

Research Update:

Kuwait 'AA-' Ratings Affirmed; Outlook Remains Negative

January 15, 2021

Overview

- We forecast that Kuwait's central government deficit will total a substantial 30% of GDP in the 2020-2021 fiscal year, while the government's main source of budget funding, the General Reserve Fund (GRF), is approaching depletion.
- Beyond this immediate fiscal impasse, broader reform momentum remains slow and complicated by the confrontational relationship between the government and parliament.
- However, Kuwait's total accumulated government savings remain substantial at over 500% of GDP, under our estimate.
- We are affirming our 'AA-/A-1+' sovereign ratings on Kuwait. The outlook remains negative.

Rating Action

On Jan. 15, 2021, S&P Global Ratings affirmed its 'AA-/A-1+' long- and short-term foreign and local currency sovereign credit ratings on Kuwait. The outlook is negative.

Outlook

The negative outlook reflects our view of short- and medium-term risks stemming from fiscal pressure, including the continued depletion of the GRF--the government's main source of budget funding--for which alternative financing arrangements are not yet in place. It also highlights the medium-term risks from Kuwait's persistently slow structural reform progress, particularly compared with other regional sovereigns.

Downside scenario

We could lower the ratings over the next six-to-12 months if Kuwait's institutional settings prevent the government from finding a sustainable long-term solution to its funding needs. In an extreme case, an insufficient policy response could leave Kuwait facing a hard fiscal budget constraint,

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potentially resulting in a disorderly expenditure adjustment that could inflict long-term damage on the economy.

We could also lower the ratings if broader reform efforts--such as taxation and labor market changes, and measures to diversify the economy--remain sluggish, intensifying the burden on Kuwait's fiscal metrics over the medium term. Additionally, ratings could come under pressure if we consider that Kuwait's monetary policy flexibility has reduced or regional geopolitical tensions materially deteriorated, potentially disrupting key trade routes.

Upside scenario

We could revise the outlook to stable if the authorities swiftly addressed Kuwait's fiscal pressures and funding constraints in tandem with a program of structural reforms that enhanced institutional effectiveness and improved long-term economic prospects.

Rationale

The negative outlook reflects our view of risks stemming from the continued depletion of the GRF, the government's main fiscal liquidity buffer, given that the authorities are yet to adopt a timely alternative funding strategy. The GRF has been dwindling, as it has been the sole funding source for central government deficits since the debt law expired in October 2017. The expiry of the debt law meant that Kuwait has been unable to borrow, while the authorities have so far been reluctant to draw on the much larger Future Generations Fund (FGF), which is primarily earmarked for when the oil reserves run out in the long term.

Over the past several months, the authorities have implemented some measures that could buy additional time, but on their own, these remain insufficient to resolve the funding gap. For example, parliament adopted a law suspending the automatic transfer of 10% of government revenues to the FGF, making it conditional on the budget having run a surplus in the given year. Provided there is a surplus, it would be up to the government to decide on the amounts transferred. The GRF also received an injection of funds from the FGF in exchange for the transfer of other government assets to the FGF. However, these measures alone are insufficient to address the issue given the scale of the central government budget deficit, which we project will amount to close to 30% of GDP for the 2020-2021 fiscal year.

We consider that time is rapidly running out to resolve the GRF's liquidity issue, and if the current situation continues, the GRF will be left without any liquidity in the coming months. This is exacerbated by Kuwait approaching the end of the fiscal year in March, with a larger proportion of government spending typically taking place toward year-end, like in other countries. We understand that, as a temporary solution, some additional less-liquid assets, including the key government-owned oil company Kuwait Petroleum Corporation, could be transferred from the GRF to the FGF in exchange for cash. That said, it remains unclear whether this will ultimately be implemented and how much liquidity the GRF will receive in return.

If the GRF were to completely run out of liquidity, which is not our base-case expectation, Kuwait could face a hard budgetary constraint. It would therefore need to adjust expenditure rapidly and by a large amount. Despite the risks, we do not expect debt service to be affected in such a situation, primarily because the amounts involved are comparatively small: we estimate Kuwait's gross general government debt at 10% of GDP, while interest expenditure is equivalent to only about 1% of total spending. Nevertheless, a potential disorderly spending adjustment could weaken the economy, aggravating the impact of the COVID-19 pandemic, hampering economic recovery prospects, and denting foreign investor confidence. The latter could be particularly

important as Kuwait plans to return to foreign market funding in the coming years.

Beyond the current fiscal pressures, the negative outlook also highlights the downside risks from a number of structural problems that Kuwait will have to deal with over the medium term. Even if the debt law is ultimately adopted, the scale of the fiscal deficit we project through to 2024 implies that the borrowing authorization under the law (which was previously proposed at Kuwaiti dinar 20 billion) could be exhausted in about three years. As such, the current problems will likely resurface. A longer-term sustainable solution could comprise a more comprehensive program of reforms and fiscal adjustment, including cutting subsidies, closing spending loopholes, and introducing new taxes, which several other Gulf Cooperation Council (GCC) states have already done.

We anticipate that agreeing such a reform program will likely be difficult due to the confrontational relationship between the government and parliament, as demonstrated by very slow reform progress in the past. More recently, tensions between the government and parliament have been high, with all government ministers submitting their resignation in mid-January, only weeks after the government was formed following the parliamentary elections. In our view, this dynamic suggests an even more challenging path to a consensus on policy reforms.

The ratings on Kuwait remain supported by the country's high accumulated fiscal and external buffers. The ratings are constrained by the concentrated nature of the economy and relatively weak institutional settings compared with those of nonregional peers in the same rating category. Kuwait derives about 50% of GDP, more than 90% of exports, and about 90% of fiscal receipts from hydrocarbon products. Given this high reliance on the oil sector, we view Kuwait's economy as undiversified.

Institutional and economic profile: Projected real GDP stagnation in 2021 follows a deep pandemic-induced economic contraction in 2020 and reflects continuing OPEC+ oil production cuts

- Kuwait's economy still depends on oil, which accounts for 90% of both exports and government revenue.
- We project 0% growth this year, which masks a rebound of the non-oil sector from last year's pandemic hit but is nevertheless offset by oil production curbs in line with the OPEC+ agreement.
- Kuwait's political system remains confrontational and often deadlocked, and structural reforms have lagged peers' in recent years.

Kuwait's economy still depends heavily on oil, which accounts for an estimated 90% of exports and government revenue. The oil sector directly constitutes close to 50% of the country's GDP, although that proportion is even higher if taking oil-related activities into account. Kuwait is among the world's top 10 exporters by volume of output as well as oil reserves. Assuming current production levels, the country's total proven oil reserves are equivalent to about 100 years, while the cost of production is among the lowest globally. Given this high concentration, Kuwait's economic performance will remain heavily determined by oil industry trends.

As a member of OPEC, Kuwait has committed to implement oil production cuts in line with the April 2020 cartel agreement (and its subsequent iterations), which followed the pandemic-induced collapse in oil prices. The agreement has a staged nature with additional oil output being returned only gradually. The January 2021 OPEC meeting confirmed the alliance's cautious stance vis-à-vis production levels in the face of uncertain pandemic developments and

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their effect on oil demand. In line with the agreement, we estimate that Kuwait produced 2.43 thousand barrels per day (mbpd), on average, in 2020 and forecast 2.4 mbpd in 2021, 2.75 mbpd in 2022, 3 mbpd in 2023, and 3.1 mbpd in 2024. Given our projected production levels, we expect Kuwait's oil sector will contract in 2021 compared to 2020. We project the Brent oil price will average \$50 per barrel (/bbl) in 2021 and 2022 before rising to \$55/bbl thereafter.

Another factor continuing to impair Kuwait's economic performance is the direct effect of the coronavirus pandemic. The authorities promptly implemented a number of social distancing restrictions last year and have since adopted a more gradual approach to easing them than other countries. As a result, the country has not seen a notable second wave, with new infection levels remaining more contained. Combined with the recent beginning of the COVID-19 vaccine rollout, we expect the non-oil sector to partially recover this year. Overall economic performance will, however, stagnate, depressed by the oil output contraction.

The economy should recover more robustly in 2022-2023 and we expect GDP growth to average 5.5% during that period, as OPEC+ cuts end and Kuwait ramps up production. Nevertheless, the country's economic performance over the economic cycle would still underperform that of other sovereigns at a similar level of economic development. We note that over the seven-year period before the pandemic, growth averaged a mere 0.3% annually.

Kuwait's political system features a powerful cabinet appointed by the Emir, and a democratically elected parliament. In our view, the country's institutional arrangements are generally less opaque than other GCC states, with parliament providing at least some checks and oversight on government activities. Nevertheless, parliamentary power is largely limited to blocking legislation.

Kuwait's late Emir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah passed away on Sept. 29, 2020, following 14 years of rule. The succession process has been smooth, with the Crown Prince Sheikh Nawaf sworn in as the new Emir the next day. Kuwait also held a parliamentary election in December, which resulted in large gains for opposition members of parliament.

Kuwait's institutional arrangements have historically been characterized by frequent confrontations between parliament and government, making important policy decisions difficult. For instance, a law allowing the government to issue debt has still not been passed after the previous one expired in October 2017, while alternative arrangements to address the continued depletion of the GRF are yet to be formally adopted. There has also been parliamentary opposition to a number of structural reforms, such as the introduction of new taxes. We consider that with the new parliament's larger tilts toward the opposition, passing some of the aforementioned initiatives could become even more difficult.

Positively, the regional geopolitical environment has improved in recent months. The Abraham Accords between Israel, the United Arab Emirates, and Bahrain signed last year should contribute to economic, trade, and security cooperation within the region. More recently, in January 2021, four Arab countries ended a diplomatic boycott of Qatar, which should also contribute to regional stability and a broader business and investment environment. Previously, Kuwait had not participated in the boycott, adopting a more neutral stance. We understand that Kuwait has also played a mediating role to help resolve the boycott.

Flexibility and performance profile: Continued depletion of the GRF poses risks, despite overall sovereign wealth fund assets exceeding an estimated 500% of GDP

- We estimate Kuwait's net general government assets amounted to 540% of GDP at the end of 2020--the highest ratio of all rated sovereigns.

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- Nevertheless, the continued depletion of the GRF could severely constrain Kuwait's fiscal budget and leave limited financing options.
- We expect the Kuwaiti dinar will remain pegged to a U.S. dollar-dominated currency basket.

In our view, Kuwait faces risks stemming from the continued depletion of its main budget financing fund, the GRF. The GRF is the smaller portion of the country's sovereign wealth fund, the Kuwait Investment Authority (KIA). The authorities remain reluctant to tap into the much larger FGF, which is earmarked for when oil runs out.

Based on our projections for production levels and oil prices (see above), we forecast the central government deficit will widen to almost 30% of GDP in the fiscal year 2020 compared with an estimated 10% of GDP deficit for fiscal 2019. We understand that the liquid assets available at the GRF are not enough to cover this much larger budget deficit.

The authorities have taken some measures over the past few months to address the situation, including suspending annual transfers from the GRF to the FGF, as well as injecting additional liquidity to the GRF by transferring some less liquid assets to the FGF. Nevertheless, the adopted measures to date fall well short of what would be needed to address the funding gap. We understand that the government could move ownership of state-owned enterprises (SOEs), such as KPC, from the GRF to the FGF to ease the strain, but the likelihood and timeframe for its implementation are unclear.

We consider that the continuing fiscal impasse has a number of negative implications, including potentially exposing Kuwait to a hard budget constraint, limiting the funds that can be deployed to support the economy during the pandemic, and denting foreign investor confidence.

In our view, passing the debt law or temporarily shifting the structure of some SOEs' ownership will do little to fundamentally relieve Kuwait's medium-term fiscal pressures given the scale of the deficits. A more substantial approach aimed at reducing wasteful subsidies and raising revenue through alternative sources could provide stability, but remains very difficult to achieve for political reasons.

Although the GRF has been continually diminishing, the KIA's total assets, including the FGF, remain substantial, which is the main factor supporting the sovereign ratings. No official data are available on the total amount of KIA assets, and the authority is prohibited by law from discussing the exact size of its holdings. Nevertheless, we can use several methods to estimate the size of the sovereign wealth fund. These include summing up the government's historical fiscal surpluses or outward financial account flows in the country's balance of payments, the data for which are publicly available. This approach leads us to estimate KIA assets at more than 500% of GDP as of end-2020.

Mirroring its strong government asset position, Kuwait's balance of payments position is also robust and supports the sovereign ratings. We estimate that at the end of 2020, the country's net external creditor position was equivalent to about 600% of GDP, among the strongest of all rated sovereigns. We estimate that the current account moved to a 1.8% of GDP deficit in 2020 from a 16.4% of GDP surplus in 2019, reflecting the oil price and production dynamics. However, it should gradually strengthen back toward a surplus of 6%-7% of GDP by 2023.

We expect Kuwait's exchange rate will remain pegged to an undisclosed basket of currencies. This basket is dominated by the U.S. dollar, the currency in which the majority of Kuwaiti exports are priced and transacted. In our view, Kuwait's foreign exchange regime is somewhat more flexible than those in most other GCC countries that maintain a peg to the dollar alone. Until end-November 2020, central bank foreign exchange reserves increased and we have not observed an increased flight of domestic residents to foreign currencies. Resident deposit dollarization

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remains low, at about 6%.

We consider that the COVID-19 pandemic and the resulting economic contraction pose some risks to Kuwait's banks. We expect the weaker macroeconomic environment to pressure asset quality. We project nonperforming loans to increase and the cost of risk to almost double in 2020 compared with 2019. Banks have increased their provisioning levels to prepare for the expiration of regulatory forbearance measures. That said, we note that Kuwait's financial system has entered the current downturn in a relatively strong position, with low nonperforming loan levels of about 1.5%, high provisioning coverage exceeding 200%, and strong capitalization at the onset of the pandemic.

Key Statistics

Table 1

Kuwait Selected Key Indicators

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Economic indicators (%)										
Nominal GDP (bil. LC)	34	33	37	42	41	33	35	37	41	42
Nominal GDP (bil. \$)	115	109	121	140	135	110	116	124	137	140
GDP per capita (000s \$)	27.0	24.8	26.8	30.3	28.2	23.9	25.5	27.4	30.2	31.1
Real GDP growth	0.6	2.9	(4.7)	1.2	0.4	(7.0)	0.0	7.0	4.0	1.0
Real GDP per capita growth	(2.9)	(1.1)	(6.6)	(1.4)	(2.8)	(3.1)	0.5	7.5	4.5	1.5
Real investment growth	15.5	11.6	1.3	4.7	1.0	(6.0)	2.5	2.5	2.5	2.5
Investment/GDP	25.4	30.0	27.7	25.2	26.5	31.1	31.0	30.7	29.8	30.8
Savings/GDP	28.9	25.3	35.7	39.4	42.9	29.3	31.7	33.9	37.5	37.1
Exports/GDP	53.8	47.6	51.2	56.7	52.0	40.4	43.2	45.6	49.1	49.1
Real exports growth	(0.9)	2.5	(4.8)	(4.8)	(2.0)	(8.8)	(1.2)	13.0	7.5	2.5
Unemployment rate	2.2	2.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
External indicators (%)										
Current account balance/GDP	3.5	(4.6)	8.0	14.1	16.4	(1.8)	0.8	3.2	7.8	6.3
Current account balance/CARs	5.2	(7.2)	11.6	19.7	23.0	(3.3)	1.2	5.0	11.6	9.3
CARs/GDP	67.2	64.1	68.7	71.6	71.4	55.2	62.2	64.1	67.2	67.4
Trade balance/GDP	24.4	17.8	21.3	29.2	26.3	14.4	14.3	16.6	20.8	20.0
Net FDI/GDP	(4.4)	(3.8)	(7.2)	(2.5)	1.9	0.0	0.0	0.0	0.0	0.0
Net portfolio equity inflow/GDP	(23.6)	(15.2)	(12.5)	(3.8)	(25.2)	3.0	1.0	0.0	0.0	0.0
Gross external financing needs/CARs plus usable reserves	124.6	143.2	118.6	111.2	114.8	165.4	149.1	150.9	144.7	151.7
Narrow net external debt/CARs	(633.3)	(682.1)	(601.3)	(519.6)	(565.7)	(918.3)	(771.4)	(713.8)	(641.8)	(646.9)

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Table 1

Kuwait Selected Key Indicators (cont.)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Narrow net external debt/CAPs	(668.1)	(636.1)	(680.0)	(647.4)	(735.0)	(888.8)	(781.1)	(751.3)	(725.9)	(713.1)
Net external liabilities/CARs	(759.3)	(827.0)	(731.1)	(627.4)	(675.8)	(1,073.5)	(900.5)	(829.8)	(744.4)	(744.1)
Net external liabilities/CAPs	(801.0)	(771.3)	(826.9)	(781.8)	(878.0)	(1,039.1)	(911.8)	(873.3)	(841.9)	(820.2)
Short-term external debt by remaining maturity/CARs	41.8	52.1	45.2	44.9	52.2	96.4	77.0	77.5	75.0	80.7
Usable reserves/CAPs (months)	1.2	1.3	1.7	1.9	2.0	2.4	2.2	1.8	1.8	1.7
Usable reserves (mil. \$)	7,909	10,491	12,597	12,126	12,531	12,929	11,484	11,843	12,302	11,372
Fiscal indicators (general government; %)										
General Government Balance/GDP	11.3	10.3	12.6	16.6	11.9	(1.1)	5.4	12.8	18.4	19.4
Central Government Balance/GDP	(17.3)	(17.9)	(13.2)	(7.9)	(9.6)	(28.5)	(20.4)	(11.8)	(4.9)	(4.5)
Change in net debt/GDP	11.0	9.7	(8.6)	(21.7)	(17.8)	4.8	(5.4)	(12.8)	(18.4)	(19.4)
Primary balance/GDP	11.4	10.5	13.0	17.1	12.4	(0.6)	5.7	13.2	19.0	20.1
Revenue/GDP	64.3	63.9	65.2	68.1	63.6	59.7	60.1	61.3	63.5	64.4
Expenditures/GDP	52.9	53.6	52.6	51.4	51.7	60.7	54.7	48.6	45.1	45.0
Interest/revenues	0.1	0.2	0.7	0.8	0.8	0.8	0.6	0.7	0.9	1.0
Debt/GDP	4.6	9.9	19.6	14.0	10.9	10.3	13.8	18.8	19.6	21.4
Debt/revenues	7.2	15.5	30.0	20.6	17.2	17.2	23.0	30.7	30.8	33.1
Net debt/GDP	(479.0)	(489.8)	(450.8)	(410.3)	(444.1)	(544.1)	(521.2)	(499.9)	(474.0)	(481.8)
Liquid assets/GDP	483.6	499.7	470.4	424.3	455.1	554.4	535.0	518.7	493.6	503.1
Monetary indicators (%)										
CPI growth	3.7	3.5	1.5	0.6	1.1	2.0	2.0	2.0	2.0	2.0
GDP deflator growth	(26.0)	(6.8)	16.2	14.6	(4.2)	(13.0)	5.5	(0.0)	5.5	1.5
Exchange rate, year-end (LC/\$)	0.30	0.31	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Banks' claims on resident non-gov't sector growth	7.4	2.8	2.3	3.1	4.4	4.0	3.0	3.0	3.0	3.0
Banks' claims on resident non-gov't sector/GDP	106.3	113.9	105.2	93.5	101.5	130.4	127.3	122.6	115.1	115.6
Foreign currency share of claims by banks on residents	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Foreign currency share of residents' bank deposits	9.2	7.2	6.5	6.0	5.8	N/A	N/A	N/A	N/A	N/A

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Table 1

Kuwait Selected Key Indicators (cont.)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real effective exchange rate growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Central Bank of Kuwait, Central Statistical Bureau (Economic Indicators); International Monetary Fund, Central Bank of Kuwait (Monetary Indicators), Ministry of Finance, Central Bank of Kuwait (Fiscal Indicators), Central Bank of Kuwait, Ministry of Finance, International Monetary Fund (External Indicators). Adjustments: Usable reserves adjusted by subtracting monetary base from reported international reserves. General government revenues adjusted by including investment incomes from Sovereign Wealth Fund. Liquid assets include the estimated assets of the General Reserve Fund and the Future Generations Fund. Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A--Not applicable. LC--Local currency. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

Ratings Score Snapshot

Table 2

Ratings Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	4	Reduced predictability of future policy responses because of an uncertain succession process and moderate challenges to political institutions due to highly centralized decision-making. Ultimate power is concentrated with the Emir. At the same time, Kuwait has accumulated substantial savings within the sovereign wealth fund Kuwait Investment Authority.
Economic assessment	4	Based on GDP per capita (US\$) and growth trends as per Selected Indicators in Table 1. Weighted average real GDP per capita trend growth over a 10-year period is below sovereigns in the same GDP category.
External assessment	1	Based on narrow net external debt and gross external financing needs/(CAR + useable reserves) as per Selected Indicators in Table 1 . We estimate the sovereign's net external liability position is more favorable than the narrow net external debt position by 100% of CAR, as per Selected Indicators in Table 1. Kuwait's external data lacks consistency as there is no full published international investment position. This could lead to an underestimation of credit risk .
Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1 . Substantial savings accumulated within the sovereign wealth fund, Kuwait Investment Authority, of over 500% of GDP. Kuwait has a volatile revenue base, since 90% of general government revenue is based on hydrocarbon production.
Fiscal assessment: debt burden	1	Based on net general government debt (% of GDP) and general government interest expenditures (% of general government revenues) as per Selected Indicators in Table 1.

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Table 2

Ratings Score Snapshot (cont.)

Key rating factors	Score	Explanation
Monetary assessment	3	The Kuwaiti dinar is pegged to a basket of currencies. There is monetary independence, but it is less secure than at better assessments. CPI as per Selected Indicators in Table 1.
Indicative rating	a	As per Table 1 of "Sovereign Rating Methodology."
Notches of supplemental adjustments and flexibility	2	We estimate Kuwait's government assets are exceptionally large, substantially more than the 100% of GDP. They are also high in an international comparison: KIA is among the biggest sovereign wealth funds globally, even though Kuwait is a country with a comparatively small population.
Final rating		
Foreign currency	AA-	
Notches of uplift	0	Default risks do not apply differently to foreign- and local-currency debt.
Local currency	AA-	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

Related Criteria

- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- Sovereign Ratings List, Jan. 7, 2021
- Sovereign Ratings History, Jan. 7, 2021
- Sovereign Ratings Score Snapshot, Jan. 5, 2021
- Sovereign Risk Indicators, Dec. 14, 2020. A free interactive version is available at <http://www.spratings.com/sri>.
- Banking Industry Country Risk Assessment Update: November 2020, Nov. 24, 2020
- Default, Transition, and Recovery: 2019 Annual Sovereign Default And Rating Transition Study, May 18, 2020
- Economic Research: Jobs And The Climb Back From COVID-19, April 19, 2020
- Economic Research: COVID-19 Deals A Larger, Longer Hit To Global GDP, April 16, 2020

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- FAQ: Sovereign Ratings And The Effects Of The COVID-19 Pandemic, April 16, 2020
- Global Sovereign Rating Trends: First-Quarter 2020, April 8, 2020

Ratings List

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Kuwait

Sovereign Credit Rating	AA-/Negative/A-1+
Transfer & Convertibility Assessment	AA
Senior Unsecured	AA-

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