



State of Kuwait Ministry of Finance

موازنة 24/23 BUDGET

Updated on: August 6, 2023

Fitch
Ratings

AA-
Stable

MOODY'S

A1
Stable

STANDARD
& POOR'S

A+
Stable



* This document is a summary of the FY23/24 budget.

Budget Highlights

(KWD billion, From April 1, 2023 to March 31, 2024)

Projected Revenue

19.5

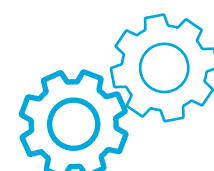


Revenue Sources



Oil

88%



Non Oil

12%

Planned Expenditure

26.3



Expenditure Breakdown



Salaries and
Subsidies

80%



CAPEX

9%

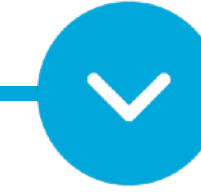


Other
Expenses

11%

Fiscal Balance

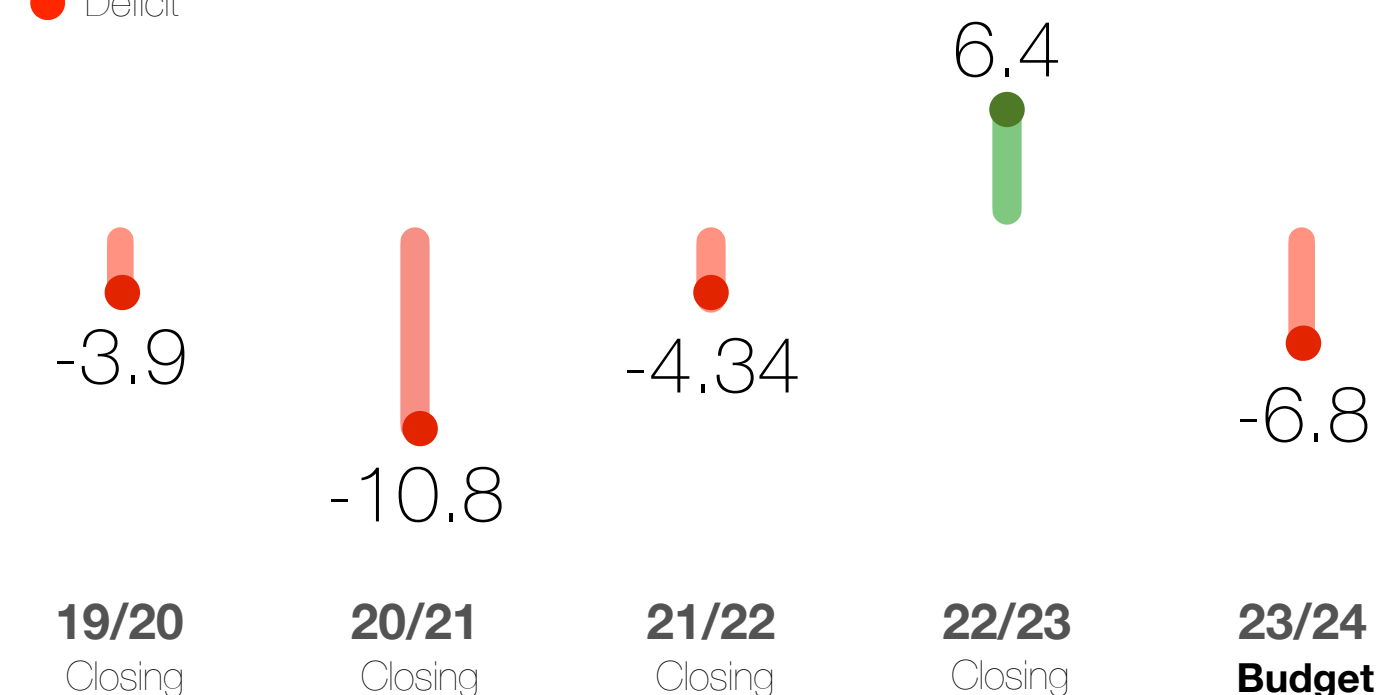
-6.8



Surplus / Deficit from 2019/2020 to 2023/2024

KWD Bil

● Surplus
● Deficit



Basis for Oil Revenue Projection

(From April 1, 2023 to March 31, 2024)

BUDGET BREAK-EVEN POINT



\$92.9

Average price per barrel required for budget break-even.

Oil Production

Average Oil Price

Exchange Rate

Fiscal Year

Natural Gas Revenue

Deduction of production costs

+22.6% Increase in production cost for the 2023/2024 fiscal year

Budget

Year ending
March 31
2024

Budget

Year ending
March 31
2023



2.676 mn barrels / day

2.730 mn barrels / day



USD 70

USD 80



304 fils per 1 dollar

304 fils per 1 dollar



366 Days

365 Days



KWD 297.3 mn

KWD 326.9 mn



KWD 3,970.5 mn

KWD 3,239.1 mn

Budget Breakdown by Components

(From April 1, 2023 to March 31, 2024)

Non-oil Revenue Contribution

%12

To Total Revenue

Capex

9%

Of Total Expenditure

KWD Million

	Budget Year ending March 31 2024	Budget Year ending March 31 2023	% Change
Revenue			
Oil Revenue	17,169	21,322	(19.5%)
Non-Oil Revenue	2,298	2,078	10.6%
Total Revenue	19,467	23,399	(16.8%)
Expenditure			
Salaries	(14,948)	(13,148)	13.7%
Subsidies	(5,948)	(4,416)	34.7%
Capex	(2,481)	(2,938)	(15.2%)
Other Expenses	(2,901)	(3,022)	(4.0%)
Total Expenditure	(26,279)	(23,523)	11.7%
Fiscal Balance	(6,812)	(124)	

Main Drivers of Increase in Expenditure

1 Increase in expenditure of the Ministry of Electricity and Water and the Ministry of Oil:

This expenditure consist of accruals for previous years amounting to KWD 1,064 million, which is a one-off payment. (Ministry of Electricity and Water: KWD 745 million + Ministry of Oil: KWD 319 million), in addition to the cost of the expected increase in fuel quantities required to operate power plants and the rise in oil and fuel prices.

2 Expenditures covering the residential areas (Al-Mutlaa City, South Abdullah Al-Mubarak, and South Khaitan) and the infrastructure and public facilities for the South Saad Al-Abdullah Housing Project.

Entity / Chapter	Increase over 22/23	Note
Ministry of Electricity and Water and the Ministry of Oil	1,158.2	Cost of subsidies related to operations of refineries and petroleum products.
Workers' compensation	586.8	Cost of 21,815 new hires.
Vacation allowance ¹	481.8	Cost of monetary compensation in leu of unused leave days.
The Public Institution for Social Security	401.0	The State's contribution to the Public Institution for Social Security - and cost of decisions or laws mandated to the Institution.
Chapter One Adjustments	325.4	Settlements in Chapter One of the 23/24 budget (ministries workers' compensation excluding salaries of state owned enterprises) related to Ministry of Defense workers, Ministry of Interior workers, and General Secretariat of the Council of Ministers workers.
Ministry of Higher Education	140.0	Increasing allowances for students on state-funded scholarships studying abroad.
Ministry of Health	122.4	Cost of increase in pharmaceutical purchasing contracts.
Ministry of Commerce and Industry	75.4	An increase in the cost of living allowance (construction materials ² - essential foods subsidies).
Public Authority for Housing Welfare	68.5	Costs associated with the increase in the rental allowance resulting from Ministerial Resolution No. (29) of 2021 regarding the disbursement of amounts to citizens for the cases of housing exchange and waivers that took place, and an increase in the cost of public utilities, services and infrastructure.
Kuwait Public Authority for Roads & Transportation	35.1	Costs related to meet the expenditure on construction projects transferred from the Ministry of Public Works (road engineering projects - maintenance of highways).
Total	3394.6	

1. While the vacation allowance is expected to continue, the amount budgeted is expected to decrease over the medium term as employees receive their compensation.

2. This is a natural increase as new residential cities are being built.



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