Materials	53.57	52.75	133.50	106.62	97.81	-1.53	153.08	-20.13	-8.26
	Share in total import	1.03	0.48	1.09	1.27	0.67				
6	Aluminium, Products of Aluminium	35.94	87.75	73.77	71.58	81.14	144.16	-15.93	-2.97	13.35
	Share in total import	0.69	0.80	0.60	0.85	0.55				
7	Iron And steel	42.39	58.09	108.11	91.75	79.71	37.04	86.11	-15.13	-13.12
	Share in total import	0.81	0.53	0.88	1.10	0.54				
8	Copper and Products Made of Copper	45.81	105.91	74.13	72.70	68.77	131.19	-30.01	-1.93	-5.40
	Share in total import	0.88	0.96	0.61	0.87	0.47				
9	Gold And Other Precious Metal Jewellery	0.01	1.86	19.69	40.26	39.59	18500.00	958.60	104.47	-1.66
	Share in total import	0.00	0.02	0.16	0.48	0.27				
10	Sulphur, Unroasted Iron Pyrit	8.76	45.48	23.05	18.45	25.31	419.18	-49.32	-19.96	37.21
	Share in total import	0.17	0.41	0.19	0.22	0.17				
	Total import from KUWAIT	5214.15	11001.76	12247.37	8375.97	14694.97	111.00	11.32	-31.61	75.44

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

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

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