

the INVESTOR

Issued by Union of Investment Companies - Issue No. 14 - December 2022



KUWAIT VISION FOR SMALL AND MEDIUM ENTERPRISES MARCH 2022

.....

REASONS FOR INFLATED CONSTRUCTION COSTS IN KUWAIT AND GCC

.....

PROFITS OF COMPANIES LISTED ON STOCK EXCHANGES GULF STATES FOR THE SECOND QUARTER OF 2022 AUGUST 2022

- MARKAZ REPORT
.....
- KAMCO REPORT
.....
- MEETING OF UIC WITH THE EMBASSY OF THE REPUBLIC OF CYPRUS IN KUWAIT
.....
- MEETING OF UIC WITH THE TURKISH EMBASSY IN KUWAIT
.....
- MEETING OF UIC WITH REPRESENTATIVES OF THE NATIONAL AWARENESS PROJECT DRUG PREVENTION (GRAS)

THIS ISSUE

- 02** KUWAIT VISION FOR SMALL AND MEDIUM ENTERPRISES
- 06** MARKAZ REPORT
- 08** KAMCO REPORT
- 16** UNION MEETING WITH REPRESENTATIVES OF THE NATIONAL AWARENESS PROJECT DRUG PREVENTION (GRAS)
- 17** MEETING OF (UIC) WITH THE EMBASSY OF THE REPUBLIC OF CYPRUS IN KUWAIT
- 18** MEETING OF UIC WITH THE TURKISH EMBASSY IN KUWAIT

Forum

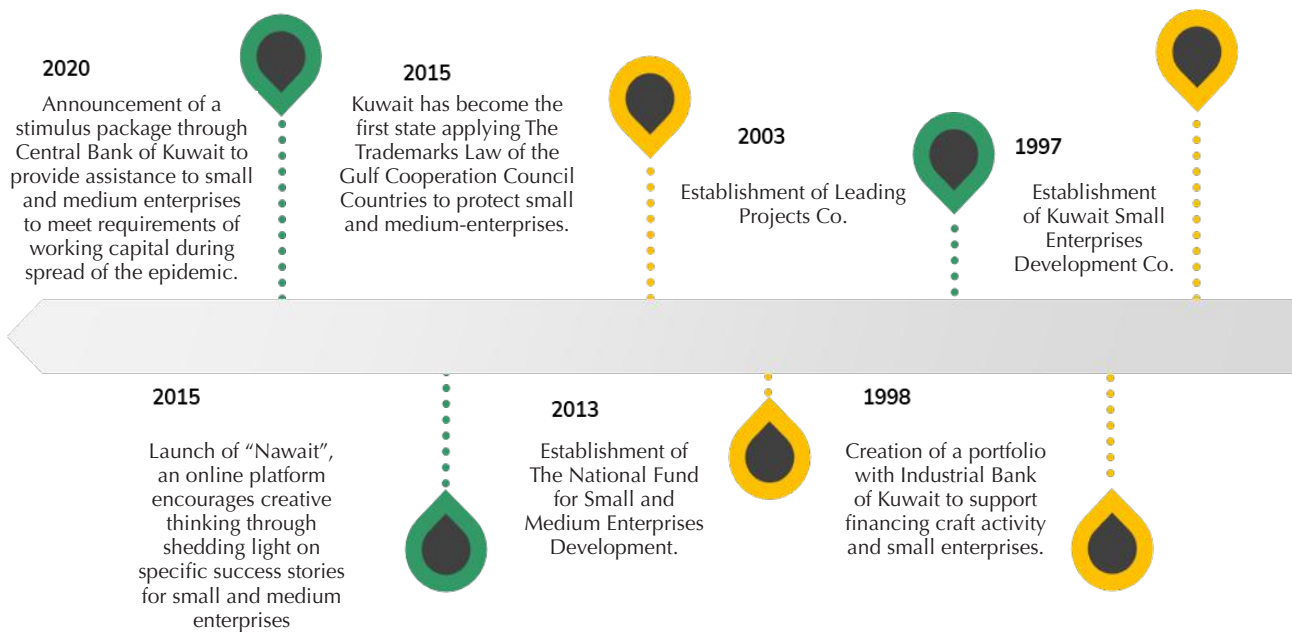
State Vision and Requirements of Small and Medium Enterprises - March 2022

Kuwait Vision for Small and Medium Enterprises

Government of the State of Kuwait has expressed its unequivocal commitment to achieving vision of His Highness the Emir, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, to consolidate Kuwait’s progress as a global commercial and financial center. One of the pillars of this vision is to support Kuwaiti entrepreneurs in starting their own businesses. This is in line with the strategy of diversifying sources of national income and reducing the burden on the State budget

The challenge facing Kuwait in its quest to diversify the economy and reduce dependence on oil exports is clear. More than 90% of the state’s income currently is generated from oil revenues, and 83% of Kuwaitis work in the government sector, according to the latest official statements issued by the Central Department of Statistics, while 17% work in the private sector. According to the World Bank, building an active environment for Small and Medium Enterprises (SME) development is vital to promoting economic diversification in Kuwait in the long run. In the next twenty (20) years, the Private Sector is expected to provide a leading role in creating job opportunities for the next generation of citizens in Kuwait. Success in this endeavor will depend to a large extent on the availability of an entrepreneurship system.

Initiatives



Definition of Small and Medium Enterprises

Definition of Kuwaiti Banks for Small and Medium Enterprises

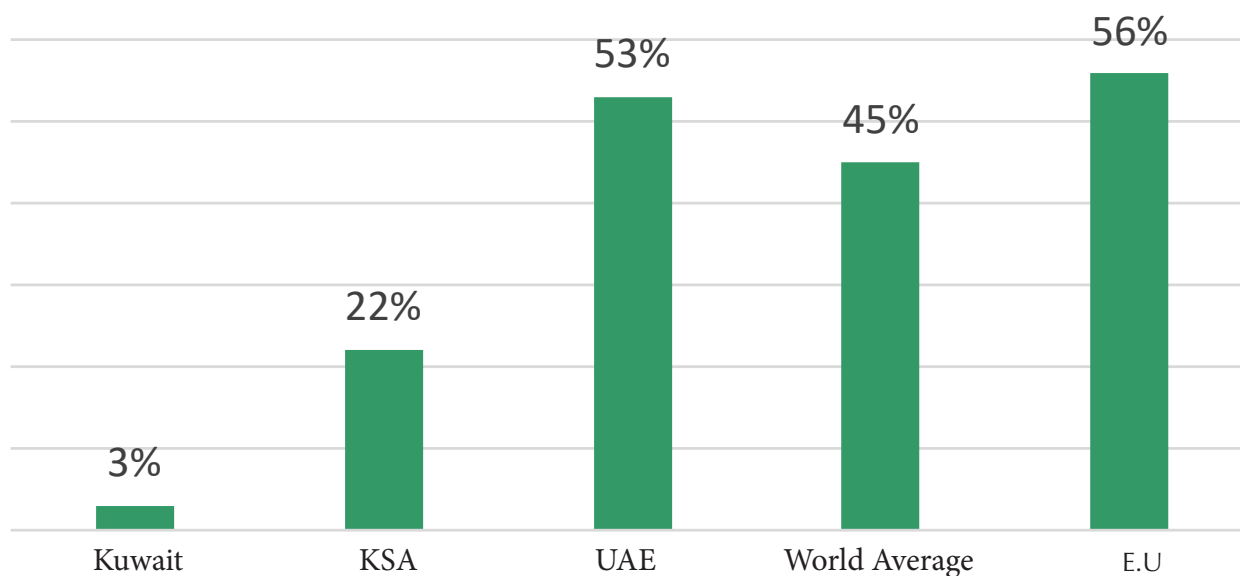
Company Size	No. of Employees	Capital	Revenues
Small	50>	500,000>	1,000,000>
Medium	250>	500,000>	5,000,000>

Definition of National Fund for Small and Medium Enterprises Law

Company Size	No. of Employees	Capital
Small	50>	250,000>
Medium	150>	500,000>

The absence of a unified definition makes it difficult to estimate and limit the true actual of small and medium enterprises and their contribution to the Kuwaiti economy. It also hinders its comparison with regional and international standards. This is specific to Kuwait compared to the GCC countries.

Share of Small and Medium Enterprises in GDP



Based on the definition of National Fund, the number of small and medium companies in Kuwait was estimated from 25,000 to 30,000 companies, representing approximately 90% of the total business in Kuwait, which contributes about 3% of the gross domestic product, and the total value added by small and medium enterprises is 1.216 million dinars. Kuwaiti (2019). 130\$b.

Financing Small and Medium Enterprises in Kuwait

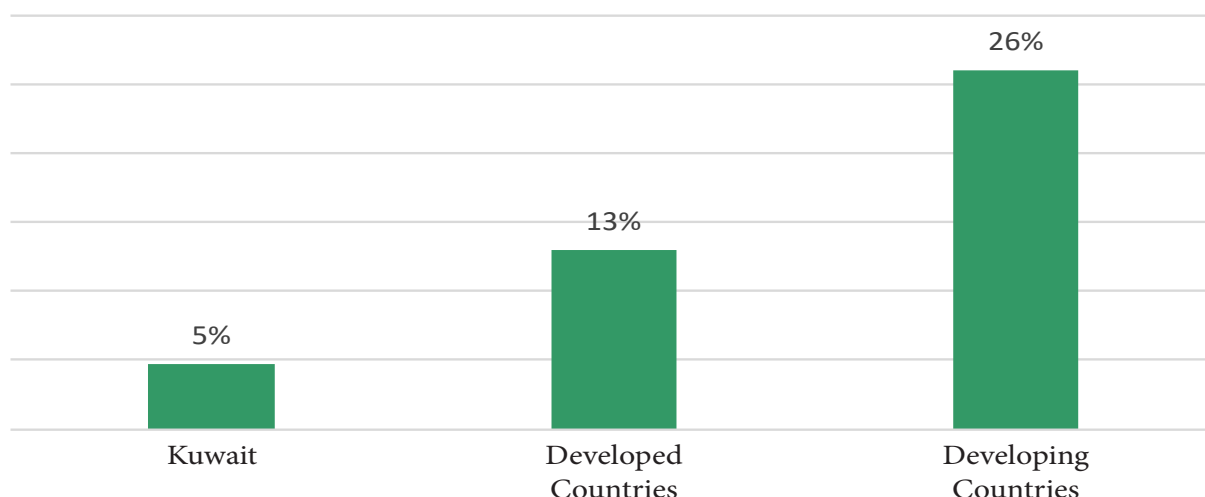
Industrial Bank of Kuwait and the National Fund for Small and Medium Enterprises Development are the two main government agencies that provide support and financing for the establishment and development of small and medium enterprises in Kuwait.

It is worth noting that it has been nearly two years since the National Fund for Small and Medium Enterprises Development suspended receiving applications for financing new small and medium enterprises. The most prominent reason for this decision is the lack of liquidity and the payment of its capital payments in the Kuwait Investment Authority, hoping that the rise in oil rates and improvement of the State's general budget will be a pretext for the return of the financing train, especially since the Fund announced during February that the number of enterprises approved since 2016 amounted to about 1,420 enterprises since the beginning of the financing operations, with an average of 220 thousand dinars per project and this number is among the highest percentages in the world, compared to the years of starting financing operations, but on the ground, the actual financing is less than approvals.

While small and medium enterprises in Kuwait can access financing through the National Fund and the Industrial Bank of Kuwait, small and medium enterprises in Kuwait are not adequately represented in the total loan activity compared to international standards.

As for private banks, receiving of small and medium enterprises for loans is still minimal in the GCC region, as these enterprises suffer from high rates of rejection of requests for loans to small and medium enterprises (70% according to 2018 IMF Report). As in 2019, the percentage of bank loans granted to small and medium-sized enterprises was 4.7% of the total loans. In 2018, the share of loans granted to small and medium enterprises decreased to 2.8%. The sudden decline may be attributed to the Central Bank of Kuwait, reducing the risk weights for small and medium enterprises from 100% to 75%.

Share of Small and Medium Enterprises Total Loan Portfolio



International Rankings of the Entrepreneurship System in Kuwait

International Rankings of the Entrepreneurship System in Kuwait: Our review of the international ratings and standards for entrepreneurship system in Kuwait and the work environment revealed a mixed image of structural weakness, areas for improvement and opportunities with unique potential. The tables below, quoted from the World Bank's Ease of Doing Business indicators for 2017, show that Kuwait ranks 102nd out of 190 countries and is the last among GCC countries. Recent efforts to improve the business environment have not yet been reflected in the World Bank's rankings, as Kuwait declined from 149th in 2016 to 173 in 2017 in the Starting a Business category.

Kuwait	Oman	Bahrain	Qatar	KSA	UAE	
102	66	63	83	94	26	Order by ease of doing business
173	32	73	91	147	53	Starting business
144	52	19	21	15	4	Obtain building licenses
115	69	72	44	28	3	Electricity supply
67	35	25	26	32	11	Registration of ownership
118	133	101	139	82	101	Obtaining credit
81	118	106	183	63	9	Protecting minority investors
6	12	4	1	69	1	Taxes payment
157	67	82	128	158	85	Cross-border traders
66	60	110	120	105	25	Enforcement of contracts
108	94	88	116	169	104	Resolution of insolvency

Main Challenges Facing Small and Medium Enterprises

- Burdensome regulations and empty bureaucracy that hinder business activities from incorporation through growth to disassociation.
- Failure to obtain developed land and commercial and industrial buildings.
- Difficulty of hiring skilled Kuwaitis and keeping them in the private sector since the wages and benefits offered in the government sector are higher.
- Failure to attract capital and expertise due to the repulsive environment and the country's low standards towards the business environment.
- Small local market and government control over public services.
- Tax on foreign funds and companies and not on individuals and citizens.
- Failure to obtain financing for small and medium enterprises.

Migration of Small and Medium Enterprises from Kuwait

The current conditions and difficult business environment prompted a number of Kuwaiti young entrepreneurs and owners of small enterprises to take actual steps towards transferring their economic activity to neighboring countries, particularly Saudi Arabia, UAE and Sultanate of Oman. So that the phenomenon of enterprises migration is another problem to be added to the record of problems facing small and medium enterprises. With the increase in closures, the national economy began to lose an essential resource that could have been invested to provide thousands of job opportunities for Kuwaiti youths instead of directing national capital abroad.

Dubai is a center for companies looking to operate in the regions of North Africa, the Middle East and GCC, as it has the best environment for doing business among the GCC countries and is ranked No. 26 in the world as mentioned in the previous table. Kuwaitis are heading to Dubai to establish their new companies. The main reasons for Kuwaitis to move to UAE are the large market size, ease of labour laws and access to talented. The statistics of UAE Government and Chamber of Commerce revealed the existence of a vital model for Kuwaiti business activity, real estate ownership, foreign residence and tourism in and to UAW. As stated in the latest stats:

- There are 590 Kuwaiti-owned companies registered with Dubai Chamber of Commerce, although this number does not reflect companies registered in free zones.
- There are 11,000 registered business licenses for Kuwaitis either as partners or owners in UAE.
- There are 5,200 Kuwaiti land and real estate owners in Dubai.
- Kuwaiti startups targeting foreign markets have been planning to head globally since their inception, as many of them find Dubai a more suitable base of operations than Kuwait. Rather than competing with Dubai to be GCC's center for international business, Kuwait has an opportunity to promote local talent and find a unique advantage as a vibrant region for locally-centered, internationally-oriented entrepreneurial projects.

Kuwait-based projects that enhance domestic purchasing power are unsustainable in the post-oil era, and will not diversify the Kuwaiti economy unless it expands internationally or attracts tourism spending to Kuwait. Certain weak elements of the local entrepreneurship system must be strengthened or improved. Government programs and initiatives to encourage entrepreneurship and ecosystem development should be aligned with the needs of startups and adapt lessons learned from other global innovation clusters to be in line with a coherent strategy of smart specialization that encourages Kuwaiti entrepreneurs towards global trade while maintaining their roots in Kuwait.

Union of Investment Companies has presented a proposal to develop mechanisms for companies to improve the business environment and stimulate the economic environment from the effects of the "Corona" Pandemic, which includes: 1- Establishing Venture Capital Investment Funds, which is a

system in place in the Emirate of Abu Dhabi. 2 - Legislation of a complete system serving the area of Technical Financing (Fintech).

Investment companies establish venture capital funds, under oversight of Capital Markets Authority, with a license as a "Portfolio Manager" or a "Collective Investment System Manager", where the capital is directed towards small and medium enterprises companies based in Kuwait only. The investment companies collect capital from their clients, and in return the state injects capital similar to what the investment company collects in the fund. For instance: if a company collects 10 million dinars from its customers, the government will inject up to 10 million dinars into the fund; Thus, the State ensures that invested funds are directed to companies that have the ability to collect capital from their customers and experience in employing such capital, before the public fund is used. Therefore; the State and the investment company are partners in supporting successful projects and they are also partners in achieving profit and bearing loss over a long investment period.

Investment Conditions

One of the conditions for investing in small and medium companies is that these companies must be promising, have the ability to expand within and outside Kuwait and have a firm linkage with Kuwait's 2035 vision. It is also required that these funds must specialize in specific sectors, where the company managing the fund has the expertise and qualifications necessary to provide advice to entrepreneurs and support them in achieving growth plans. The main objective in the end is to prepare these companies for listing or merging to create an integrated system and highlight entities capable of competition and support the economy. Here, the supervision and control of those licensed companies is under the umbrella of the Capital Markets Authority and the follow-up of the National Fund for Small and Medium Enterprises Development, through representation on the funds' boards of directors and investment committees.

Legislation of a complete system serving the area of "Fintech"

On the positive side; If we look at the crisis, we will see companies racing towards digital transformation, including financial services companies, but Kuwait today lacks the appropriate legislative environment to launch electronic financial services, which hinders our economy from keeping pace with the economies of the countries around us.

For instance, digital financial services have the so-called "Crowdfunding", which are financial platforms that allow owners of small enterprises to use the general users to raise capital in the form of financing, investment or prepayment for a good or service, by accumulating infinitesimal amounts, which may Up to USD100. Through these platforms, small enterprises owners have alternative ways to obtain funds to carry out their activities, especially in times of crisis; like such pandemic we are currently facing.

Report

Detailing fluctuations in raw material prices, labour policy shifts and the effect of geopolitics on the supply chain

Markaz report gives context to construction cost inflation within Kuwait and GCC

Kuwait – 30 October 2022: Rising commodity prices, higher logistics costs and material supply shortages have all attributed to an increase in construction costs within Kuwait, states a report issued by Kuwait Financial Centre “Markaz” titled “Cost of Construction in Kuwait and its Components”. The report acutely analyses the varied causes of rising construction costs in Kuwait and the greater GCC region, citing spikes in commodity prices and higher inflation across global economies as two of the shift’s primary factors.

According to Markaz’s report, significant price increases in primary raw materials such as structural steel beams, reinforcing steel, softwood timber for framing, copper pipe and copper cable, in addition to labour shortages within the GCC’s construction sector, were identified as causes for the steep rise in construction costs in recent years.

Examining the effects of higher inflation across economies worldwide, Markaz’s recent report dives into the rising prices of imported goods and their effect on development costs in the Gulf region. Geopolitical conflicts and disruptions in the global supply chain have resulted in increase in cost of construction in GCC.

40% of respondents to a construction survey by Turner & Townsend in 2022 highlighting that rises in construction costs are significantly impacting delivery of completed development projects, with 60% stating that skilled labour shortage is having a direct impact on construction project delivery.

In line with global shifts, Kuwait’s construction industry is currently witnessing an increase in the cost of

construction on the back of rise in labour costs, higher prices of materials and transportation prices, states the report. As of February 2022, the cost of building one square meter for medium-end private housing was estimated at KD 230, in comparison to pre-pandemic rates of KD 170 per square meter, marking an increase of approximately 35% factoring in both material and labour costs.

Aligned to these figures, the cost of building a private housing unit with built up area of 1,240 sq.m has increased from KD 210,000 (KD 170/sq.m.) pre-pandemic to KD 285,200 (KD 230/sq.m.). This renders out to USD 741 per square meter which, despite inflated costs, remains lower than cost of construction of villas and high rise in Saudi Arabia, and UAE which averages at USD 1,396/sq.m and USD 1,835/sq.m. respectively.

Kuwait’s relatively lower construction costs, compared to high market conditions, could be attributed to the government’s willingness to offer subsidised prices on construction materials, in addition to implementing price monitoring policies and banning the import and re-export of key building materials such as lumber and iron.

Further observing shifts within Kuwait’s construction sector, the report details how wider initiatives to employ Kuwaitis and higher repatriation rates following COVID-19 and more rigid resident policies have shifted construction costs within the country. Kuwait’s expatriate population was reported at 3.34 million residents in 2019, a figure that has since decreased to 3.15 million measured in H1 2021. With the decline in labor availability, labour costs have concurrently increased across Kuwait. The average monthly wages for expatriates in the private sector have risen by nearly six percent year-to-year as of March 2022.



With Kuwait reliant on the import of materials, such as iron, steel and copper wires, global price increases have affected construction costs, states Markaz's recent report. Rising commodity prices globally have come as a result of supply chain issues due to COVID-19 lockdowns in countries like China and geopolitical issues in Russia and Ukraine.

In Kuwait, the series of price hikes in construction goods have ranged from 8.7% to upwards of 100% from January to early June 2022. As of May 2022, the cost of iron was reported at KD 280 per ton, in comparison to KD 248 per ton in June 2021, while it went down again to 195 KD/ton in Sep. 2022. The price of cement increased moderately from KD 1.1 prior to the pandemic to KD 1.25 per bag as of February 2022, aided by price subsidies issued by Kuwait's government. From early 2020 until May 2021, steel prices increased by nearly 50% to reach KD 254 per tonne. Markaz's recent report also detail the price of domestically manufactured steel bars, which increased by 37.2% in a year-by-year comparison measured in March 2022. While global oil prices have spiked, gasoline prices within Kuwait have remained relatively unchanged since the start of the pandemic, apart from Gas Oil and Gasoline 98 (Ultra).

Rising construction costs in Kuwait and the GCC are indicative of changes in the global supply chain, source material costs and global socioeconomic policies. While commodity prices are estimated to remain higher than their five-year averages, metal prices are projected to remain at historically elevated levels. According to World Bank estimates cited within Markaz's report, the price of commodities, metals and energy are expected to ease in 2023 but is expected to continue to remain elevated.

Note: The report's data is as of 10 September 2022.

About Kuwait Financial Centre "Markaz"

Established in 1974, Kuwait Financial Centre K.P.S.C "Markaz" is one of the leading asset management and investment banking institutions in the MENA region with total assets under management of over KD 1.04 billion as of 31 December 2021. Over the years, Markaz has pioneered innovation through developing new concepts resulting in creation of new investment channels. These channels enjoy unique characteristics, and helped Markaz widen investors' horizons. Examples include Mumtaz (the first domestic mutual fund), Idikhar (the first money market fund in Kuwait), MREF (the first real estate investment fund) and Forsa Financial Fund (the first and only options market maker in the GCC since 2005), all conceptualized, established and managed by Markaz. Markaz was listed on the Boursa Kuwait in 1997.

For further information, please contact:

Sondos Saad

Media & Communications Department

Kuwait Financial Centre K.P.S.C.
"Markaz"

Tel: +965 2224 8000

Email: ssaad@markaz.com

www.markaz.com

Report



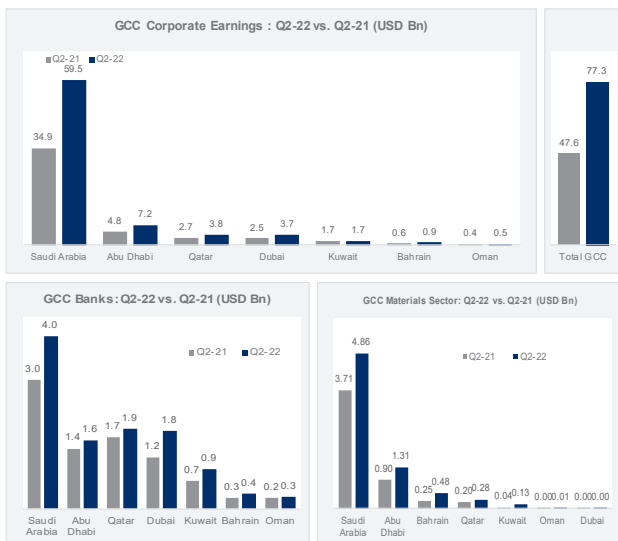
GCC Corporate Report : Q2021-4

Oil earnings boost quarterly profits to a new record high...

Earnings reported by GCC-listed companies reached a new record level during Q2-2022 backed by a broad-based q-o-q growth in profits across all sectors barring the Financials and Pharma sectors. The increase in profits of energy companies due to elevated oil prices around the USD 100/b level accounted for the bulk of the absolute increase in profits in the region. The region showed strong consumer and business sentiments during the quarter despite a slowdown at the global level mainly due to higher inflation and the efforts by central banks to tame rising prices.

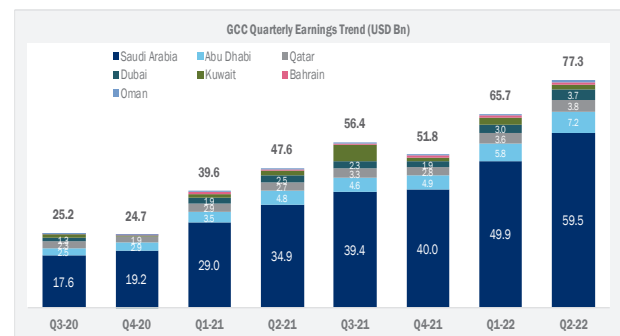
to be the biggest contributor to profit growth during the quarter. However, excluding Aramco, the growth in aggregate profits remained strong at 32.9% y-o-y and at 11.2% in terms of q-o-q growth.

In terms of regional trend, profit growth was seen across the seven exchanges during the quarter. Saudi Arabian-listed companies once again reported the biggest y-o-y growth during Q2-2022 with a net income growth USD 24.6 Bn or of 70.4% followed by Abu Dhabi and Bahrain with y-o-y growths of 50.0% and 62.4% respectively. In terms of 1H-2022 earnings performance, profit growth stood strong at 64.1% when compared to 1H-2021. Aggregate profits for 1H-2022 reached USD 143.1 Bn as compared to USD 87.2 Bn during 1H-2021.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Aggregate net profit for GCC-listed companies reached USD 77.3 Bn during the quarter as compared to USD 65.7 Bn during Q1-2022 resulting in a q-o-q growth of 17.6%. The y-o-y growth was even stronger at 62.6% when compared to Q2-2021 profits of USD 47.6 Bn. Energy, Banks and Materials were the top three sectors by absolute profit growth vs. Q2-2021 accounting for almost 90% of total y-o-y growth in profits. In terms of q-o-q growth, Energy, Materials and Utilities were the top three sectors that more than compensated for the decline in profits for the Diversified Financials sector. Saudi Aramco continued



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

In terms of sectoral performance, profits for the Energy sector almost doubled y-o-y during Q2-2022 to USD 47.2 Bn as compared to USD 24.9 Bn during Q2-2021. In terms of q-o-q performance, the growth stood at 22.4%. The y-o-y growth in net profit was broad-based with 16 out of 20 companies in the sector seeing higher profits. Profits for Saudi Aramco almost doubled y-o-y to reach a record level of USD 46.3 Bn during Q2-2022 vs. USD 24.2 Bn during Q2-2021. The increase reflected higher oil prices during the quarter with Brent crude spot averaging at USD 113.8/b as compared to an average of USD 69.0/b during Q2-2021, an increase of 65.0%. In addition, a 22.9% increase in average crude oil production in Q2-2022 vs. Q2-2021 further supported the growth in profits during the quarter. Higher downstream margins



during the quarter also supported profit growth for the company. Other companies in the sector, including Rabigh Refining and ADNOC Drilling, also reported y-o-y profit growth of 93.1% and 18.8% in Q2-2022, respectively.

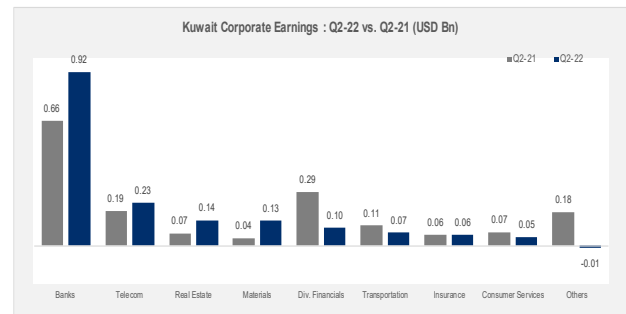
Quarterly net income for the GCC banking sector reached a new record high of USD 10.9 Bn during Q2-2022. The profit growth came mainly on the back of higher bank revenues further supported by a slight drop in provisions while cost-to-income ratio remained flat. Topline, on the other hand, reflected higher interest rates during the quarter with central banks across the GCC hiking rates following Fed rate hikes in the US.

Profits for the Materials sector reached one of the highest levels on record during Q2-2022 mainly backed by higher q-o-q and y-o-y growth in net income across the GCC. Aggregate profits during the quarter reached USD 7.1 Bn during Q2-2022 as compared to a profit of USD 4.9 Bn in Q1-2022 and USD 5.1 Bn in Q2-2021. Within the sector, Saudi Arabian Mining Co. posted the biggest y-o-y absolute increase in profits that reached USD 1.1 Bn in Q2-2022 vs. USD 294.5 Mn in Q2-2021. SAFCO (SABIC Agri Nutrients) and Fertigllobe were next with profit growth of USD 583.2 and USD 316.1 Mn to reach USD 806.1 Mn and USD 429.4 Mn, respectively.

Kuwait

Corporate earnings for companies listed on Boursa Kuwait increased by 1.3% y-o-y during Q2-2022 to reach USD 1.68 Bn as compared to USD 1.66 Bn in Q2-2021. The biggest impact on higher aggregate stock exchange profits came from the Banking sector which showed 39.1% jump in profits that reached USD 920.9 Mn in Q2-2022 from USD 661.9 Mn in Q2-2021. Among the banks, NBK reported a net profit of USD 395.2 Mn for Q2-22 up by 55.8% compared to

a net profit of USD 253.8 Mn in Q2 -2021 mainly led by lower impairment losses as compared to Q2-2021 coupled with higher topline. KFH reported a net profit of USD 223.6 Mn for Q2-2022 up 29.1% compared to USD 173.2 Mn from the previous year also due to lower provisions coupled with strong growth in both non-interest income and net interest income.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Materials sector reported the second biggest increase in profits during Q2-2022 with a y-o-y increase of 222.2% to reach USD 133.2 Mn as compared to USD 41.3 Mn during Q2-2021. Al Kout for Industrial Projects Co. witnessed strong y-o-y jump in Q2-2022 net profit that reached USD 11.8 Mn from a net profit of USD 4.5 Mn during Q2-2021 driven by improvement in sales volume and prices of products globally. Kuwait Foundry Co. posted a net profit of USD 5.8 Mn in Q2-2022 vs USD 0.1 Mn in Q2-2021 led by the increase in the investment income.

In the Media & Entertainment sector, profits for Kuwait National Cinema Co. surged over 10x to reach USD 10.14 Mn in Q2-2022 against USD 0.93 Mn in Q2-2021 mainly due to the increase in operating income and increase in the share from associates. Advanced Technology Co. in the Health Care Equipment &

Services sector logged a net profit of USD 12.2 Mn in Q2-2022 compared to USD 9.1 Mn in Q2-2021 up by 33.1% supported by increase in revenue resulting in higher gross profit.

Net Profits for the Telecom sector increased by 23.4% y-o-y to reach USD 228.6 Mn for Q2-2022 compared to USD 185.3 Mn for Q2-2021. Zain recorded a net profit of USD 164.3 Mn in Q2-2022 compared to USD 137.3 Mn in Q2-2021 an increase of 19.6%. Zain Group generated consolidated revenue of USD 1.4 Bn, up by 14% y-o-y, attributable mainly due to double digit growth in revenue of Sudan, KSA and Kuwait. EBITDA for the quarter reached USD 544 Mn, up 9% y-o-y, resulting in an EBITDA margin of 40%. Ooredoo Kuwait recorded a net profit of USD 40.3 Mn in Q2-2022 vs USD 19.9 Mn in Q2-2021, up by 103.1%. Meanwhile, STC Kuwait posted a decline of 14.7% in net profit that reached USD 24.0 Mn for Q2-2022 compared to USD 28.1 Mn during the Q2-2021.

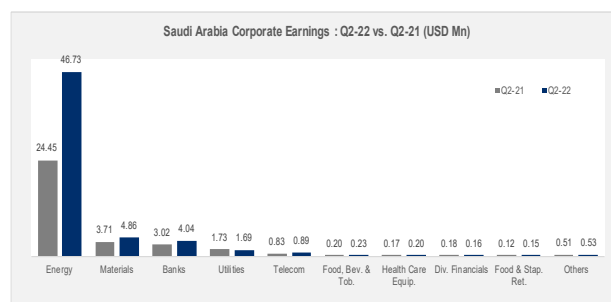
Profit for the Real Estate reached USD 137.6 Mn in Q2-2022 compared to a net profit of USD 67.4 Mn in Q2-2021. Mabaneer posted a net profit of USD 49.7 Mn for Q2-2022 against a profit of USD 44.3 Mn led by lower discounts offered to the investors of the units of the Avenues as compared to the same period last year. Tamdeen Real Estate Co. also reported an increase in quarterly net profits that reached USD 21.8 Mn against a net profit of USD 5.6 Mn mainly led by an increase in net operating revenue. Meanwhile, United Real Estate Co. recorded a net profit of USD 16.2 Mn for Q2-2022 compared to a net profit of USD 0.5 Mn in Q2-2021 led by increase in the gross profit resulting from contracting activities and real estate services. Munshaat Real Estate Projects Co. that posted losses during Q2-2021 returned to profits in Q2-2022 posting USD 3.4 Mn in net profit.

Profits for the Insurance sector increased marginally by 0.5% y-o-y to USD 59.4 Mn in Q2-2022 compared to USD 59.1 Mn in Q2-2021. Net profits reported by Ahleiah Insurance Co. increased by 24.2% y-o-y to USD 15.7 Mn up from USD 12.6 Mn in Q2-2021, while profits for Kuwait Insurance Co. reached USD 14.9 Mn as compared to USD 13.7 Mn during Q2-2021. On the other hand, Gulf Insurance Group posted a profit decline of 18.8% that reached USD 16.9 Mn for Q2-2022 compared to USD 20.9 in Q2-2021 mainly led by more than 2x increase in net premiums written during the quarter that reached USD 423.7 Mn (KWD 128.4 Mn) during the quarter.

Saudi Arabia

Aggregate net profits for Saudi Arabian listed companies witnessed a y-o-y increase of 70.4% to reach USD 59.5 Bn in Q2- 2022 against USD 34.9 Bn

in Q2-2021. The key sectors on the exchange including Energy, Materials, Banks and Telecommunication Services reported a strong y-o-y growth in profitability during the quarter, whereas the Real Estate, Utilities, Insurance, Pharmaceuticals, Biotechnology & Life Sciences and Diversified Financials reported profit declines during the quarter.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Energy Sector remained the biggest contributor to net profits during the period recording a net profit of USD 46.7 Bn. Saudi Aramco posted a net profit of USD 46.3 Bn for Q2-2022 compared to USD 24.2 Bn for Q2-2021 up by 91.1% led by rise in crude oil prices and sales volume in addition to improved refining margins. Rabigh Refining reported profits of USD 369.0 Mn during Q2-2022 vs. a profit of USD 191.1 Mn during Q2-2021, while the National Shipping Co of Saudi Arabia reported y-o-y growth in profits by 228.9% to reach USD 34.1 Mn.

Banking sector in Saudi Arabia continued to show strong growth with net profits surpassing the USD 4.0 Bn mark for the first time to reach USD 4.02 Bn in Q2-2022 vs. USD 3.9 Bn in Q1-2022. The increase came mainly on the back of higher net interest income with a q-o-q growth of 9.8% mainly led by higher interest rates partially offset by a 7.2% q-o-q drop in non-interest income that reached USD 2.2 Bn. Total assets also reached a new record high of USD 879.9 Bn at the end of Q2-2022 from USD 808 Bn at the end of 2021.

The Materials sector, the second biggest sector by market capitalization on the exchange, reported the third biggest increase in profits by 31.0% to reach USD 4.9 Bn compared to USD 3.7 Bn during the previous year. Profits for SABIC Agri-Nutrients more than tripled in Q2-2022 to USD 806.1 Mn from a net profit of USD 222.9 Mn in the previous year driven by an increase in average selling prices and sales volumes, despite higher selling and distribution expenses. SABIC reported a net profit of USD 2.1 Bn for Q2-2022, a rise of 3.7% from USD 2.0 Bn in Q2-2021. Similarly, Saudi Arabian Mining Co. (Maaden) posted an over threefold increase in Q2-2022 net

profit to USD 1.1 Bn buoyed by higher selling prices of all major products except for industrial minerals. In contrast, Saudi Kayan Petrochemical Co.'s net profit tumbled 80.8% to USD 40.01 Mn in Q2-2022 down from USD 208.2 Mn in Q2-2021. The profit drop was mainly attributed to a declining product price despite the increase in the quantities produced and sold.

Net profit for the Telecom sector grew 7.3% y-o-y to USD 885.0 Mn in Q2-22 as compared to USD 825.0 Mn during Q2-2021. Profits for STC inched up 0.5% y-o-y in net profits to reach USD 756.2 Mn in Q2-2022. Mobily registered a net profit of USD 95.8 Mn for Q2-2022 compared to USD 65.0 Mn in Q2-2021. The increase was driven by a 4.6% y-o-y increase in revenue led by growth in subscriber base. Zain KSA net profits rose more than three times to USD 35.7 Mn in Q2-2022 driven by higher revenues.

In the Capital Goods sector, Astra Industrial Group net profit jumped to USD 64.8 Mn in Q2-2022 up from USD 14.6 Mn in Q1-2021 driven by discontinued operations, along with higher sales and gross profit from the pharmaceuticals and specialty chemicals segments. Similarly, Electrical Industries Co.'s net profit doubled to USD 4.9 Mn in the Q2-2022, from USD 2.1 Mn y-o-y in Q2-2021, the earnings increase was primarily due to the higher sales and diversification of sold products. On a sequential basis, net profit rose 52.3% from USD 3.24 Mn to USD 4.94 Mn.

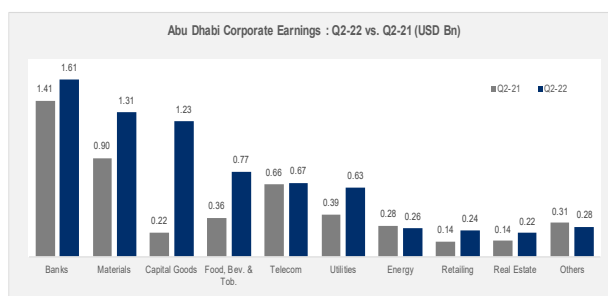
Abu Dhabi

Listed companies in Abu Dhabi witnessed a 50% rise in net profits during Q2-2022 to reach USD 7.2 Bn compared with USD 4.8 Bn during Q2-2021. In line with the rest of the GCC markets, the Banking sector in Abu Dhabi witnessed an increase in net profits with aggregate sector profit of USD 1.6 Bn as compared to USD 1.4 Bn during Q2-2021, a y-o-y rise of USD 197.6 Mn or 14%. The Telecom sector posted the second-largest net profits in the exchange during Q2-2022, although the y-o-y increase in profit was marginal at 2.2% which reached USD 672.5 Mn compared with USD 658.2 Mn during Q2-2021. Utilities, Real Estate, and Material sectors were some of the other sectors that reported rise in net profits during the quarter. On the other hand, Diversified Financials, Food & Staples, and Insurance sectors reported decline in profits during the quarter.

In the Banking Sector, First Abu Dhabi Bank lead the way posting the largest net profits in Q2-2022 among the banks with a marginal y-o-y increase of 1% to reach USD 791.1 Mn compared with a net profit of USD 783.6 Mn during Q2-2021. FAB attributed that the group net profits marginal increase to lower operating income combined and higher operating costs. Abu Dhabi Islamic Bank posted the second

largest increase in absolute Q2-2022 net profits among the banks that reached USD 197.6 Mn for the quarter, a 45% y-o-y increase. ADIB attributed the growth in Q2-2022 net profits on lower loan loss provisions and higher interest margins and a 10% rise in customer financing during the quarter. On the other hand, Invest Bank declared the only loss among the banks in Q2-2022 posting a loss of USD 7.4 Mn as compared to a loss of USD 12.3 Mn in Q2-2021.

In the Capital Goods Sector, Q2-2022 net profits reached USD 1.23 Bn as compared to USD 224.5 Mn in Q2-2021. Alpha Dhabi drove the sectors rise in quarterly profits by posting Q2-2022 net profits of USD 1.2 Bn up from USD 199 Mn in Q2-2021. The holding company has seen profits jump due to revenues attained thanks to its expansion outside the UAE. On the other hand, Q2-2022 net profits of Multiply Group improved sharply jumping from USD 0.04 Mn in Q2-2021 to USD 26.9 Mn in Q2-2022. The technology-focused group witnessed an improved performance of the groups all key five divisions as subsidiaries registered strong growth.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

In the Utilities sector, the sole stock Abu Dhabi National Energy (TAQA) reported a net profit of USD 629.6 Mn registering 62.7% jump from its Q2-2021 earnings which stood at USD 386.8 Mn. The company attributed its strong performance to the rise in oil and gas prices around the world due to geopolitical tensions which increased demand and instability.

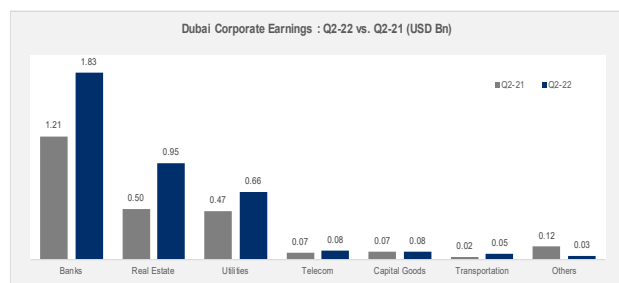
Meanwhile, the Diversified Financial Sector was the only sector which recorded a net loss during Q2-2022. Waha suffered a net loss of USD 16.2 Mn in Q2-2022 dragging down the total net profits of the sector in to the red despite profits announced by Umm Al Qaiwain General Investments and Finance House Co. The company attributed the net loss in Q2-2022 and lower profits in 1H-2022 (USD 23.7 Mn) on lower revenues.

Gulf Pharmaceutical Industries, the only company in the Pharmaceutical & Biotechnology Sector, announced Q2-2022 profits of USD 1.3 Mn witnessing a decline of 93.5% y-o-y. The company blamed geo-

economic headwinds to have impacted on its sales in markets such as Algeria and Ethiopia.

Dubai

Net profits for Dubai-listed companies jumped 49.6% y-o-y to USD 3.7 Bn in Q2-2022 against USD 2.5 Bn in Q2-2021. Earnings growth during the quarter were mainly driven by Banks, Utilities and Real Estate companies with the three sectors accounting for 93.3% of the aggregate earnings in the exchange during the quarter. It is noteworthy that out of Dubai Stock Exchange's twelve sectors eight have witnessed a y-o-y increase in profits during Q2-2022 while the remaining four sectors including the Insurance and Consumer Services sectors reported declines.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Total Net profits for the Banking Sector rose by USD 621.5 Mn in Q2-2022 to reach USD 1.8 Bn up from USD 1.2 Bn in Q2-2021. The sector's rise in total earnings was primarily driven by Mashreq Banks eighteen-fold profits jump during Q2-2022. The bank's Q2-2022 profits reached USD 216 Mn compared with USD 11.5 Mn during the corresponding period of 2021, driven by a combination of sharp rise in operating profit and lower impairment allowance. Furthermore, the sector's total earnings were supported by Emirates NBD which announced a y-o-y profit increase of 42% to USD 952.9 Mn during Q2-2022. Improving operating environment, increased retail lending and falling impairments helped Emirates NBD to beat profit estimates during the quarter. Moreover, Dubai Islamic Bank registered a 33% increase in Q2-2022 earnings which reached USD 364.4 Mn up from USD 274.4 Mn in net profits during Q2-2021.

Aggregate profits for the Real Estate Sector rose by 90.4% y-o-y in Q2-2022 to reach USD 945.2 Mn up from USD 496.4 Mn in Q2-2021. Emaar Properties and Emaar Development posted the largest and the second largest net profits in the sector with USD 561.2 Mn and USD 310.4 Mn during the quarter, respectively. On the other hand, the new listed TECOM Group announced Q2-2022 net profits of USD 64.6 Mn as compared to USD 41.9 Mn in Q2-2021. TECOM attributed the strong quarterly results to higher occupancy rates across its commercial and

industrial divisions combined with higher customer retention.

The Utilities Sector registered the third largest Q2-2022 aggregate net profits on the exchange. Q2-2022 net profits for the recently listed Dubai Electricity & Water Authority (DEWA), the sector's only constituent, reached USD 657.3 Mn witnessing 40% rise from USD 470 Mn in Q2-2021 as demand for energy use increased driven by the recovery of travel and tourism in Dubai.

Qatar

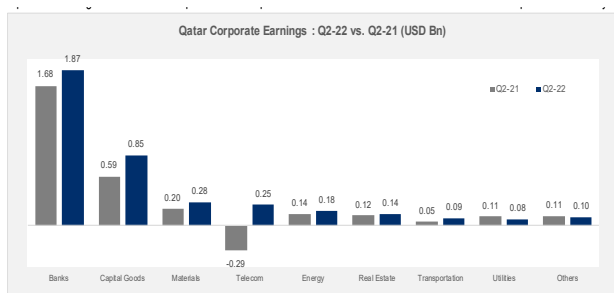
Total earnings for Qatari-listed companies increased by 41.2% during Q2-2022 y-o-y to reach USD 3.8 Bn as compared to USD 2.7 Bn in Q2-2021. Qatar's Banking sector reported a profit growth of 11.1% in Q2-2022 that reached USD 1.9 Bn accounting for 48.6% of the overall exchange profits during the quarter. QNB reported a net profit increase of 13.5% during the quarter reaching USD 1.06 Bn compared to a net profit of USD 933.8 Mn in Q2-2021. The increase in profits was mainly

driven by higher net interest income and non-interest income that was partially offset by an increase in provisions during the quarter. Qatar Islamic Bank reported a net profit of USD 261.6 Mn for Q2-2022 as compared to 227.9 Mn for the same period in 2021. Income from financing and investing activities registered a y-o-y growth of 6.6% during the quarter to reach USD 523.3 Mn as compared to USD 490.9 Mn for the same period of 2021. Fees and Commission income also increased from USD 46.4 Mn during Q2-2021 to USD 57.6 Mn during Q2-2022, supporting further growth in profits for the bank. Commercial Bank of Qatar reported a net profit of USD 216.6 Mn for Q2-2022 as compared to 195.3 Mn for the same period in 2021, up by 10.9%. Net interest income for the bank increased by 8.6% to QAR 1.0 Bn during Q2-2022 as compared with QAR 922.9 Mn achieved in the same period in 2021. Meanwhile, quarterly net profit for Masraf Al Rayan declined by 7.7% to USD 141.6 Mn in Q2-2022 compared to USD 153.3 Mn in Q2-2021 despite a healthy growth in net interest income and non-interest income. The decline was mainly led by higher return to investment account holders during the quarter

In the Telecom sector, Ooredoo's reported net profits during the quarter that reached USD 222.2 Mn as compared to a net loss of USD 309.9 Mn in Q2-2021 as the company had booked losses related to one of its subsidiaries during Q2-2021. The Telco's revenue grew by 4% y-o-y to USD 3.02 Bn in 1H-2022 driven by growth in post-paid services, Ooredoo TV and B2B services. The company's customer base increased

to 3.2 million subscribers at the end of 1H-2022 compared to 3 million subscribers at the end of 1H-2021. Vodafone Qatar reported a net profit of USD 29.7 Mn for Q2-2022, representing an increase of 61.7% y-o-y. Total revenue increased by 22.1% y-o-y to reach USD 193.7 Mn driven by continued growth in the company's postpaid revenue and fixed broadband services in addition to higher service revenue. The Capital Goods sector reported the third biggest earnings during the quarter at USD 845.4 Mn as compared to USD 592.1 Mn in Q2-2022. Net profits reported by Industries Qatar surged 37.1% to USD 743.3 Mn in Q2-2022 compared to USD 542.3 Mn in Q2-2021. Sales volumes for the 1H-2022 increased by 3%, primarily driven by higher plant operating rates which improved production volumes. Revenue for the current quarter was up by 10% versus Q1-2022. This increase was primarily driven by improved selling prices which increased by 8% and higher sales volumes which increased by 2%. Estithmar Holding Co. (Investment Holding Group) posted multifold increase in net profit of USD 50.11 for Q2-2022 against USD 1.3 Mn for Q2-2021. The company posted an impressive revenue growth and EBITDA of 21.9% and 15.2% for 1H-2022.

The Materials sector posted a net profit of USD 282.8 Mn in Q2-2022 compared to a net profit of USD 202.1 Mn driven by higher profits reported by QAMCO and MPHIC. QAMCO recorded a net profit of USD 101.2 Mn in Q2-2022 compared to net profit of USD 44.4 Mn mainly led by higher average realized selling prices, which increased by 22% in Q2-22 vs Q2-21. MPHIC net profit increased 13.3% to USD 162.1 Mn in Q2-2022 compared to a profit of USD 143.0 Mn driven by higher revenue and selling prices.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Net profits for the Energy sector improved by 28.4% y-o-y to reach USD 182.7 Mn supported by the profits reported by Nakilat and Qatar Fuel Company (WOQOD). Nakilat registered a net profit increase of 11.5% to reach USD 94.7 Mn for Q2-22 vs USD 84.9 Mn for Q2-21. Qatar Fuel Company posted a net profit increase of 15.9% to reach USD 65.0 Mn in Q2-

2022 vs USD 56.1 Mn in Q2-2021 mainly driven by increase in sales. The company's total fuel sales for the period have increased by 14% compared to the same period of the year 2021, driven by the increase in Jet fuel sales by 26%. The number of Woqod operating stations reached 119 by June 2022 and is expected to reach 129 by the end of 2022 and the company is taking preparatory measures to meet the 2022 World Cup requirements in Petroleum and Gas products. In the Transportation sector, Qatar Navigation Co. almost doubled to USD 76.4 Mn in Q2-2022 compared to USD 37.9 Mn in Q2-2021 backed by the higher operating revenue. Ezdan Holding Group in the Real estate sector witnessed over fourfold y-o-y increase during Q2-2022 to reach USD 29.6 Mn compared to USD 6.7 Mn in Q2-2021. The increase in the net profit is driven by higher rental income and other operating revenue. Meanwhile, the Quarterly net profit for Qatar Electricity & Water Co. of the utilities sector declined by 27.6% to USD 80.6 Mn in Q2 -2022 compared to USD 111.3 Mn in Q2 -2021. The profit decline of QEWC was due to the increase in finance costs and loss of sale of asset held for sale.

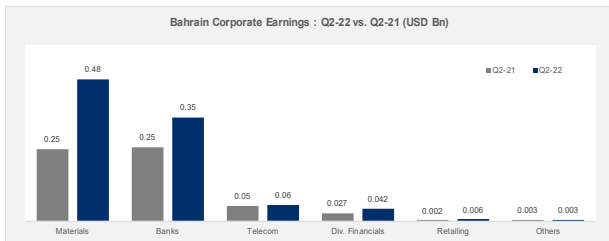
Bahrain

Total Q2-2022 net profits for Bahrain-listed companies increased by 62.4% y-o-y to USD 943.3 Mn after four of its key sectors posted an increase in net profits during the quarter. The Materials sector reported the biggest Q2-2022 aggregate profits among the sectors in the exchange. Aluminum Bahrain, the only company in the Materials Sector, reported Q2-2022 net profits of USD 482.6 Mn registering 96.5% y-o-y increase from its Q2-2021 net earnings which stood at USD 245.6 Mn. ALBA's quarterly profits boost was mainly driven by higher LME prices.

In the Banking Sector, Al Ahli United Bank and National Bank of Bahrain posted robust Q2-2022 net profits pulling up the total net profits of the sector during the quarter which witnessed a 39.8% overall increase to USD 353.2 Mn. AUB's profits were underpinned by an increase in net interest income combined with a rise in fees and commission. Meanwhile, National Bank of Bahrain reported a Q2-2022 net profit of USD 53 Mn, a 34.2% y-o-y rise from its Q2-2021 net profit of USD 39.5 Mn. NBB's improved profitability was driven by strong business fundamentals supported by higher net interest income due to higher loan volumes in the group's key segments. The bank also attributed its improved quarterly profits to lower provisioning requirements as compared to the last corresponding period.

Total Q2-2022 net profits of the Telecom sector improved by 11.4% y-o-y to reach USD 56.3 Mn. Profits for Bahrain Telecommunications Company reached USD 52.9 Mn, as compared with USD 47.2

Mn in Q2-2021. Batelco's profits were attributed to higher revenues underpinned by robust digital strategy. Zain Bahrain posted smaller profits increase of 2.6 % y-o-y to reach USD 3.4 Mn up from USD 3.3 Mn during the similar period of 2021.



Source : *Company Financials, Reuters, Bloomberg, Kamco Invest Research*

In the Diversified Financials Sector, total Q2-2022 net profits reached USD 42.2 Mn registering 57% y-o-y increase from USD 26.8 Mn in Q2-2021. Q2-2022 net profits of United Gulf Investment Corporation jumped more than nine times to reach USD 11.1 Mn as compared to USD 1.2 Mn in Q2-2021. However, GFH Financial Group posted the largest Q2-2022 net profits among the sector companies with USD 23.1 Mn up from USD 20.9 Mn in Q2-2021.

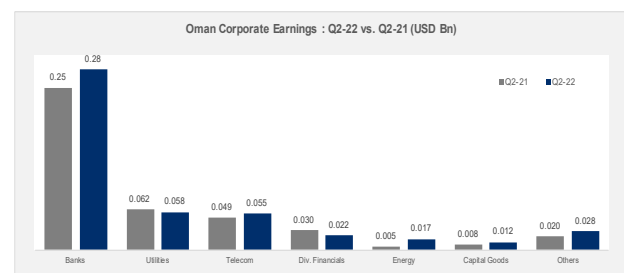
On the other hand, aggregate net profits for the Insurance Sector fell 75.3% during the quarter mainly due to Bahrain National Holding Co's Q2-2022 loss of USD 5.7 Mn down from a profit of USD 3.3 Mn in Q2-2021 dragging down the total profits of the sector. Total Q2-2022 net loss of the Food, Beverage & Tobacco stood USD 5.5 Mn down from a Q2-2021 net profit of USD 3.7 Mn. Both companies in the sector recorded a loss during the quarter. Bahrain Flour Mills announced a Q2-2022 net loss of USD 4 Mn against a profit of USD 3.5 Mn. The company attributed the loss to a decline in market valuation of equity investment. Similarly, Delmon Poultry Co registered a Q2-2022 loss of USD 1.5 Mn against a profit of USD 0.14 Mn in Q2-2021. The company attributed the loss on a loss incurred by investment in an associate.

Oman

Total net profits for listed companies in Oman increased by 11% y-o-y to USD 468.4 Mn in Q2-2022 compared with USD 422 Mn in the corresponding quarter in 2021. Q2-2022 earnings of the Banking Sector, the biggest sector in the exchange by market cap, improved 11.5% to reach USD 276.4 Mn up from USD 248 Mn in Q2-2021. The Utilities Sector followed with the second largest total net profits of USD 57.7 Mn during Q2-2022 down from USD 62.2 Mn in Q2-2021. Bank Muscat, Oman's largest bank by assets, posted the biggest profits within the Banking Sector during Q2-2022 with net profits of USD 132.4 Mn as compared to USD 123.4 Mn during

Q2-2021. Falling net impairment credit losses mainly contributed to the bank's rise in profits. However, profits for HSBC Bank Oman witnessed the biggest percentage increase among the banks recording 63% rise in Q2-2022 earnings which reached USD 24.4 Mn as compared to USD 15 Mn during Q2-2021. On the other hand, Oman Arab Bank was the only bank among the eight banks on the exchange to post a decline in its Q2-2022 net profits.

Oman Arab Bank reported a 50.8% fall in Q2-2022 net profits to USD 9.1 Mn as compared to USD 18.6 Mn in Q2-2021.



Source : *Company Financials, Reuters, Bloomberg, Kamco Invest Research*

The profit growth for the Telecom sector came on the back higher profits reported by OmanTel that reached USD 41.8 Mn in Q2-2022 up from USD 39.8 Mn in Q2-2021. Comparatively, Oman Qatari Telecom reported a 51.5% increase in Q2-2022 net profits that reached USD 13.5 Mn.

The Materials Sector witnessed the largest percentage growth in Q2-2022 net profits among the sectors in the MSX market. Raysut Cement Co. and Oman Chlorine Co. both returned to profits in Q2-2022 after dipping into the red in Q2-2021. Raysut Cement announced Q2-2022 net earnings of USD 0.4 Mn as compared to a net loss of USD 8.6 Mn in Q2-2021. Similarly, Oman Chlorine posted USD 2.1 Mn in Q2-2022 net profits up from a loss of USD 0.4 Mn in Q2-2021.

Total Q2-2022 net profits of the Energy Sector reached USD 16.7 Mn as compared to USD 5 Mn in Q2-2021 witnessing a 235% y-o-y jump. Shell Oman Marketing registered the largest absolute profit rise among the four companies in the sector with Q2-2022 net profits of USD 6 Mn up from USD 1.1 Mn in Q2-2021. Higher revenue due to higher sales, especially on the growth of non-fuel retailing were attributed to the energy company's jump in quarterly profits. On the other hand, Oman Oil Marketing Co recorded the biggest Q2-2022 net profit among the companies in the sector with USD 6.9 Mn against USD 3.1 Mn in Q2-2021. Of the four companies in the sector National Gas was the only loss-making company registering a loss of USD 0.6 Mn in Q2-2022 as compared with a loss of USD 0.7 Mn in Q2-2021.

SELF STUDY

Ask about
Discount



ISC

in cooperation with



For More Details
Please Scan Here

Focused Meetings and Visits

Al-Salami: Investing in youths is an investment that serves the Nation and it is everyone's responsibility.

Al-Shatti: Drugs are a scourge that affects youths in particular, with devastating effects on community, that draw everyone's attention.



Union of Investment Companies has received representatives of the National Awareness Project for Drug Prevention of Drugs (Grass) at the headquarters of the Union, where Mr. Saleh Saleh Al-Salami, Chairman of Board of Directors of the Union welcomed Mr. Ahmad Khedr Al-Shatti, CEO of Project, along with the accompanying project team. Mr. Saleh praised the constructive and fruitful efforts of the National Project (Grass) in confronting and preventing the scourge of drugs and spreading awareness among members of community of its dangers.

Mr. Saleh Al-Salami has expressed that investing in youths is an investment that serves the Nation and it is everyone's responsibility, starting from the school and university and ending with civil society institutions and the public and private sectors through qualifying them, training them and arming them with science and knowledge, in the belief of the Union in the significance of social responsibility and its role in supporting Kuwait in achieving its comprehensive vision for sustainability and in line with Vision 2035 and the National Development Plan.

Of his part, Dr. Ahmad Al-Shatti has confirmed that countering drugs scourge is the joint responsibility of all authorities. These scourge, affecting the youths group, in particular, with the devastating effects on society draws everyone's attention.

During the meeting, they discussed the possibility of the Union's support for the National Project (Grass). As Dr. Ahmad Al-Shatti has stated that the project team is about to launch "Grass Electronic Platform", an integrated awareness media platform that aims to spread awareness by providing awareness programs, proactive prevention and life skills activities, in addition to holding exhibitions, conferences, workshops, training courses, psychological, family and social counseling, conducting research and studies of monitoring and follow-up of results, in a manner that contributes in protecting youths from the dangers of negative scourges and promoting positive values due to the significant and effective role of spreading ethics in resisting societal scourges that hinder development process in all its aspects, which will be positively reflected in the support and stability of the national economy and the prosperity of the state through support of youths.

Mr. Saleh Al-Salami has expressed his pleasure with this patriotic spirit of Project team and their quest to keep path with the developments and take advantage of modern technology to enable young people, the new generation and parents to access information and advices that would enable them to confront and prevent these negative scourges, thus contributing to the advancement and renaissance of our beloved country, Kuwait.

Focused Meetings and Visits

Meeting of (UIC) with the Embassy of the Republic of Cyprus in Kuwait



Mr. Saleh Saleh Al-Selmi, Chairman of Union of Investment Companies, received H.E. the Ambassador of the Republic of Cyprus, Mr. Michael Mavros, at UIC remises on 23/10/2022. During the meeting, they discussed means of economic cooperation between the two countries, developing trade relations and encouraging investment opportunities.

For his part, Mr. Mavros affirmed that the Republic of Cyprus seeks to increase the trade and economic exchange between the State of Kuwait and the Republic of Cyprus, which amounted to 9 million euros in favor of Cyprus in 2021, and Kuwait's exports were some limited petroleum products.

In turn, Mr. Saleh Al-Selmi praised the efforts made by the official bodies in the two countries to develop relations by signing a memorandum of understanding to establish a committee for cooperation and to enhance coordination in all fields and exchange information in January 2022. In previous years, a number of memoranda of understanding were signed, which amounted to 15 agreements to run Bilateral relations between the two countries.

The Cypriot Ambassador, Mr. Mavros, presented an invitation to the investment companies, through the UIC Chairman, Mr. Saleh Al-Selmi, to participate in the first Cypriot investment forum in the State of Kuwait entitled "Cyprus: Your Gateway to Europe" on Monday, 31st October 2022, in order to view the available investment opportunities in the Cyprus Republic.

The Cypriot ambassador shed light on the objectives of the forum, including the importance of the strategic location of the Republic of Cyprus, which provides access to European and African markets and the most favorable tax system in the European Union.

The Cypriot ambassador announced that the organization of this event will be under the auspices of the National Commission for Investment Promotion INVEST CYPRUS, and he wished that UIC can extend invitations to all UIC member companies to attend this forum. The coming delegation will present all the opportunities and advantages that the Kuwaiti investor will get.

By the end of the meeting, Mr. Saleh Al-Selmi thanked the Cypriot ambassador for this visit, stressing the need for continuous coordination for the exchange of visits between the two countries to get acquainted with the projects available in Cyprus and to help Kuwaiti investors and facilitate their work.

Focused Meetings and Visits

Meeting of UIC with the Turkish Embassy in Kuwait



Union of Investment Companies (UIC) received a delegation from the Turkish Embassy and discussed means of broadening economic collaboration between Kuwait and Turkey and explored possibilities of expanding joint cooperation between the countries in the domains of trade and investment.

Vice Chairman of Union of Investment Companies Abdullah Hamad Al-Terkait received the delegation, headed by Turkish Ambassador to Kuwait Tuba Nur Sonmez at the UIC headquarters, as both sides discussed means of strengthening joint cooperation. "We notice the strengthening of principles of cooperation between Kuwait and Turkey year after year, and effective communication channels are expanding through the broadening of the economic action cycle, be it at commercial or touristic levels, or in terms of foreign direct investment," Al-Terkait said.

Previous success

Al-Terkait said the previous and current successes contribute to laying a roadmap towards a bright future in strengthening relations between the two countries and moving towards greater cooperation on all commercial, cultural, diplomatic and educational levels, which will lead to peace and prosperity in the Middle East.

Commercial exchange

Al-Terkait said the total value of commercial exchanges between the two countries reached \$800 million, although they suffered a drop during 2020 due to the coronavirus pandemic, when it reached around \$600 million compared to \$700 million in 2019. According to the numbers of the Turkish Statistics Authority, the total value of commercial exchanges during 2022 may go beyond previous years, indicating there is a continued growth momentum in terms of commercial relations between the two countries, he said. It is a clear indication that Kuwait and Turkey will see an increase in their respective Gross Domestic Products (GDPs), as Kuwait's GDP is expected to reach 8.2 percent and Turkish GDP 4 percent.

Kuwait qualifications

Ambassador Sonmez said Turkey is looking for more cooperation and commercial exchanges between the two countries, adding that Kuwait has qualifications and financial and investment abilities that are not known to many Turkish investors, adding both countries require enhanced communication channels between them to bolster bilateral investments.

She said Turkey has investment qualifications not only in real estate and contracting, but also in the healthcare sector, technology, automobile manufacturing, nuclear

energy and other fields. The Turkish ambassador said Turkey can benefit from Kuwaiti expertise in Islamic finance and other sectors, pointing out the importance of strengthening relations between the two sides through a future visit by members of UIC to the investment office in Turkey to work on removing obstacles, if any, Kuwait investors face to invest in Turkey. The visit will also help the team to familiarize itself with the investment opportunities available in the country, she said.

Al-Terkait welcomed the cooperation and confirmed that Turkey achieved remarkable development in G20 and reached the second rank, as it can offer many opportunities and Kuwait investors can benefit from them.

Mutual visits

Al-Terkait concluded the meeting by affirming the importance of coordinating mutual visits between the two countries, adding that UIC is ready to arrange a visit by Kuwaiti investors to Turkey to meet Turkish companies and get to know available investment projects. He also welcomed visits of Turkish investors to Kuwait to meet businessmen and representatives of investment companies in Kuwait. Al-Terkait wished Turkish Ambassador Sonmez success in her new diplomatic mission at the Turkish Embassy in Kuwait.

Turkish markets

It is worth mentioning that Turkish markets are considered suitable for Kuwait companies to invest in. Currently, more than 380 companies with Kuwaiti capital operate in Turkey in the finance, real estate and foodstuff sectors, while more than 50 Turkish companies are operating in Kuwait. According to official statistics, the number of real estate properties Kuwaitis bought in Turkey from 2015 to 2022 number around 13,800, through which the owners can take several advantages including:

- Earning revenue from real estate investments on a monthly basis.
- Increased capital value.
- Possibility of getting Turkish nationality by owning real estate worth \$250,000 and commitment not to sell the property for at least three years.

Turkish real estate

The main reason for investing in Turkish real estate is primarily the movement of tourists from Kuwait to Turkey, which encourages investment in the real estate sector. The number of tourists from Kuwait in 2021 reached around 246,000. The total value of Kuwait's direct investment in different sectors reached \$2 billion in 2022, indicating the depth of relations at all levels. They promise a bright future based on growing confidence and joint cooperation on all regional and

international issues.

Turkish exports

The most important Turkish exports to Kuwait are carpets, floor coverings, steel, land equipment, accessories, machinery, spare parts, textiles, gold, jewelry, sheep, boats, cars, fish, construction material, furniture and marble products.

Kuwaiti exports

The most important Kuwaiti exports to Turkey are led by crude oil, petrochemicals, organic chemical products and plastic material.

Official authorities in both countries rely on dialogue mechanisms that are necessary to develop relations and are embodied in the joint cooperation committee, which was formed with joint chairmanship of foreign ministers.

Relations and agreements

The committees had a role in strengthening relations between the two countries in various fields – cultural, educational, political and economic, which were confirmed through the agreement that was signed in 2021. Signed agreements between the two sides include the following fields.

1. A workplan between the governments of Kuwait and Turkey for the year 2021-2022.
 2. A memorandum of understanding in the field of environment.
 3. Cooperation protocol between the Kuwaiti Information Ministry and Turkish Radio and Television Authority.
 4. Cooperation protocols in the fields of journalism and information.
 5. MoU between Kuwait National Library and the general directorate of libraries and publications at the cultural and tourism ministry in Turkey.
 6. MoU in the field of social affairs and policies.
 7. Previous effective agreements:
 8. Agreement between the Republic of Turkey and the State of Kuwait to avoid double taxation with regards to income and capital taxes.
 9. Trade agreement between Turkey and Kuwait.
 10. Agreement to form a joint committee for cooperation between the Turkish and Kuwaiti governments.
 11. Agreement between Turkey and Kuwait on economic and technical cooperation.
 12. Agreement between Turkey and Kuwait on assistance and cooperation in customs issues.
- Agreement between Turkey and Kuwait on mutual encouragement and protection of investments.



اتحاد شركات الاستثمار UNION OF INVESTMENT COMPANIES

Overview

The investment sector has been always able to be a major contributor to the Kuwaiti economy, laying out the great role that financial markets play in developing the financial sector in general. Investment companies and financial services have played a vital role in the development and update of financial markets in Kuwait, which had an impact on attracting foreign investment and activating the role of the private sector in the growth of the Kuwaiti economy. In light of the continuous pursue to upgrade the financial markets in Kuwait and keep pace with global economic developments, the investment sector expanded its activities to include regional and global markets.

Proceeding from the importance of this sector, the Union of Investment Companies (UIC) was established, which was published in January 2005. Currently, it brings together 33 investment and financial services companies in its membership, 19 of which are listed in Boursa Kuwait. The scope of the investment sector in Kuwait also includes providing financial services under the provisions of Islamic Sharia, and the number of Islamic investment companies that are members of the UIC is 14 companies.

The number of investment and financing services companies reached 48 companies licensed by the Capital Markets Authority and/or registered with the Central Bank of Kuwait,

and whose assets under management reached 27.18 billion Kuwaiti dinars during July 2022 according to the Central Bank of Kuwait statistics, of which 22 companies are listed in Boursa Kuwait.

The financial services sector (investment sector) is the second-largest sector in the Boursa Kuwait, during 2021, in terms of the average value of total trading after the banking sector with 3.7 billion Kuwaiti dinars, while it occupies the first place in terms of the average amount of total trading with 36.2 billion shares. The number of financial services sector companies listed in Boursa Kuwait is 44 out of a total of 157 Listed companies.

Mission

Adapting the appropriate atmosphere for developing the efficiency of the investment sector and financing services in consistency with developments in the international markets, including legislation and autonomous regulations to serve national economy.

Objectives of Union of Investment Companies (UIC)

- To promote and develop investment sectors using the best material capabilities and the available human expertise of the members.
- To prepare technical and specialist studies and research in the development and promotion of the investment sector.

- To consult and exchange opinion with all institutions of the State to achieve the interests of the members and national economy. Further to cooperate with different government and private authorities concerned with investment sector related to the union's activities and to remove the impediments that may face the members.
- To give opinion on the draft laws, proposals, rules, regulations, or orders pertaining to different shapes of investment or economics, either directly or indirectly as well as those relating to regulation of the investment or the licensed companies, supervision and control of the same.
- To organize and participate in the local and international conferences, seminars and courses relating to the investment or economical business, to circulate the conclusions, recommendations and research presented therein among members of the Union.
- To promote the professional and cultural level of the members, and to setup and organize the social activities of the members of the Union.
- To publish advertising literature to promote investment and commercial culture in the society and among members of the Union.
- To hold specialized training courses in financial and investment fields and in the activities of the companies' members of the Union and the economical and other related entities. For the purpose of developing and rehabilitation of its employees.
- The right of filling a case for the defense of the union members' public interests and rights without prejudice to the right of litigation of each member.

UIC Members

1	Arzan Financial Group for Financing & Investment	25	Coast Investment & Development Company K.S.C.P
2	Al-Safat Investment Co. K.S.C.C.	26	Rasameel Investment Company (RIC)
3	Kamco Invest Faisal M. Sarkhou	27	Cap Corp Investment Company (K.S.C. Closed)
4	A'ayan Leasing & Investment Company	28	EFG Hermes IFA
5	Kuwait Investment Company	29	Al-Masar Leasing and Investment Company
6	First Investment Company (FIC)	30	Al-Waseet Financial Business Co. (K.S.C.)
7	Kuwait Clearing Company	31	KIC Financial Brokerage Co.
8	National Investments Company	32	AL-Sharq Financial Brokerage CO.
9	Kuwait Financial Centre S.A.K.C.	33	KFIC Brokerage
10	The Securities House Company		
11	KFH Capital Investment Company		
12	Al-Imtiaz Investment Company (A.I.I.C)		
13	Kuwait & Middle East Fin. Inv. Co. KSCC		
14	Amar Finance & Leasing Company		
15	Wafra International Investment Company		
16	Osoul Investment Co. (K.S.C) closed		
17	Al-Tamdeen Investment Co. K.S.C.C.		
18	Al-Manar Financing & Leasing Company		
19	Kuwait Pillars for Financial Investment		
20	Watani Investment Company		
21	Dimah Capital Investment Company		
22	Boubyan Capital Investment Company		
23	Noor Financial Investment Co.		
24	Kuwait Finance & Investment Company (KFIC)		

UIC Board of Directors

Saleh S. Al-Selmi	Chairman
Abdullah H. AlTerkait	Vice Chairman
Faisal M. Sarkhou	General Secretary & Board Member
Abdullah M. H. Alshatti	Treasurer & Board Member
Bader N. AlSubaie	Board Member
Essa Kh. Alessa	Board Member
Fahad A. Almukhaizim	Board Member
Dakhil A. Al Dakhil	Board Member
Mohammad A. Al Saad	Board Member

Published by the Union of Investment Companies Kuwait under the leadership of UIC President Saleh S. Al-Selmi and Editor-in-Chief Bader N. AlSubaie.

(UIC)

Media & Marketing Committee

Mr. Abdullah H. Al-Terkait

Head of Committee
AlSafat Investment Company
Vice Chairman of the Board of Directors of UIC

Mr. Saleh S. Al-Selmi

Committee member
Arzan Financial Group For Financing & Investment K.P.S.C.
Chairman of UIC Board of Directors

Ms. Ebtehaj Abdulaziz Musaed AlRoomi

Committee member
National Investments Company (NIC)
Senior Vice President – Marketing & Public Relations Dept.

Ms. Hessa H A Alameeri

Committee member
Osoul Investment Company
Assistant Manager - Investment

Ms. Sarah Jassem Almukaimi

Committee member
Al-Safat Investment Company (AL-SAFAT)
Public Relations & Marketing Manager

Mr. Tareq Ahmad Abdulaziz Ahmad Al Jasem

Committee member
Kuwait Finance & Investment Company (KFIC)
Executive Director - PR, Marketing & Investors Relations

Mr. Mustafa N. Zantout

Committee member
Kamco Invest
Director of Marketing Investor Relations

Ms. Fadwa A. Darwish

Union of Investment Companies (UIC)
Vice Secretary General & ISC Acting Director

Union of Investment Companies - Kuwait

(M) Floor
Kuwait Chamber of Commerce & Industry Building,
Mubarak Al-Kabeer Street,
Kuwait City

P.O. Box 27555, Safat
13136 Kuwait

Telephone

+(965) 2228-0370

Fax

+(965) 2249-0091/2

E-mail

uic@unioninvest.org




Website

www.unioninvest.org



تطوير.. واعد..

كوادر وطنية، قادرة على قيادة كيانات
استثمارية عبر التعليم، والمعلومات والبحث،
وخدمات تدريبية لقطاع الاستثمار

00 965-22280370 
00 965-22490091/2 
uic@unioninvest.org 



اتحاد شركات الاستثمار 

الميزانين
غرفة تجارة وصناعة الكويت
القبلة - شارع مبارك الكبير
مدينة الكويت - الكويت



اتحاد شركات الاستثمار
UNION OF INVESTMENT COMPANIES