LCPS
المركز اللبناني للدراسات
The Lebanese Center for Policy Studies

Policy Paper

July 2017

Kuwait's Manufacturing Sector

Targeting New Industries

Sebastian Bustos & Muhammed Ali Yildirim

Founded in 1989, the Lebanese Center for Policy Studies is a Beirut-based independent, non-partisan think tank whose mission is to produce and advocate policies that improve good governance in fields such as oil and gas, economic development, public finance, and decentralization.

This research was funded by the International Development Research Center

IDRC | CRDI
International Development Research Centre
Centre de recherches pour le développement international

Canada

Copyright© 2017
The Lebanese Center for Policy Studies
Designed by Polypod
Executed by Dolly Harouny

Sadat Tower, Tenth Floor
P.O.B 55-215, Leon Street,
Ras Beirut, Lebanon

T: + 961 1 79 93 01
F: + 961 1 79 93 02
info@lcps-lebanon.org
www.lcps-lebanon.org

Kuwait's Manufacturing Sector

Targeting New Industries

Sebastian Bustos

Sebastian Bustos is a PhD candidate in public policy at Harvard University and a doctoral fellow at the Center for International Development at Harvard University. Bustos's research focuses on how international competition impacts local markets and the benefits and challenges presented by multinational corporations operating in developing countries. He holds a master's degree in public administration and international development from Harvard University and a BS in economics and business from the University of Chile.

Muhammed Ali Yildirim

Muhammed A. Yıldırım is an assistant professor of economics at Koç University in Istanbul and an associate at the Center for International Development at Harvard University. He specializes in studying network and spillover effects in a multitude of research areas including industrial policy, international trade, productivity, and economic growth. Yıldırım is a co-author of *The Atlas of Economic Complexity* and contributes to the back end of the associated website, which contains millions of data visualizations on the industrial structure of various countries. He obtained his PhD in applied physics from Harvard University and a BS degree from the California Institute of Technology.

An overview of Kuwait

Kuwait's position in the product space suggests that the country's future path for development should focus on new opportunities in the chemical, plastics, foodstuff, and machinery-electrical clusters. Table 1 lists target sectors that the methodology identifies as strategic for Kuwait's future development.[1]

Given that Kuwait is a large oil producer and exporter, it is somewhat expected that the community with the greatest number of target products is the chemical & allied industries cluster, with 22 products (HS2:28-38). The next two communities, both with seven target products, are the plastics/ rubber (HS2:39-40) and foodstuff clusters (HS2:16-24). Finally, the machinery/electrical cluster has six target products (HS2:84-84). Of these communities, products in the foodstuff cluster are closer in distance in terms of productive knowledge and capabilities of the country. Products in the chemicals & allied industry have a higher Product Complexity Index (PCI), therefore developing them would have a larger impact on Kuwait's average complexity. Nevertheless, as will be seen below, all target products are relatively far away when considering their distance from Kuwait's product space. This is partly reflected in the table below, which shows the very small presence the country has in target communities.

1 Please see the introduction for a detailed methodology. http://www.lcps-lebanon.org/publication.php?id=294&category=900&year=2017

Table 1 **Summary of target sectors**

HS2	Product name	Product Targets	Product World Exports ($)
39	Plastic and Articles Thereof	7	403 B
29	Organic Chemicals	6	341 B
84	Machinery and Mechanical Appliances, Computers, Boilers, Nuclear Reactors	5	1858 B
38	Misc. Chemical Prods.	5	153 B
30	Pharmaceutical Products	4	462 B
21	Misc. Edible Preparations	4	57 B
90	Optical, Photo/Cinematographic, Medical Instruments and Accessories	4	488 B
32	Putty and Inks, Dyes, Pigments, Paints and Putty	3	75 B
34	Soaps, Waxes, Candles	3	53 B
33	Oils and Resinoids, Perfumery, Cosmetics	2	91 B
89	Ships/Boats and Floating Structures	2	94 B
28	Inorganic Chem, Precious Metal Compounds, Isotopes	2	113 B
85	Electrial Machinery	2	1913 B
22	Beverages, Spirits and Vinegar	1	103 B
17	Sugars and Confectionery	1	52 B
87	Vehicles other than Rail/Tramway Rolling Stock	1	1218 B
93	Arms/Ammo, Parts and Accessories	1	8 B

HS2	Product name	Product Targets	Product World Exports ($)
37	Photo/Cinematographic Goods	1	17 B
91	Clocks/Watches and Parts Thereof	1	48 B
40	Rubbers and Articles Thereof	1	209 B
19	Preps. of Cereals, Flour, Starch or Milk	1	56 B
18	Cocoa and Cocoa Preps	1	42 B

K = thousand, M = million, B = billion

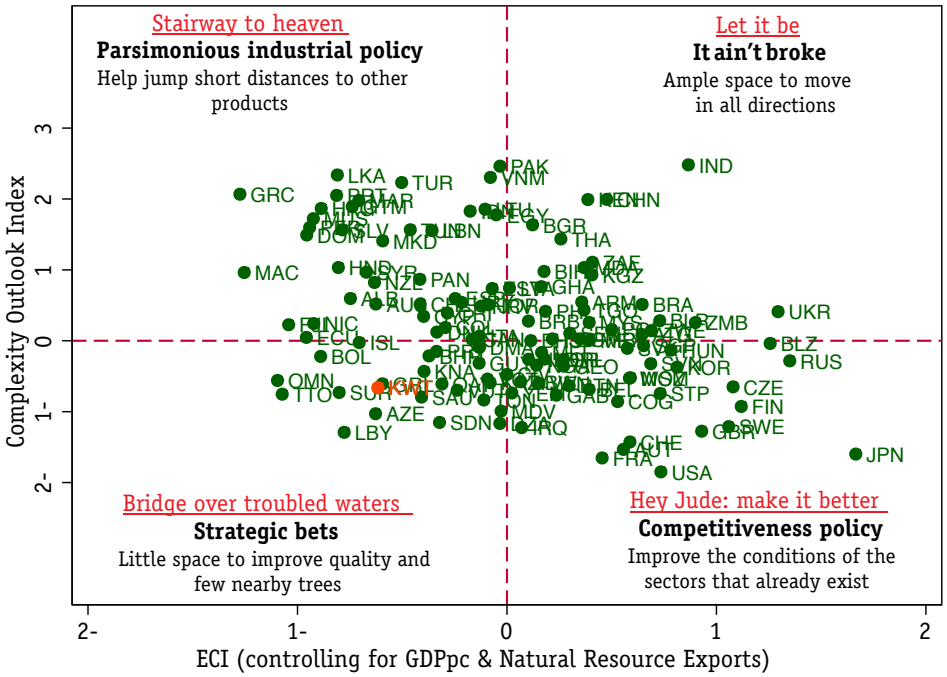
Figure 1 **Evolution of Kuwait 's complexity, GDP and exports**



Note **Own calculation using HS4-level trade data from United Nations COMTRADE, and the World Development Indicators from the World Bank Database.**

Kuwait is a relatively rich country with income per capita around $30,000 since 1995 (figure 1). Its exports, which have almost doubled in the past 15 years, consist primarily of oil. Hence, exports are not very complex, as reflected by Kuwait's low Economic Complexity Index (ECI), which has oscillated around zero since the year 2000. When comparing its current ECI value to that of 1995, the fall indicates that the average complexity of Kuwait's products has decreased. In general, countries whose export basket is more complex than their income tend to grow faster. As will be seen in the following section, Kuwait's product space, in addition to not having a high average complexity, has few nearby opportunities for diversification.

Figure 2 **Summary of Kuwait in the product space**



Note **Own calculation using HS4-level trade data from United Nations COMTRADE, and the World Development Indicators from the World Bank Database.**

From figure 2 it follows that the methodology locates Kuwait in the Bridge over Troubled Waters quadrant. Even while taking into account the intensity of natural resources, the lack of presence in complex products well placed in the product space—which complicates the transition to other new industries that use similar capabilities—places Kuwait in the lower left quadrant of the figure. Countries in this quadrant would benefit from placing strategic bets or industrial policy 'in the large' to ease the transition into new and more complex industries. In these cases, enhancing production possibilities around existing industries will not produce desired leaps.

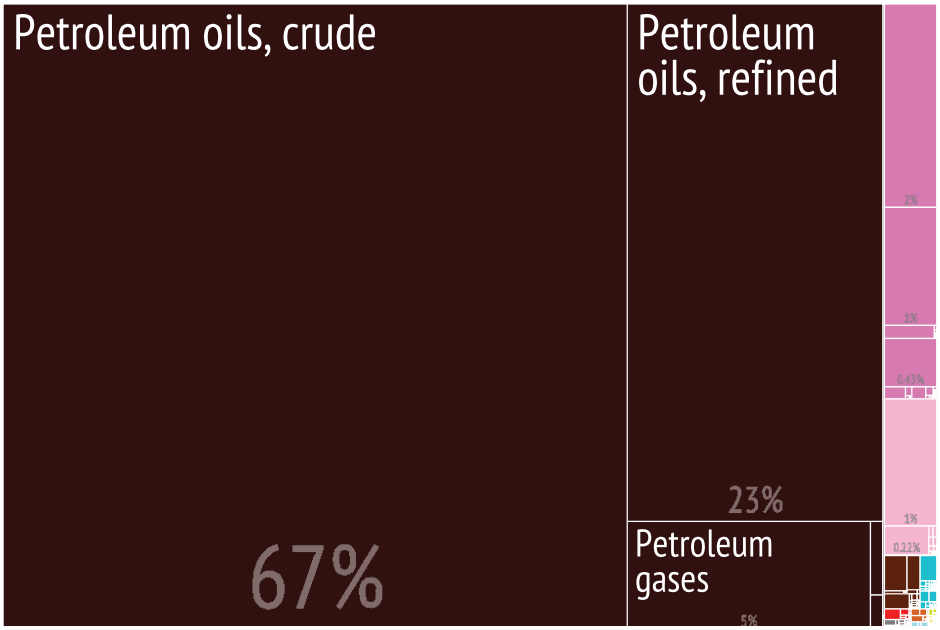
Industrial policy should focus on selecting a number of new industries or products at which to target public inputs. The aim of such support is to provide temporary public support that will attract and facilitate private investment in new products.

Kuwait 's productive structure

Figure 3a clearly shows the dominance of oil on the country's exports. In 2012, over 90% of Kuwait's exports were in petroleum, either crude, refined, or gases. In figure 3c it can be seen that the relevance of oil in the export basket has not diminished in past decades. Interestingly, despite the dominance of oil on the country's exports, Kuwait also has a fair share of exports in the petrochemical sector.

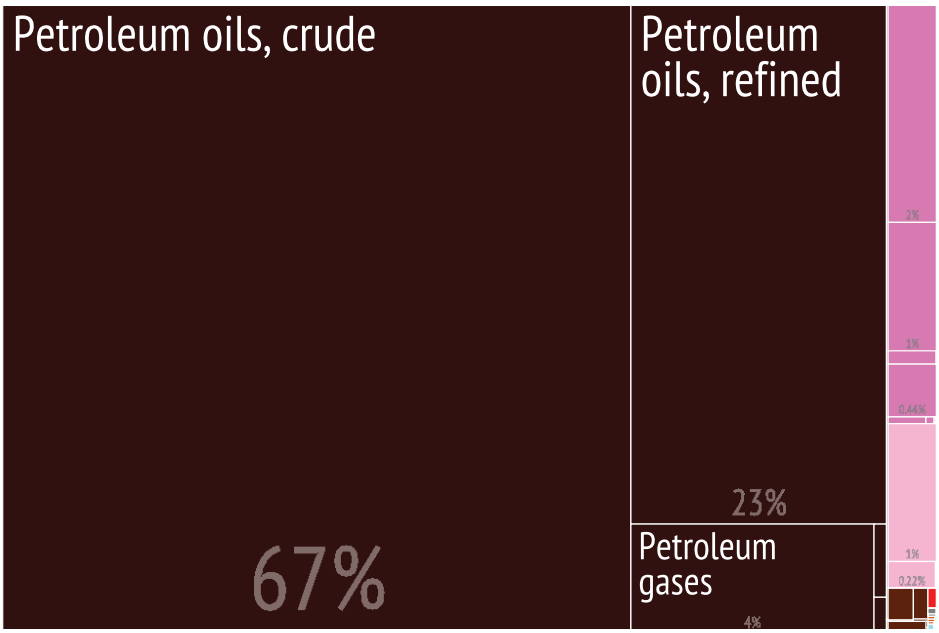
Figure 3 **Kuwait's trade structure 2012 and evolution exports per capita of Kuwait (1995-2012)**

a **Exports of Kuwait**



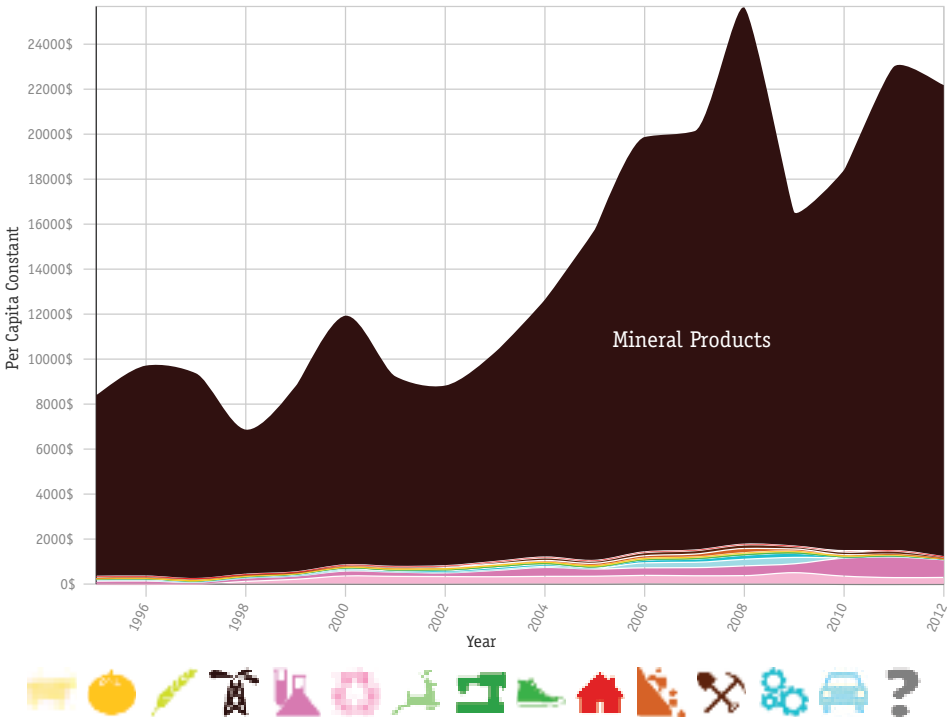
Kuwait exports totaling approximately $79.1 billion

b **Net exports of Kuwait**



Kuwait net exports totaling approximately $78.6 billion

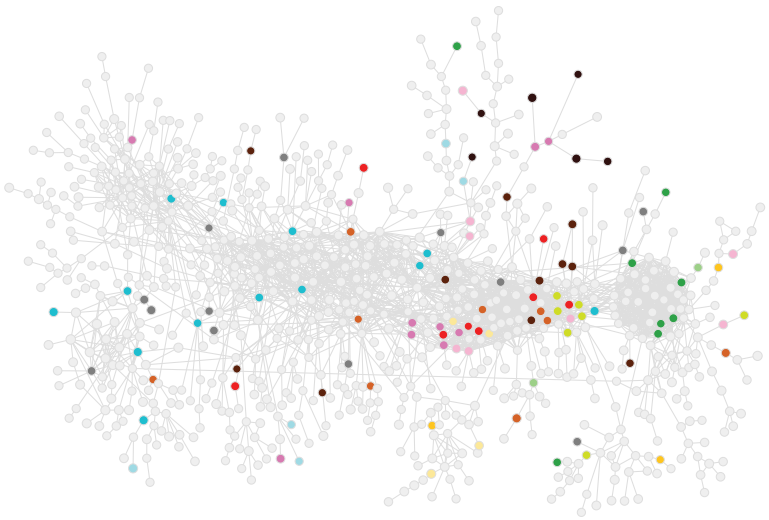
c **Evolution of exports**



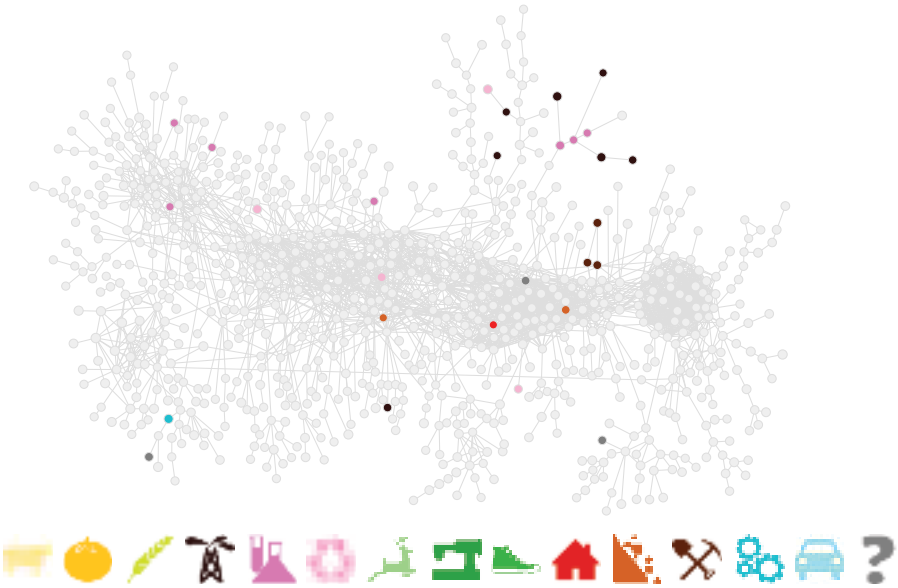
Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the above legend:**

Figure 4 **Kuwait on the product space**

a **1995**



b **2012**

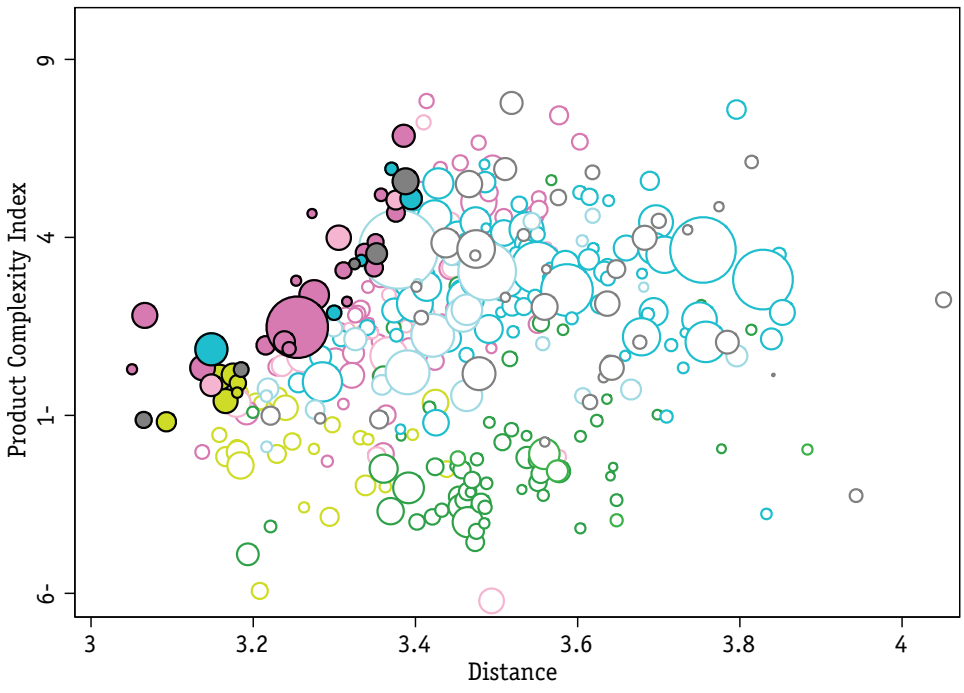


Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the products in which Kuwait is competitive in world markets (i.e. RCA> 1). The nodes are colored according to the communities that they belong to.**

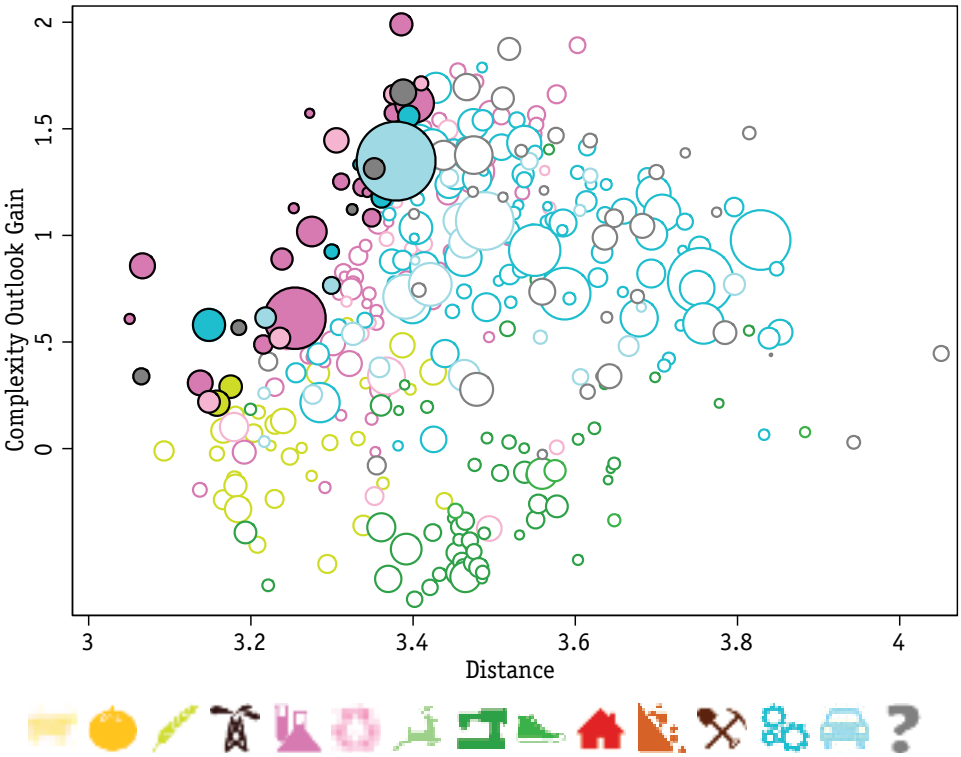
Given Kuwait's exports, what productive knowledge is available? Figure 4 shows that Kuwait's position in the product space has worsened over time, as it had a presence in more products in 1995 than in 2012. Moreover, it had a presence in the central part of the product space, mostly in the construction material and machinery-electrical cluster. It is important to note that the loss of presence in some industries is not a mechanical effect of increasing the share of oil when using Balassa's revealed comparative advantage (RCA) to account for presence. As indicated in the methodology, a two-stage RCA process was used, in which first stage products abnormally relevant in the export basket (as oil is for Kuwait) were removed and the RCA for remaining products other than oil were calculated. Hence, the loss of competitiveness in non-oil products persists even when accounting for the importance of oil, suggesting that this is a source of concern for the country's future prospects.

In 2012, the country's presence was mainly in the periphery of the product space with products belonging to the oil and petrochemical clusters. A few chemical products are visible in the more interconnected regions of the product space. The reduced number of competitive industries in the central cluster is of concern as it suggests that it will be difficult for the country to transition to other more complex industries going forward.

a **Product Complexity Index**



b **Opportunity Gain Index**



Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the strategic bets. The nodes are colored according to the communities that they belong to.**

Kuwait's position in the product space limits its potential to increase the average complexity of its production. As mentioned above, there are few nearby industries in the space to what the country is currently exporting. Figures 5a and 5b highlight the products that are attractive based on PCI and Complexity Outlook Gain (COG), respectively. A detailed description of the products on our target list is provided in table 2. These products signal to strategic clusters in Kuwait for which industrial policy should aim to provide temporary public support and public inputs to attract and facilitate private investment in new products and sectors.

From the figure it can be seen that the products identified as interesting for Kuwait are mostly chemicals, petrochemicals, machinery, and some products in the foodstuff sector. The opportunities in chemicals and petrochemicals for Kuwait are similar to what the methodology suggests for other oil exporters in this report.

As a group, the products in the foodstuff sector are relatively closer in that the country possesses the inputs required for its production and therefore should be easier to 'conquer'. Nevertheless, these products have lower PCI or COG, making them less desirable. On the other hand, the machinery, chemical, and petrochemical clusters are farther in

distance and therefore harder to develop based on present productive knowledge in the country, but have higher values of PCI and COG. New products belonging to these communities would increase the average complexity of Kuwait's export basket, compensating for the cost of developing them. It should be noted that all products identified in the target list are a fair distance away from what the country currently produces, which reflects the limited presence of Kuwait in the product space.

Table 2 **Recommendations for Kuwait**

HS4	Product name	RCA-2012	Distance	PCI	Target rank	World Trade ($)	Top Importers	Top Exporters
2912	Aldehydes	0.4	3.3	4.7	1	2 B	USA DEU CHN	DEU CHN USA
2901	Acyclic hydrocarbons	0.0	3.1	1.8	2	30 B	CHN BEL USA	NLD KOR JPN
4002	Synthetic rubber	0.0	3.3	4.0	3	28 B	CHN USA DEU	USA KOR JPN
3404	Artificial and prepared waxes	0.0	3.3	2.8	4	3 B	CHN USA DEU	DEU USA DNK
2910	Epoxides	0.0	3.4	5.2	5	5 B	CHN NLD DEU	NLD DEU THA
8431	Parts for use with hoists and excavation machinery	0.1	3.1	0.9	6	59 B	USA DEU CHN	CHN DEU USA
3817	Mixed alkylbenzenes and mixed alkylnaphthalenes	0.0	3.1	0.3	7	3 B	MEX IND THA	USA ITA KOR
8401	Nuclear reactors and related equipment	0.0	3.4	5.9	8	5 B	FRA UKR CHN	RUS SWE DEU
2915	Saturated acyclic monocarboxylic acids	0.3	3.3	3.6	9	13 B	BEL DEU IND	USA CHN DEU
3402	Cleaning products	0.0	3.1	0.3	9	29 B	DEU FRA GBR	DEU USA FRA
3823	Industrial monocarboxylic fatty acids; acid oils fromrefining; industrial fatty alcohols	0.5	3.3	2.4	11	47 B	CHN DEU ESP	DEU USA JPN
3403	Lubricating products	0.1	3.4	3.9	11	9 B	CHN NLD DEU	DEU USA BLR
2903	Halogenated derivatives of hydrocarbons	0.0	3.3	3.1	13	9 B	CHN USA NLD	USA CHN DEU
9306	Bombs, grenades, torpedoes, mines, missiles and similar munitions of war	0.0	3.3	3.3	13	3 B	USA AUS NOR	USA DEU GBR
3822	Diagnostic or laboratory reagents	0.0	3.4	6.9	15	22 B	DEU USA FRA	USA DEU GBR
8484	Gaskets and similar joints of metal sheeting	0.0	3.3	3.4	16	4 B	USA CHN DEU	DEU JPN USA
3908	Polyamides in primary forms	0.0	3.4	5.0	17	15 B	CHN DEU BEL	DEU USA TWN
2106	Food preparations not elsewhere specified	0.1	3.2	0.1	18	31 B	USA GBR DEU	USA DEU NLD
1806	Cocoa powder, sweetened	0.0	3.2	0.1	19	23 B	USA FRA DEU	DEU BEL ITA
3208	Paints and varnishes, nonaqueous	0.0	3.2	1.0	19	13 B	RUS CHN DEU	DEU JPN USA
3917	Tubes, pipes and hoses and fittings	0.7	3.1	-0.2	21	21 B	USA DEU MEX	DEU USA CHN
3004	Medicaments, packaged	0.0	3.3	1.5	22	331 B	USA DEU BEL	DEU USA CHE
9032	Automatic regulating or controlling instruments and apparatus	0.0	3.4	5.6	23	33 B	USA CHN DEU	DEU JPN USA

HS4	Product name	RCA-2012	Distance	PCI	Target rank	World Trade ($)	Top Importers	Top Exporters
3006	Pharmaceutical goods	0.0	3.4	4.7	23	13 B	USA BEL DEU	DEU USA IRL
9026	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases	0.1	3.4	3.5	25	19 B	USA DEU CHN	DEU USA JPN
9014	Direction finding compasses	0.6	3.2	0.3	26	7 B	USA GBR DEU	USA FRA GBR
2844	Radioactive chemical elements and radioactive isotopes	0.0	3.2	1.1	27	19 B	USA GBR FRA	GBR KAZ RUS
3212	Pigments, nonaqueous	0.0	3.3	3.2	27	2 B	DEU CHN USA	DEU JPN USA
1905	Bread, pastry, cakes, biscuits and other baked goods	0.1	3.2	-0.6	29	27 B	USA GBR FRA	DEU BEL FRA
2103	Sauces and seasonings	0.0	3.2	-0.1	30	10 B	USA GBR FRA	USA NLD DEU
9015	Surveying, hydrographic, oceanographic, hydrological, meteorological or geo-physical instruments and appliances	0.1	3.1	-1.1	30	9 B	USA CHN GBR	USA FRA GBR
2104	Soups and broths	0.0	3.2	-0.4	32	3 B	USA GBR MEX	USA DEU CAN
8425	Pulley tackle and hoists; winches and capstans; jacks	0.3	3.3	1.9	33	7 B	USA CHN DEU	CHN DEU USA
2849	Carbides	0.0	3.3	2.2	33	2 B	DEU USA JPN	CHN AUT DEU
8524	Recorded gramophone records	0.0	3.4	5.1	35	20 B	DEU CHN GBR	DEU USA IRL
2202	Waters flavored or sweetened	0.2	3.1	-1.2	35	15 B	USA GBR DEU	AUT DEU CHE
3811	Anti-knock	0.0	3.3	3.1	37	12 B	CHN BEL SGP	USA FRA SGP
3209	Paints and varnishes, aqueous	0.0	3.2	0.9	38	6 B	CAN DEU FRA	DEU USA ITA
3923	Packing of goods	0.3	3.2	-0.6	39	42 B	USA DEU FRA	CHN DEU USA
1704	Confectionery sugar	1.0	3.2	-0.4	39	9 B	USA DEU GBR	DEU CHN NLD
3910	Silicones in primary forms	0.0	3.4	7.2	41	7 B	CHN BEL USA	DEU USA JPN
3305	Hair products	0.0	3.2	0.4	42	12 B	USA JPN GBR	DEU FRA THA
3903	Polymers of styrene, in primary forms	0.2	3.4	4.9	42	24 B	CHN HKG DEU	TWN KOR DEU
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	0.1	3.2	0.4	44	19 B	CHN DEU IND	USA DEU FRA
8530	Electric signal, safety and traffic controls, railways, waterways, parking or airfields	0.0	3.4	3.7	45	2 B	USA CHN DEU	DEU SWE ESP
3707	Chemical preparations for photographic uses	0.0	3.4	7.8	45	7 B	CHN USA TWN	JPN USA NLD
8424	Mechanical appliances for dispersing liquids or powders; fire extinguishers; spray guns; steam or sand blasting machines	0.1	3.4	3.5	47	17 B	USA CHN DEU	CHN DEU USA
2105	Ice cream	0.3	3.3	0.6	48	3 B	GBR FRA DEU	DEU FRA BEL
3307	Shaving products	0.1	3.3	1.0	49	10 B	DEU GBR USA	DEU GBR CHN
3809	Finishing agents for dyeing	0.1	3.3	2.6	50	4 B	CHN USA DEU	DEU USA FRA
8903	Yachts	0.0	3.3	1.5	50	11 B	ESP USA VGB	USA ITA VGB

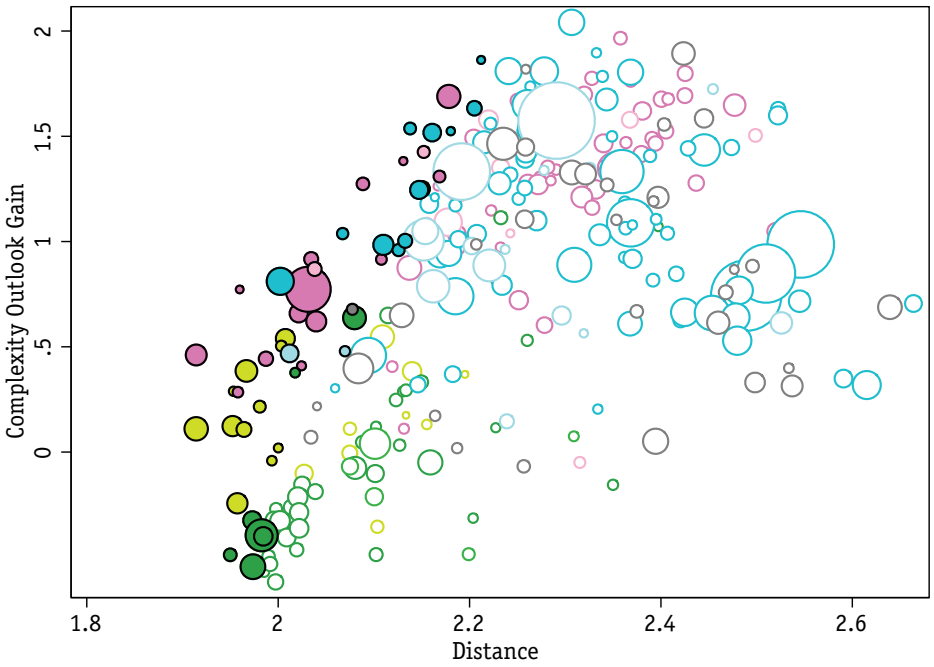
K = thousand, M = million, B = billion

The previous exercise is now repeated for the year 2000 to identify target products given a hybrid rank that combines the ease and attractiveness of the product and to compare its results with data from 2010 to analyze whether they were developed. The idea is to identify sectors that, although attractive, were not developed potentially because of constraints or market failures. Figure 6 shows that Kuwait failed to seize, by 2010, most of the opportunities identified for the year 2000. The country only developed a competitive presence in three (red) products: Organic composite solvents and thinners (3814); motor vehicles for the transport of > 10 persons (8702); and chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (2827) and one product (yellow) that was outside of our target list.

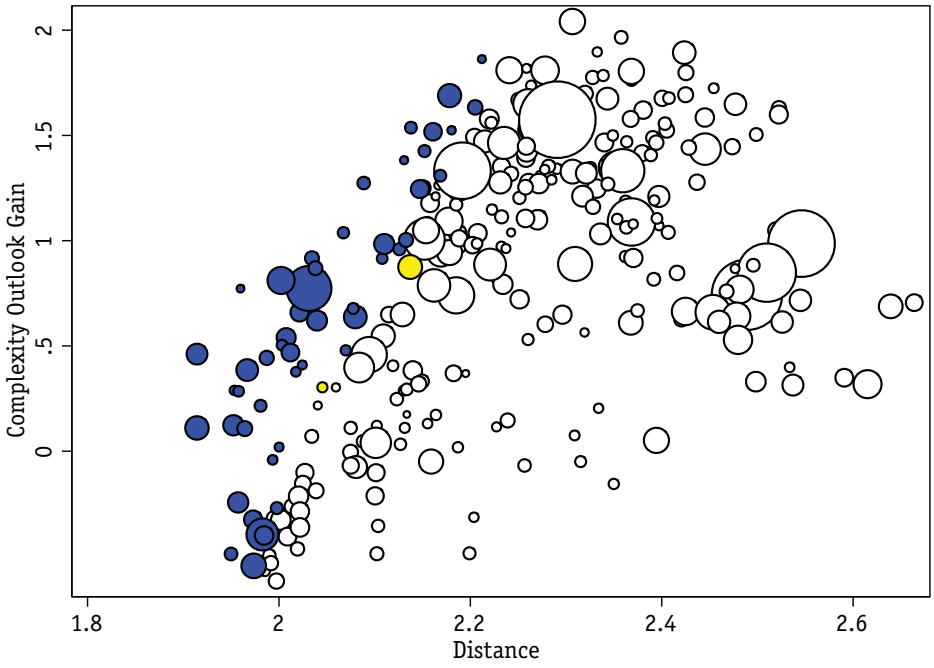
Like with the previous exercise, the products identified are mostly in the chemicals, machinery, and agribusiness clusters. Interestingly, the methodology also identifies products from a close-by textile cluster that is no longer on the list for 2012. The complete list of products identified as opportunities is provided in table 3. Most of these products are highlighted in blue, indicating that they were not developed in Kuwait by 2010. These are interpreted as missed opportunities. These blue products warrant special attention as they might also hint at the presence of market failures in the country.

Figure 6 **Strategic bets for Kuwait in year 2000**

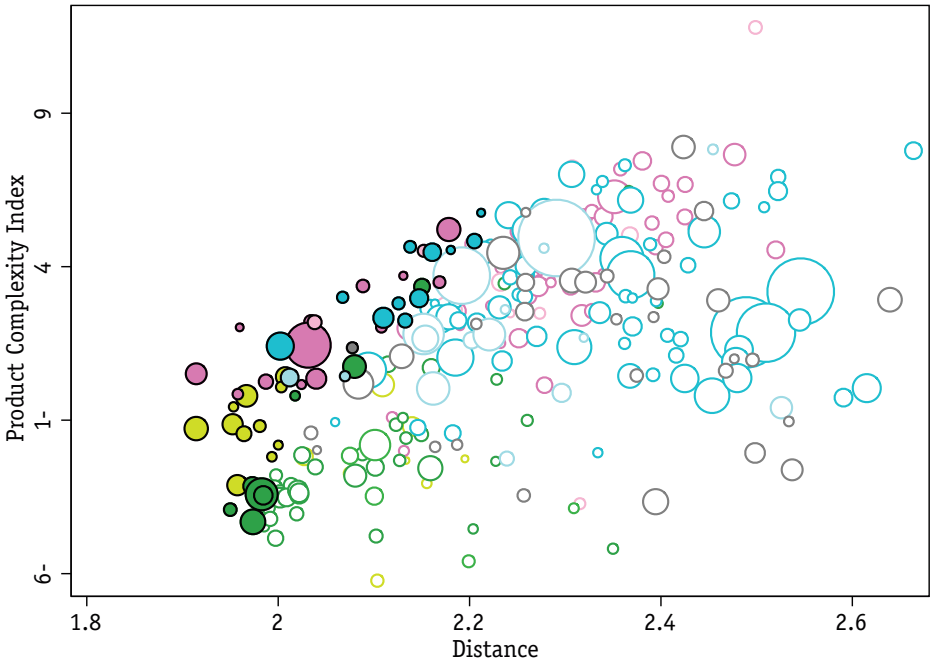
a **Opportunity Gain Index**



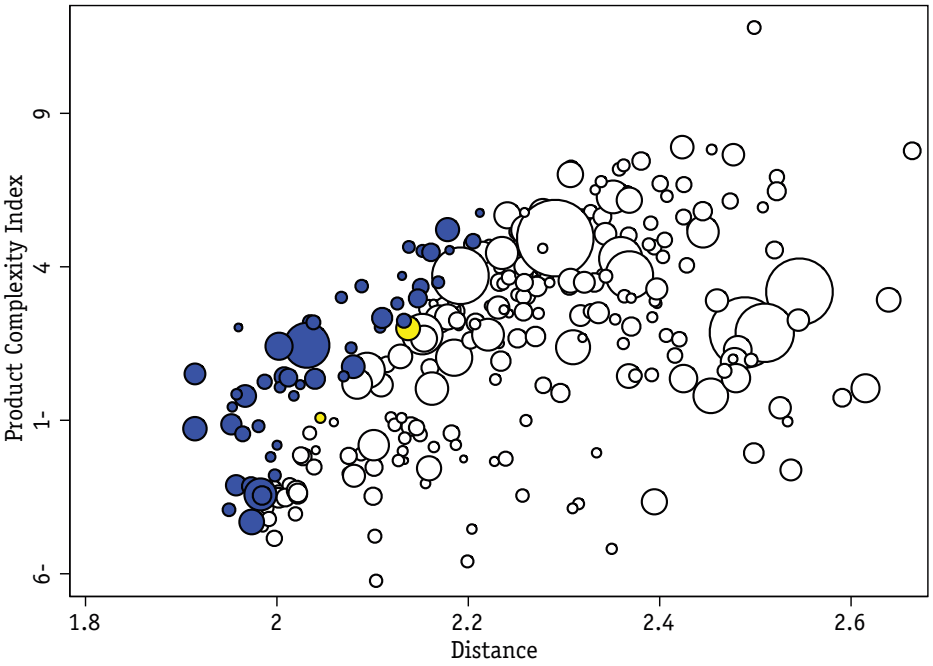
b **Opportunity Gain Index**



c **Product Complexity Index 2000**



d **Product Complexity Index 2010**





Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. The nodes are colored according to the communities that they belong to in (a) and (c). In figures (b) and (d), Red nodes are conquered by Kuwait and were also in our target list, Blue nodes are not conquered by Kuwait and were in our target list. Finally, Yellow nodes are conquered but were not in the target list.**

Table 3 **Strategic bets for Kuwait in year 2000**

HS4	Product name	RCA-2000	RCA-2010	Distance	PCI	COG	World Trade ($)	Target rank
3814	Organic composite solvents and thinners	0.1	1.9	2.0	2.0	0.8	707 M	1
3402	Cleaning products	0.4	0.0	1.9	0.5	0.5	10 B	2
3214	Glaziers' putty	0.2	0.2	2.1	3.4	1.3	3 B	3
8432	Agricultural, forestry machinery for soil preparation	0.0	0.0	2.1	3.0	1.0	2 B	4
8431	Parts for use with hoists and excavation machinery	0.2	0.4	2.0	1.4	0.8	19 B	4
2104	Soups and broths	0.3	0.0	2.0	-0.6	0.3	1 B	6
8417	Industrial or laboratory furnaces and ovens, including incinerators	0.1	0.0	2.1	4.6	1.5	2 B	7
3306	Dental hygiene products	0.1	0.0	2.0	-0.2	0.3	2 B	8
2208	Alcoholic preps for beverages	0.0	0.0	2.0	-0.2	0.4	11 B	9
2402	Cigars	0.1	0.0	1.9	-1.3	0.1	13 B	10
3816	Refractory cements, mortars	0.0	0.1	2.1	3.7	1.4	791 M	11
3305	Hair products	0.7	0.1	2.0	0.3	0.4	4 B	11
2106	Food preparations not elsewhere specified	0.4	0.2	2.0	-1.1	0.1	9 B	13
3506	Glues and adhesives	0.1	0.0	2.0	2.2	0.9	3 B	14
3925	Plastic builders' ware	0.2	0.2	2.0	2.2	0.9	3 B	15
2101	Extracts of coffee, tea or mate	0.4	0.1	2.0	-1.2	0.2	2 B	16
3823	Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols	0.7	0.4	2.2	5.2	1.7	13 B	16
4010	Conveyor or transmission belts of vulcanized rubber	0.1	0.0	2.2	4.5	1.4	2 B	18
2901	Acyclic hydrocarbons	0.0	0.0	2.0	1.2	0.7	7 B	19
1901	Malt extract	0.2	0.1	2.0	-1.4	0.1	4 B	20
3004	Medicaments, packaged	0.1	0.0	2.0	1.4	0.8	74 B	21
2309	Preparations of a kind used in animal feeding	0.1	0.0	2.0	0.4	0.5	8 B	22
8433	Harvesting or agricultural machinery	0.0	0.0	2.2	4.5	1.5	6 B	22
8702	Motor vehicles for the transport of > 10 persons	0.2	1.0	2.0	0.4	0.5	6 B	24
1904	Cereal foods	0.2	0.5	2.0	0.1	0.5	2 B	24
1701	Raw sugar, cane	0.0	0.1	2.0	-3.1	-0.2	9 B	26
5601	Wadding of textile materials	0.1	0.0	2.0	-0.2	0.4	1 B	27
2833	Sulfates; alums; peroxosulfates (persulfates)	0.0	0.2	2.0	0.2	0.4	1 B	28
8480	Molding boxes for metal foundry	0.1	0.0	2.1	2.3	1.0	9 B	29
8434	Milking and dairy machines	0.1	0.0	2.2	4.5	1.5	857 M	29
5603	Nonwoven textiles	0.0	0.0	2.2	3.4	1.2	5 B	31
6103	Men's suits	0.1	0.0	1.9	-3.9	-0.5	3 B	32
8424	Mechanical appliances for dispersing liquids or powders; fire extinguishers; spray guns; steam or sand blasting machines	0.0	0.1	2.1	3.0	1.2	7 B	33
8402	Steam or other vapor generating boilers	0.0	0.2	2.1	2.8	1.0	2 B	33

HS4	Product name	RCA-2000	RCA-2010	Distance	PCI	COG	World Trade ($)	Target rank
8530	Electric signal, safety and traffic controls, railways, waterways, parking or airfields	0.0	0.0	2.2	5.8	1.9	761 M	35
2306	Cotton seed oilcake	0.0	0.0	2.0	-2.2	-0.0	1 B	36
6104	Women's suits	0.3	0.0	2.0	-3.1	-0.3	7 B	36
2207	Ethyl alcohol > 80% by volume	0.0	0.0	2.0	-1.8	0.0	1 B	38
3304	Beauty or make-up preparations	0.0	0.1	2.0	0.4	0.6	9 B	39
9028	Gas, liquid or electricity supply or production meters	0.1	0.0	2.1	1.4	0.7	2 B	40
2835	Phosphinates and phosphonates	0.0	0.0	2.1	2.0	0.9	2 B	41
6110	Sweaters, pullovers, sweatshirts, etc	0.2	0.0	2.0	-3.4	-0.4	30 B	42
8485	Ships or boats propellers and blades	0.1	0.2	2.2	4.8	1.6	4 B	43
5402	Synthetic filament yarn	0.0	0.0	2.1	0.7	0.6	12 B	44
8609	Containers for carriage by one or more modes of transport	0.1	0.5	2.1	0.4	0.5	1 B	45
6206	Women's shirts, not knit	0.3	0.0	2.0	-3.5	-0.4	7 B	46
8535	Apparatus protecting electrical circuits for > 1k volts	0.1	1.0	2.1	2.2	1.0	3 B	46
3809	Finishing agents for dyeing	0.3	0.0	2.2	3.5	1.3	2 B	48
6109	T-shirts	0.2	0.0	2.0	-4.3	-0.5	15 B	49
6112	Active wear	0.0	0.0	2.0	-2.8	-0.3	2 B	50

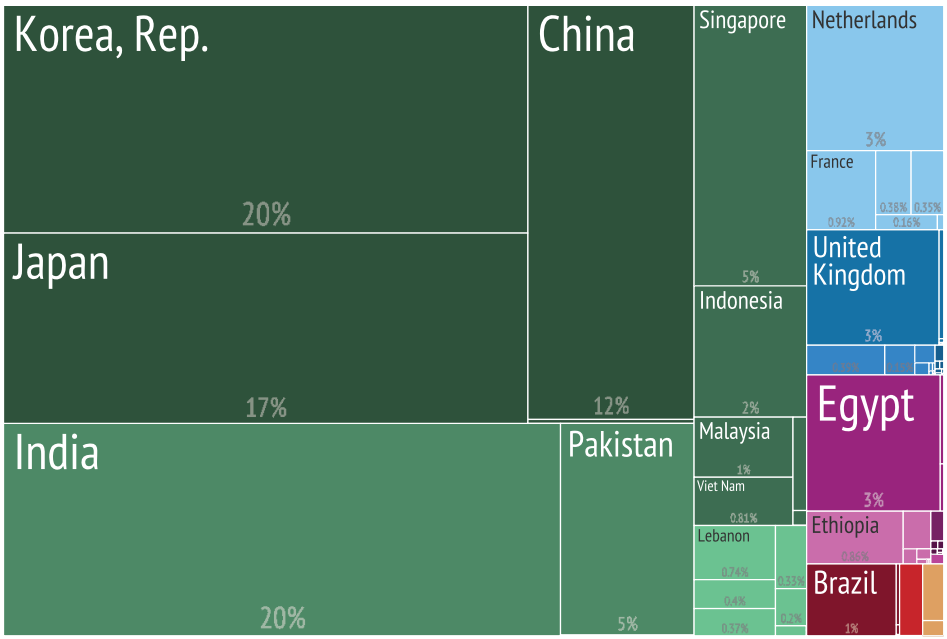
K = thousand, M = million, B = billion

Kuwait's export destinations

Lastly, possible markets for the country's exports are analyzed. As can be observed in figure 7a, Kuwait mainly exports to Asian countries. The two major destinations of Kuwait's exports are the Republic of Korea and India (accounting for 20% each), followed by Japan and China (17% and 12%). Figure 7b shows that exports to Asia have increased their relative share over time. By contrast, North American countries have decreased their relative share.

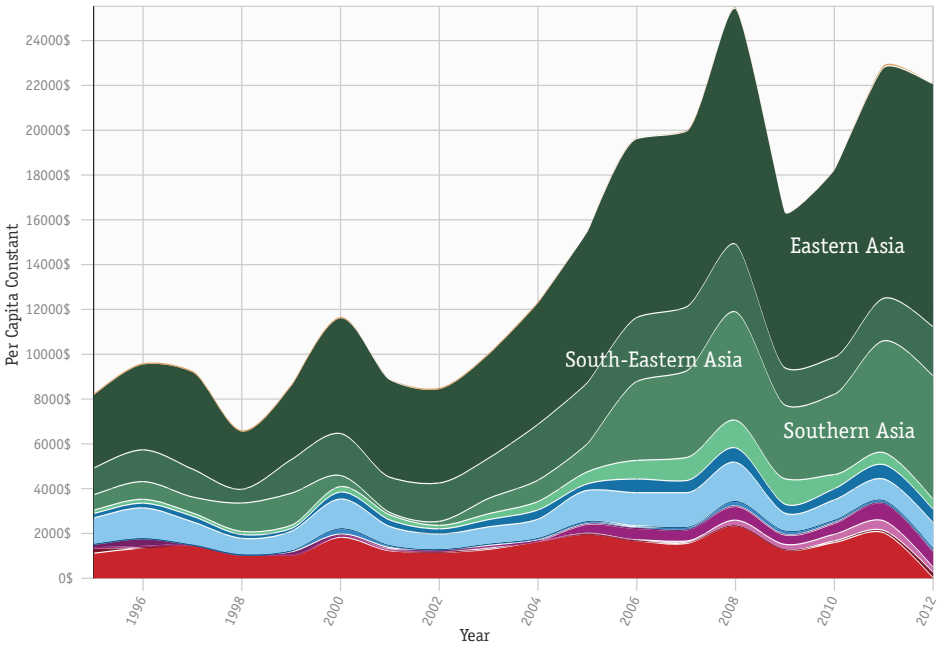
Figure 7 **Kuwait trade partners (2012)**

a **Export destinations**



Kuwait exports totaling approximately $79.1 billion

b **Evolution of export destinations**



Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the following legend:**



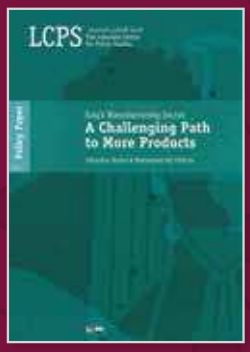
When taking into account the current trade of countries in eligible products versus potential, it is possible to identify top export destinations for the country. Table 4 shows potential trade in those export destination countries as well as the potential of the other countries included in this report. From the table is follows that Kuwait's greatest trade potential countries are Germany, France, Belgium, Italy, China, and Turkey.

Table 4 **Trade potential**

Importer	Trade Health	Number of Eligible Products	Potential in Eligible Products ($)	Current Trade in Eligible Products ($)	Total Trade ($)
ARE	9.8	30	2 M	265 M	324 M
BEL	0.0	9	77 M	24 M	26 M
CHN	0.2	2	70 M	33 M	231 M
DEU	0.0	12	121 M	6 M	15 M
DZA	1.0	6	2 M	6 M	7 M
EGY	1.2	16	2 M	42 M	45 M
FRA	0.0	10	78 M	17 M	20 M
IRQ	1.4	14	2 M	116 M	137 M
ITA	0.1	11	62 M	84 M	95 M
JOR	12.2	29	697 K	189 M	203 M
LBN	6.9	17	377 K	17 M	22 M
LBY	5.6	16	256 K	42 M	59 M
SAU	7.2	27	987 K	170 M	243 M
SYR	2.8	17	233 K	67 M	69 M
TUN	0.7	10	2 M	6 M	7 M
TUR	0.5	9	8 M	82 M	82 M
YEM	1.1	15	1 M	5 M	6 M

K = thousand, M = million, B = billion

LCPS SERIES


LCPS
Policy Paper
A Challenging Path to More Products


LCPS
Policy Paper
Pre-War Industrial Potential


LCPS
Policy Paper
Seizing on an Advantageous Product Space Position


LCPS
Policy Paper
Inaction and Untapped Potential


LCPS
Policy Paper


LCPS
Policy Paper
Looking Beyond Petroleum


LCPS
Policy Paper
Few Opportunities for Expansion


LCPS
Policy Paper
Targeting New Industries


LCPS
Policy Paper
Edging into More Complex Products


LCPS
Policy Paper
Introduction and Methodology


LCPS
Policy Paper
Placing Strategic Bets to Become Competitive


LCPS
Policy Paper
Small Industry, Significant Potential


LCPS
Policy Paper
Placing Strategic Bets to Become Competitive