

موازنة 23/22 B U D G E T

January 24, 2022

Ministry of Finance
State of Kuwait



Fitch
Ratings

AA
Negative

Moody's

A1
Stable

Standard &
Poor's

A+
Negative



Highlights



*Budgeted Total Expenditure:
KWD 21.9 billion, down 4.8%
from the current year's
budget*



*Projected non-Oil Revenue:
KWD 2.1 billion,*



*Forecasted Deficit: KWD 3.1
billion, down 74.2% from
the current year's budget*



Structural changes on the 23/22 Budget

On 19 August 2020, Kuwait National Assembly passed Law 18 /2020 that amended decree law (106) of the year 1976 that mandated the transfer of 10% of all state revenue to the Future Generations Fund (FGF, commonly known as Kuwait's Sovereign Wealth Fund). The change in the law makes the 10% transfer conditional on the state registering a surplus in its closing accounts. The law came into effect on September 13 retroactively, starting from FY 18/19.

Budget Highlights

(From April 1, 2022 to March 31, 2023)

KWD billions

Projected Revenue

18.8

+72.2% change
compared **Budget** 2021/2022

Expenditure

21.9

-4.8% change
compared **Budget** 2021/2022

Forecasted Deficit

3.1

-74.2% change
compared **Budget** 2021/2022

Budget Highlights

(From April 1, 2022 to March 31, 2023)

KWD billions

Projected Revenue

18.8

+72.2% change
compared **Budget** 2021/2022

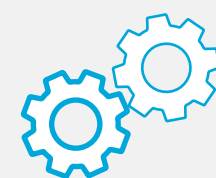


Sources of Revenue



Oil

89%



Non Oil

11%

Expenditure

21.9

-4.8% change
compared **Budget** 2021/2022

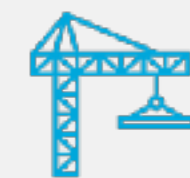


Expenditure Breakdown



Salaries and Subsidies

75%



CAPEX

13%



Other Expenses

12%

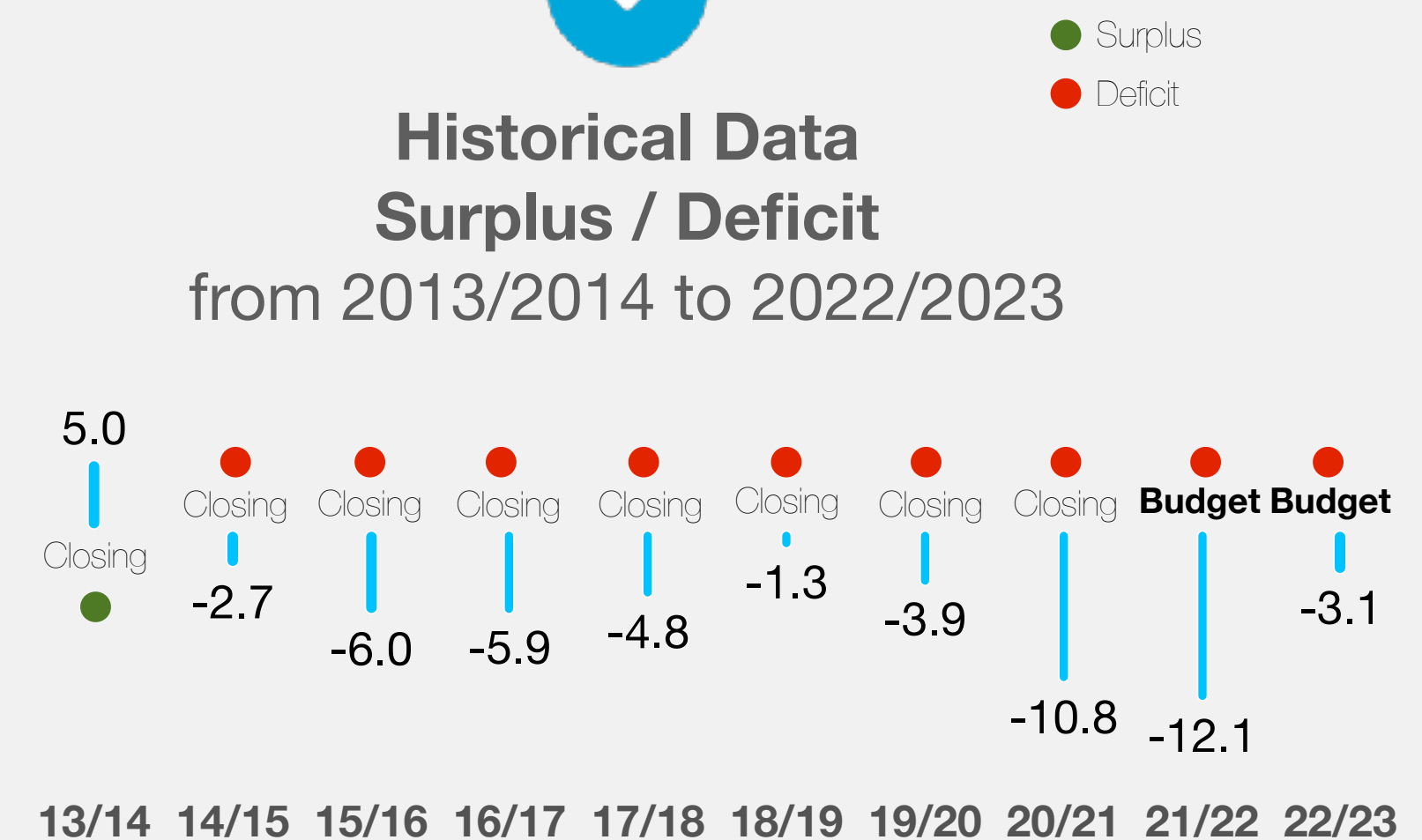
Forecasted Deficit

3.1

-74.2% change
compared **Budget** 2021/2022



Historical Data Surplus / Deficit from 2013/2014 to 2022/2023



Basis for Oil Revenue Projection









BUDGET BREAK-EVEN POINT



\$75

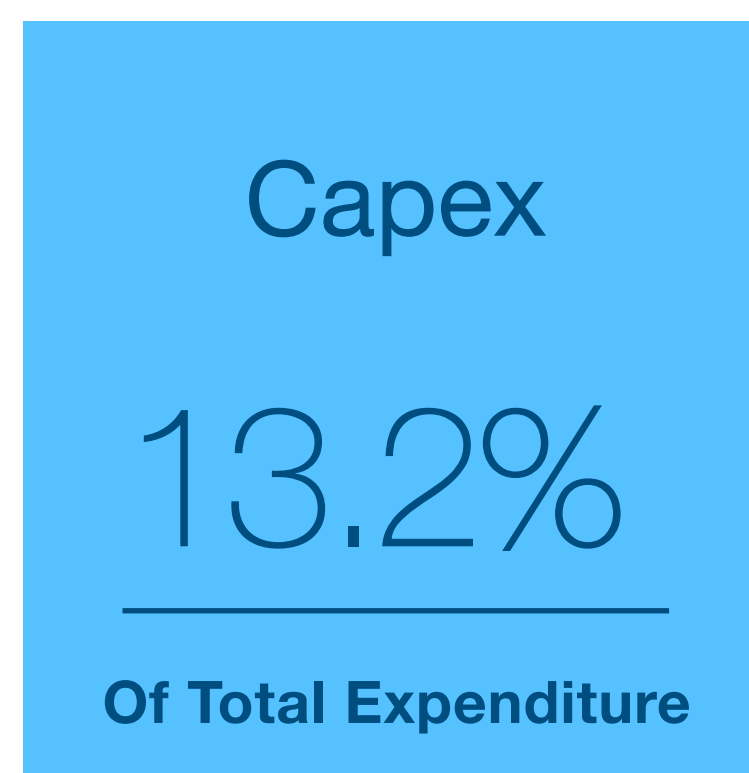
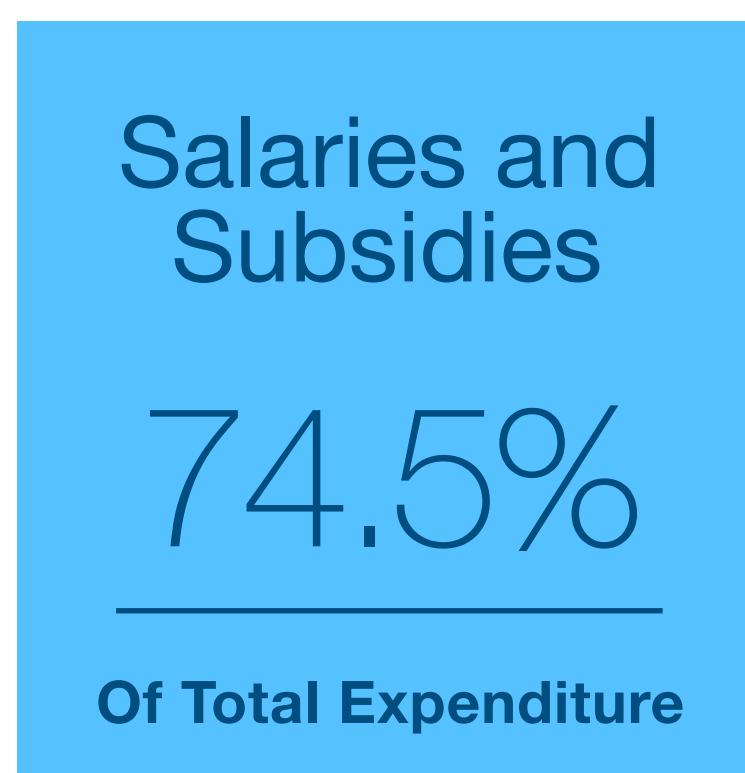
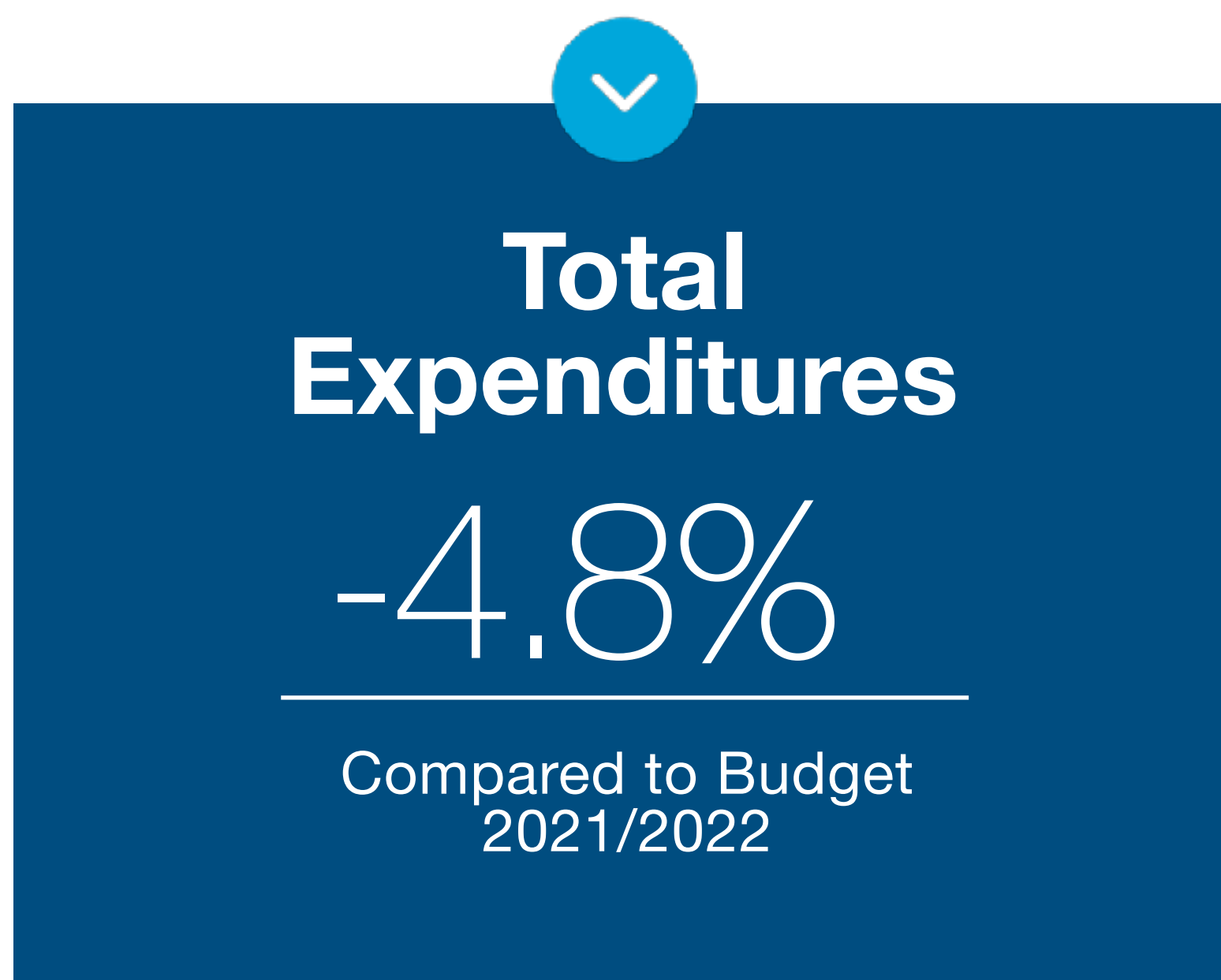
Average price per barrel required for budget break-even

Assumption	Budget fiscal year, which ends on March 31 2023	Budget fiscal year, which ends on March 31 2022
Oil Production	 2.7 mn barrels / day	2.4 mn barrels / day
Average Oil Price	 USD 65	USD 45
Exchange Rate	 304 fils per 1 dollar	304 fils per 1 dollar
Fiscal Year	 365 Days	365 Days
Natural Gas Revenue	 KWD 283.4 mn	KWD 185.4 mn
Deduction of production costs <i>+2.0% Increase in production costs for the 2022/2023 fiscal year</i>	 KWD 3,232.4 mn	KWD 3,166.7 mn

Budget Components

(From April 1, 2022 to March 31, 2023)

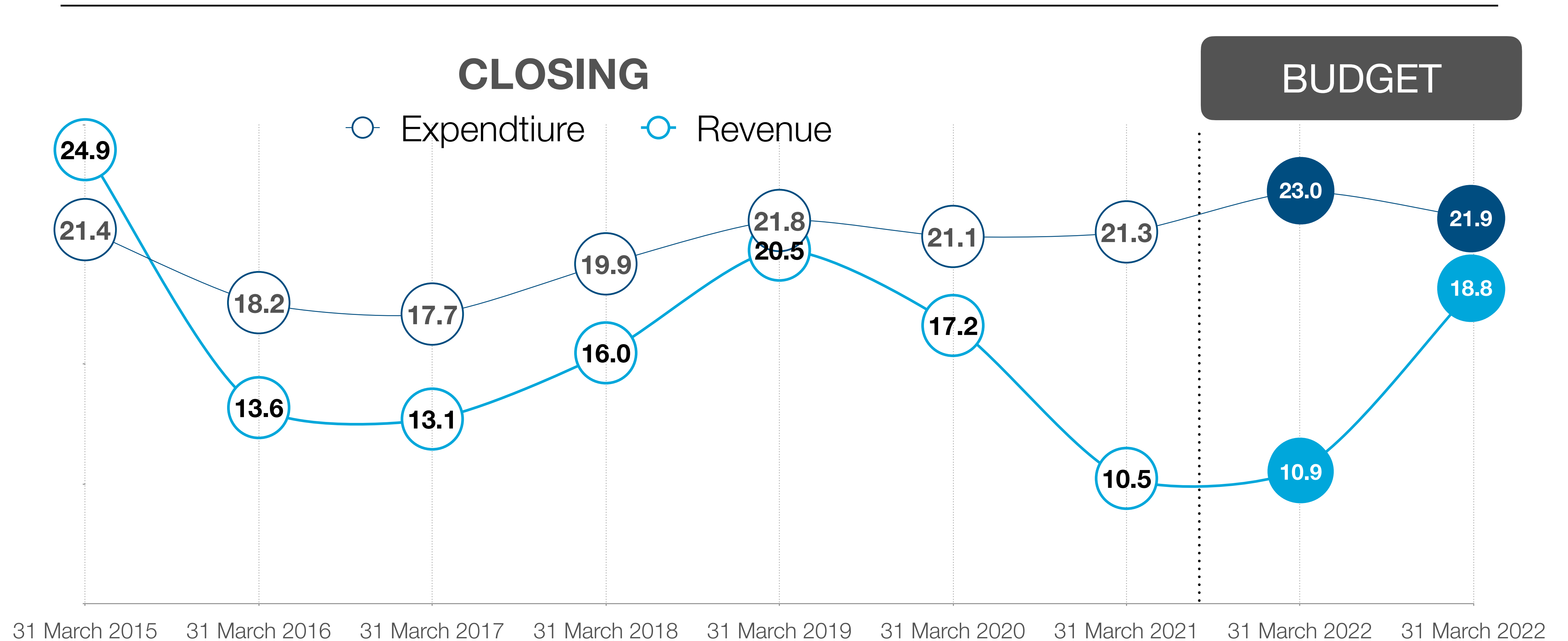
KWD Millions



	Budget fiscal year, which ends on March 31 2023	Budget fiscal year, which ends on March 31 2022	Change%
Revenues			
Oil Revenue	16,741	9,127	83.4%
Non Oil Revenue	2,078	1,802	15.3%
Total Revenue	18,818	10,929	72.2%
Expenditure			
Salaries	(12,816)	(12,599)	1.7%
Subsidies	(3,528)	(4,026)	(12.4%)
Capex	(2,897)	(3,466)	(16.4%)
Other Expenses	(2,707)	(2,967)	(8.7%)
Total Expenditure	(21,949)	(23,058)	(4.8%)
(FGF) Deduction	0	0	
Fiscal Balance (Deficit)	(3,130)	(12,129)	(74.2%)

Historical Figures for Public Finance

KWD billions



Ministry of Finance
State of Kuwait



Fitch
Ratings
AA
Negative

MOODY'S
A1
Stable

STANDARD
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A+
Negative