

KUWAIT: TABLE OF COMMON INDICATORS REQUIRED FOR SURVEILLANCE
(AS OF FEBRUARY 2, 2006)

	Date of latest observation	Date received	Frequency of Data ¹	Frequency of Reporting ¹	Frequency of publication ¹
Exchange Rates	1/06	2/06	M	M	M
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ²	12/05	1/06	M	M	M
Reserve/Base Money	10/05	12/05	M	M	M, Q
Broad Money	10/05	12/05	M	M	M, Q
Central Bank Balance Sheet	10/05	12/05	M	M	M, Q
Consolidated Balance Sheet of the Banking System	10/05	12/05	M	M	M
Interest Rates	10/05	12/05	M	M	M
Consumer Price Index	10/05	12/05	M	M	M
Revenue, Expenditure, Balance and Composition of Financing – General Government					
Revenue, Expenditure, Balance and Composition of Financing– Central Government ³	FY2003/04	12/04	A ⁴	A	Not published on Fund standards
Stocks of Central Government and Central Government-Guaranteed Debt	09/05	10/05	M	M	M
External Current Account Balance	2004	08/05	A	A	A
Exports and Imports of Goods and Services	06/05	08/05	M	M	Q
GDP/GNP	2004	12/05	A	A	A
Gross External Debt ⁵	2003	12/04	A	A	A

¹ Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Annually (A); NA: Not Available

² Central Bank of Kuwait only.

³ Fiscal year data only.

⁴ Higher frequency data available only in national format.

⁵ Primarily private sector; except for a small volume of trade credits, Kuwait has no public external debt.

Statement by IMF Staff Representative
March 10, 2006

This statement provides information on recent developments in Kuwait that has become available since the staff report was circulated to the Executive board on February 22, 2006. The new information does not change the thrust of the staff appraisal.

Fiscal developments. The 2006–07 budget framework was announced recently. The budget is based on an oil price assumption of \$36 per barrel compared with \$21 per barrel assumed in the 2005–06 budget, and the average export price of \$47 per barrel estimated to have been received in 2005/06. The total expenditure has been budgeted at KD 10.326 billion, an increase of almost 43 percent over the 2005/06 budget allocation of KD 7.232 billion. The increase is largely on account of KD 2.2 billion allocated to finance a part of the accumulated actuarial shortfall of the Public Institution for Social Security (KPISS). Excluding this transfer to the KPISS, the budget framework envisages an increase of 12.4 percent in total spending over the 2005/06 budget. The increase in wages and salaries (chapter I) is budgeted to be limited at 7.6 percent. However, the allocation for goods and services (chapter II), transport and equipment (chapter III), and capital spending including land acquisition (chapter IV) have been significantly increased from their 2005/06 budget allocations by 31.8, 38.9, and 27.7 percent, respectively.

Oil sector developments. The oil ministry has resumed discussions with parliament over the proposed Project Kuwait bill relating to the development of the country's northern oil fields. Meanwhile, Kuwait has signed a joint-venture deal with China to build a petrochemical refining complex in China with an investment of over \$6 billion.

Monetary developments. The final quarter of 2005 showed a continuation of the trend observed during the first three quarters. Broad money grew by 16.5 percent during the year, mainly due to the dynamism of private sector credit (growing by 14.2 percent of the initial broad money stock). Growth of net foreign assets (NFA), however, decelerated substantially in the final quarter of the year, containing the 12-month growth in relation to broad money at 4.8 percent (down from 15.7 percent as of end-September). These developments are closely linked to the reintroduction of market-based monetary management mechanisms by the Central Bank of Kuwait (CBK), which encouraged banks to switch from foreign assets to CBK bonds and deposits.