

# Kuwait: Governance, Security, and U.S. Policy

(name redacted)

Specialist in Middle Eastern Affairs

February 19, 2016

Congressional Research Service

7-....

[www.crs.gov](http://www.crs.gov)

RS21513

## Summary

Kuwait remains pivotal to U.S. efforts to secure the Persian Gulf region because of its consistent cooperation with U.S. strategy and operations in the region and its proximity to both Iran and Iraq. Kuwait has a long-standing Defense Cooperation Agreement (DCA) with the United States dating back to the aftermath of the February 1991 U.S.-led expulsion of Iraqi occupation forces from Kuwait. The DCA enables the United States to maintain forces in Kuwait that are crucial to the U.S. ability to project power in the region and to combat against the Islamic State. Kuwait receives virtually no U.S. foreign assistance and has been a significant donor to U.S. operations in the region since Iraq's 1990 invasion of Kuwait.

On regional issues, Kuwait usually acts in partnership with its allies in the Gulf Cooperation Council (GCC: Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, and Oman), although Kuwait does not always take the same actions that some other GCC states do. In March 2011, Kuwait joined a GCC military intervention to help Bahrain's government suppress an uprising by the majority Shiite population, but it sent only largely symbolic naval ships and not ground forces for that intervention. Kuwait's leadership, along with that of Saudi Arabia and UAE, sees Muslim Brotherhood-related organizations as a potential domestic threat, and all three countries supported the Egyptian military's July 2013 removal of elected president and senior Muslim Brotherhood leader Mohammad Morsi. Kuwait has tended to defer to GCC leader Saudi Arabia and other GCC states in offering proposals to resolve the Israeli-Palestinian dispute. Kuwait is participating militarily in the Saudi-led coalition that is trying to defeat the Shiite "Houthi" rebel movement in Yemen. Kuwait has supported U.S. efforts to try to modify Iran's behavior and contain its power, and it periodically arrests Kuwaiti Shiites that the government says are supporting alleged anti-government plots in Kuwait, but it also maintains relatively normal economic and political relations with Iran that include leadership visits.

Kuwait is supporting U.S.-led efforts to defeat the Islamic State organization by hosting the operational command center for U.S.-led Operation Inherent Resolve (OIR) and allowing its forces to use Kuwait's airbases and other military facilities. But, Kuwait is not participating militarily in OIR either in Iraq or in Syria, and the Kuwaiti government is not reported to be supporting any rebel groups in Syria. It has instead focused on holding international conferences to pledge humanitarian aid for civilian victims of the Syrian civil war. Some U.S.-Kuwait differences linger over what U.S. officials say is Kuwait's failure to stop wealthy Kuwaitis from raising funds for extreme Islamist rebels in Syria.

Kuwait's political system and political culture has been widely viewed as a regional model. It has successfully incorporated secular and Islamist political factions, both Shiite and Sunni, for many decades. However, Kuwait was in turmoil during 2006-2013, initially manifesting as parliamentary opposition to Sabah family political dominance but later broadening to visible public unrest in 2012-2013 over the ruling family's power and privileges. The latest parliamentary elections, in July 2013, produced a National Assembly amenable to working with the ruling family. The government also has increasingly imprisoned and revoked the citizenship of social media critics for "insulting the Amir"—somewhat tarnishing Kuwait's reputation for political tolerance. And, widening tensions between the GCC countries and Iran have spilled over into somewhat increased tensions between Kuwait's Sunnis and Shiites as well.

Years of political paralysis also have contributed to economic stagnation relative to Kuwait's more economically vibrant Gulf neighbors such as Qatar and the United Arab Emirates (UAE). As are the other GCC states, Kuwait is also struggling with the consequences of the sharp fall in oil prices since mid-2014.

## Contents

Government and Political Reform .....	1
Leadership Structure .....	1
Elected National Assembly .....	1
Political Factions in and Outside the National Assembly .....	2
Post-2006 Political Crises: Assembly Suspensions and Elections .....	3
Elections During 2006-2009 .....	3
Arab Uprisings Intensify Kuwaiti Political Crisis .....	3
Broader Human Rights Issues .....	6
Women’s Rights .....	7
Trafficking in Persons .....	7
Status of “Stateless Persons”(Bidoons).....	7
Freedom of Expression and Media Freedoms.....	8
Labor Rights .....	8
Religious Freedom .....	9
U.S.-Kuwait Relations and Defense Cooperation .....	9
U.S.-Kuwait Defense Cooperation: 1987-2011 .....	10
Defense Cooperation with the GCC and other Western Powers.....	12
Hosting Coalition Operations against the Islamic State Organization.....	12
U.S. Security Assistance .....	13
Major U.S. Arms Sales to Kuwait.....	14
International Military Education and Training (IMET) .....	15
Other Foreign Policy Issues.....	15
Residual Bilateral Issues With Iraq .....	16
Iran .....	17
Actions on 2011 Uprisings-Related Regional Instability .....	18
Palestinian-Israeli Dispute .....	20
Performance on Countering Terrorism Financing/Islamic State Donations.....	20
Economic Issues .....	22

## Figures

Figure 1. Map of Kuwait .....	24
-------------------------------	----

## Tables

Table 1. Composition of the National Assembly: 2008–2013 .....	6
Table 2. U.S. Aid to Kuwait .....	15
Table 3. Some Basic Facts.....	23

## Contacts

Author Contact Information .....	24
----------------------------------	----

# Government and Political Reform<sup>1</sup>

Kuwait's optimism after the 2003 fall of its nemesis, Saddam Hussein, soured after the January 15, 2006, death of Amir (ruler) Jabir Ahmad al-Jabir Al Sabah. From then until 2013, Kuwait underwent repeated political crises that produced economic stagnation.

## Leadership Structure

Under Kuwait's 1962 constitution, an Amir (Arabic word for prince, but which is also taken as "ruler") is the head of state and ruler of Kuwait. He serves as Commander-in-Chief of the Armed Forces, appoints all judges, and has the power to suspend the National Assembly for limited periods of time. The Amir appoints a Prime Minister as head of government, who in turn appoints a cabinet. The Prime Minister has always been a member of the Sabah family, and until 2003 the Prime Minister and Crown Prince/heir apparent posts were held by a single person. Some in the Sabah family argue that the Prime Minister and Crown Prince positions should again be combined because the National Assembly is not constitutionally able to question the Crown Prince. In typical Kuwaiti cabinets, three out of four deputy prime ministers are members of the family, as are the Defense Minister, Foreign Minister, Interior Minister, and at least a few other ministers.

At the time of Amir Jabir's death, his successor, Shaykh Sa'ad bin Abdullah Al Sabah, was infirm (he died shortly thereafter), and a brief succession dispute among rival branches of the ruling Al Sabah family ensued. It was resolved with then Prime Minister Shaykh Sabah al-Ahmad al-Jabir Al Sabah, the younger brother of the late Amir, succeeding him on January 29, 2006. The succession dispute was unprecedented in Kuwait and the broader Gulf region for the first involvement of an elected legislature in replacing a leader. The resolution of the succession in 2006 produced a suspension of the tacit agreement to alternate succession between the Jabir and Salem branches of the family. Amir Sabah appointed two members of his Jabir branch as Crown Prince/heir apparent and as prime minister (Shaykh Nawwaf al-Ahmad Al Sabah and Shaykh Nasser al Muhammad al-Ahmad Al Sabah respectively). The current Prime Minister is Shaykh Jabir al-Mubarak Al Sabah, who took office in December 4, 2011.

Amir Sabah is currently about 86 years old but remains highly active and continues to travel in the region and internationally. The Amir can be as involved in or detached from day-to-day governance as he chooses, and Amir Sabah tends to be more directly involved in governance than was his predecessor. Still, there reportedly is growing discussion within Al Sabah circles about another potential succession in the relatively near future.

## Elected National Assembly

The National Assembly, established by Kuwait's November 1962 constitution, is the longest-serving all-elected body among the Gulf monarchies. Fifty seats are elected, and up to 15 members of the cabinet serve in the Assembly *ex-officio*. The government has expanded the electorate gradually: in the 1990s, the government extended the vote to sons of naturalized Kuwaitis and Kuwaitis naturalized for at least 20 years (as opposed to 30) years. Kuwait women obtained suffrage rights when the National Assembly passed a government draft bill to that effect in May 2005. In recent elections, about 400,000 Kuwaitis have been eligible to vote.

<sup>1</sup> Much of this section is from the State Department's country report on human rights practices for 2014. <http://www.state.gov/documents/organization/236820.pdf>.

Kuwait's National Assembly has more scope of authority than any legislative or consultative body in the Persian Gulf. It can introduce legislation as well as vote on government-introduced legislation. The Assembly does not confirm cabinet nominees (individually or en bloc), but it can, by simple majority, remove individual ministers in a vote of "no confidence." When the Assembly takes that step, it generally does so after parliamentary questioning of that minister, referred to as "grilling." The Assembly can vote no confidence in the prime minister by voting "inability to cooperate with the government," and it can veto government decrees issued during periods of Assembly suspension. Kuwait's Amirs have, on several occasions (1976-1981, 1986-1992, 2003, 2006, 2008, 2009, 2011, and 2012), used their constitutional authority to dissolve the Assembly when it grilled or threatened to grill government ministers. Suspension of the Assembly mandates new elections within 60 days.

Those opposing the government have tended to seek greater authority for the Assembly and a limitation of the powers of the government and by extension, the ruling family. Much of the opposition seeks a constitutional monarchy in which an elected majority within the Assembly would name a Prime Minister, who would assemble a cabinet.

### **Political Factions in and Outside the National Assembly**

Political parties are still not permitted, but factions are organized and compete in Assembly elections as "currents," "trends," or "political societies." Many of these factions organize at a parallel traditional Kuwaiti forum called the *diwaniyya*—informal social gatherings, held at night, hosted by elites of all ideologies and backgrounds. Factions in Kuwait, both in and outside the National Assembly, are often fluid, but in general they group as follows:

#### ***The "Opposition"***

- *"Liberals."* Highly educated elites who tend to form the core of the opposition to the government. Many of the liberals had been part of Arab nationalist movements in the 1960s and 1970s, and in many cases have studied abroad. In prior years they had operated under the banner "Kuwait Democratic Forum." Some liberal Kuwaitis often side with the government.
- *Sunni Islamists.* They are generally opposed to the government. Within this broad category, there are two major groupings: those linked to the Muslim Brotherhood, and harder line Sunnis called Salafists. Those linked to the Muslim Brotherhood have often operated under a banner called the Islamic Constitutional Movement (ICM).
- *Youths and Intellectuals.* The broader opposition, outside the National Assembly; the opposition includes youth and intellectuals, many of whom have become more active since the Arab uprisings began in early 2011 but have been active in Kuwait far longer than that. Since 2008, these groups have sometimes organized during election campaigns to support liberal deputies, using such names as the "Orange Movement" or "Fifth Fence."

#### ***Government Supporters***

- *"Tribalists."* Generally less educated but who dominate two out of the five electoral districts and tend to support the government, although not universally. At times, some tribalists in the Assembly have grouped into a faction widely referred to as "service deputies"—Assembly members primarily focused on steering government largesse and patronage to their constituents.

- *Shiites*. Most in the Assembly are Islamists, assembled in a bloc called the National Islamic Alliance. They tend to side with the government, perhaps out of greater concern about Sunni Islamists.
- *Women*. When in the Assembly, female deputies, both Shiite and Sunni, have tended to align with the government.

## Post-2006 Political Crises: Assembly Suspensions and Elections

Constant disputes between the Al Sabah and oppositionists in the Assembly during 2006-2013 manifested as repeated Assembly suspensions and elections, none of which permanently resolved differences over the power balance between the executive and the Assembly.

### Elections During 2006-2009

- *June 29, 2006, election*. Five months after becoming leader, Amir Sabah suspended the Assembly in May 2006 when 29 opposition members demanded to question the Prime Minister over the government's refusal to reduce the number of electoral districts to 5 (from 25). The opposition proposal was intended to reduce the electoral influence of "vote buying" or tribal politics. In the resulting election, the opposition attracted youth support under the "Orange" banner and won 34 out of the 50 seats. The election was the first in which women could vote or run, but none of the 27 female candidates won. After the election, the Amir signed a law that accepted the opposition proposal to reduce the number of electoral districts to five.
- *May 17, 2008, Election*. The disputes between the opposition and the government produced another crisis in March 2008 when the Assembly insisted on pay raises for state employees. The government refused, the cabinet resigned, and the Amir dissolved the Assembly and set new elections for May 17, 2008. Sunni Islamists and conservative tribal leaders won 24 seats, an increase of 4, and their allies—the so-called "liberals"—won 7 seats. Pro-government and other independent tribalists, and Shiites held the remaining 19 seats. None of the 27 female candidates was elected.
- *May 16, 2009, Election*. The power struggle between the government and opposition deputies flared anew in March 2009 when the Assembly insisted on questioning the Prime Minister on alleged misuse of public funds. On March 19, 2009, the Amir suspended the Assembly, triggering elections held on May 16, 2009. Turnout was relatively light at about 55% of the 385,000 eligible voters, and produced more than 20 new parliamentarians, including 4 women (the first ever elected). Subsequently, on December 17, 2009, a vote of no confidence in the Prime Minister failed, and another such vote failed, but only narrowly, on January 5, 2011 (22 of the 50 Assembly deputies voted no confidence).<sup>2</sup>

### Arab Uprisings Intensify Kuwaiti Political Crisis

The Arab uprisings that began in early 2011 broadened Kuwait's opposition beyond just elites. In late January 2011, opposition deputies, supported by youths calling themselves the "Fifth Fence,"

<sup>2</sup> "Kuwait's Prime Minister Survives Parliament Vote." *Al Jazeera TV*, January 5, 2011; Kristin Smith Diwan, "Kuwait: Too Much Politics, or Not Enough?," *Foreign Policy* online, January 10, 2011.



demanded the Interior Minister resign for failing to prevent the alleged torturing to death of a man in custody. He acceded to that demand to avoid a planned protest. In March 2011, a Shiite parliamentarian requested to “grill” the Foreign Minister about Kuwait’s sending of naval forces to support Bahrain’s Sunni minority government. To head off the questioning, the cabinet resigned, and Prime Minister Nasser formed a new cabinet on May 8, 2011.

The government came under renewed popular pressure in September 2011 following reports that two of Kuwait’s largest banks had deposited \$92 million into the accounts of several parliamentarians—implying that the government had bought the loyalty of the parliamentarians. Thousands of Kuwait protesters took to the streets on September 21-23, 2011, to call for the resignation of the Prime Minister. Possibly as a direct response to the allegations, on September 25, 2011, the cabinet adopted an anti-corruption draft law.

On November 16, 2011, oppositionists in and outside the Assembly, including the Fifth Fence, forced their way into the Assembly building, demanding the Prime Minister’s resignation. On November 28, 2011, he did so, and the Amir subsequently replaced him with another royal family member, then-Defense Minister Shaykh Jabir al-Mubarak Al Sabah. He was sworn in, but without first naming a new cabinet, on December 4, 2011. Two days later, on December 6, 2011, he recommended—and Amir Sabah concurred—dissolution of the National Assembly and new elections. New Assembly elections were set for February 2, 2012 (within the mandated 60 days).

- *February 2, 2012, Election.* About 20 opposition deputies competed as one “Opposition Bloc,” supported by youth leaders who advocated a fully elected government in which the prime minister is selected by the Assembly; legalization of political parties; and election law changes. As shown in **Table 1** below, opposition candidates won 32 of the 50 seats. None of the 19 women who ran was elected. Turnout was about 62%. A leading opposition figure, Ahmad al-Sadun, a previous speaker (1985-1999), returned to that post, replacing the pro-government Jassim Al-Khurafi, (who later passed away in May 2015). Prime Minister Jabir retained his post but, in defiance of opposition demands, he appointed only four oppositionists to the cabinet. On June 18, 2012, with the Assembly insisting on “grilling” the Interior Minister, the Amir exercised his authority under Article 106 of the constitution to suspend the Assembly for one month. (The temporary suspension was renewable for another two months, with the concurrence of the Assembly.)
- *December 1, 2012, Election Triggered by Court Decision.* On June 20, 2012, Kuwait’s constitutional court voided the December 2011 Assembly suspension on technical grounds and reinstated the May 2009 Assembly, pending new elections. The Amir set new elections for December 1, 2012, but simultaneously issued a decree altering the election law to allow voters in each district to vote for only one candidate (rather than four per district). The opposition called the decree an effort to complicate opposition efforts to forge alliances and, on October 21, 2012, an estimated 50,000-150,000 Kuwaitis demonstrated against it. Following the protest, the State Department said the United States “call[s] on all sides to exercise restraint,” and criticized a government imposition of a ban on future large public gatherings. The government went forward with the December 1, 2012, vote, under the Amir’s decree. Turnout was about 40%. Because the opposition boycotted, the election produced an overwhelmingly “pro-government” Assembly on the strength of the 17 pro-government Shiites elected—including 5 Islamist Shiites. This was substantially more than the number of Shiites elected to any prior Assembly. Three women were elected.

Some Sunni Islamists were elected, but—with the exception of two in the Salafi grouping—they were generally not affiliated with Sunni Islamist political societies that have been in the Assembly for decades.

- *July 27, 2013: Another Court-Triggered Election.* On June 16, 2013, the Constitutional Court ruled that the Amir's decree that each person would vote for only one candidate per district (see above) was constitutional, but the court dissolved the Assembly on the basis of improper technicalities in the Amir's election decree. The government subsequently set new elections (the sixth election in five years) for July 27, 2013. Of the 418 candidates registered, 8 were women. The turnout was just over 50% because some opposition societies boycotted, and the result was a pro-government Assembly. The Muslim Brotherhood opposition was absent and only a few Salafi Islamists were elected. Pro-government deputies in the Assembly included a broad range of groups and reflected successful government outreach to the tribalists, and co-optation of many liberals. Shiite deputies number eight—close to the long-term average number in the Assembly. The National Assembly speaker is Marzuq al-Ghanim, the nephew of the late former speaker al-Khurafi. Two females initially won seats, but a constitutional court declared a miscount in one case and that woman lost her seat. The second female deputy resigned in May 2014 for the Assembly's prohibiting her from questioning the Prime Minister in the Assembly.

A cabinet was named on August 4, 2013, with Shaykh Jabir continuing as Prime Minister. Among significant changes, Shaykh Khalid al-Hamad Al Sabah was promoted to first deputy prime minister and Minister of Foreign Affairs. A former head of domestic intelligence (National Security Bureau), Shaykh Mohammad Khalid Al Sabah, was made Minister of Interior. Lieutenant General Khalid Al Jarrah Al Sabah, formerly chief of staff of the Kuwaiti army, entered the government as Minister of Defense. The cabinet at first included two females but one was dismissed in January 2014, apparently to garner support from domestic Islamists. The remaining female, Hind Al Sabih, was given a second simultaneous cabinet appointment. The current cabinet includes one Shiite and four Sunni Islamists (Salafists, not Muslim Brotherhood members).

Since the last election, there have been few major public demonstrations and opposition demands remain confined to a call for a constitutional monarchy in which the elected parliament selects the cabinet. However, some unrest occurred in 2014 connection with opposition calls for the release from jail of opposition leader/former parliamentarian Musallam al-Barrak, who has been repeatedly arrested, sentenced, and freed on bail for allegedly “insulting the Amir”—stemming from his rally opposing the Amir's 2012 election decree referenced above.



**Table 1. Composition of the National Assembly: 2008–2013**

<b>Ideology/Affiliation</b>	<b>Post-2008 Election</b>	<b>Post-2009 Vote</b>	<b>Post-Feb. 2012 Vote</b>	<b>Post December 2012 Vote</b>	<b>Post July 2103 Vote</b>
Sunni Islamist (Muslim Brotherhood and Salafi, including tribalists, generally opposes the government)	24	14	23	4	3 (all Salafi, no Muslim Brotherhood)
Liberals (generally opposition)	7	8	5	1	9
Popular Action Bloc (generally opposition)	0	2	4	0	0
Shiite (generally pro-government)	5	9	7	17	8
Sunni Independents (includes tribalists, pro-business deputies and women). Generally pro-government	14	17	11	28	30
Women (generally pro-government) Included in categories above	0	4	0	3	1*

**Source:** CRS, based on articles and analysis from various observers.

**Note:** Some members of the National Assembly might span several different categories and several sources often disagree on precise categorizations of the members of the Assembly. \*As noted, two women were initially declared winners, but a court voided one victory by one of the women. The other woman resigned in May 2014, making the current number of women in the Assembly zero.

## Broader Human Rights Issues<sup>3</sup>

On broader human rights issues, recent State Department Country Report on Human Rights Practices (the latest released covers 2014) largely reiterate long-standing assessments that the key human rights issues in Kuwait are limitations on citizens' rights to change their government, restrictions on freedom of speech and assembly, limitations on workers' rights, and trafficking in persons. There has been broad criticism of Kuwait's recent practice of revoking citizenship of perceived critics. In May 2011, Kuwait took over Syria's bid for a seat on the U.N. Human Rights Council.

U.S. democracy programs in Kuwait continue. These programs, funded from the Middle East Partnership Initiative (MEPI) and other U.S. assistance accounts, included discussions with Kuwaiti leaders, public diplomacy, building civil society, enhancing the capabilities of independent Kuwaiti media, promoting women's rights, and providing a broad spectrum of educational opportunities. However, official statements following President Obama's meeting with Amir Sabah at the White House on September 13, 2013—and published readouts of most U.S.-Kuwait meetings—indicate that U.S.-Kuwait discussions focus mostly on security and regional issues rather than Kuwait's human rights practices.<sup>4</sup>

<sup>3</sup> Much of this section is from the State Department's country report on human rights practices for 2014, cited above.

<sup>4</sup> <http://www.whitehouse.gov/the-press-office/2013/09/13/remarks-president-obama-and-amir-sabah-al-sabah-kuwait-after-bilateral-m>.

## Women's Rights

Women enjoy substantial, but not equal, rights in Kuwait. Since 2006, they have been able to run and vote in National Assembly elections, and they have long served at all levels of Kuwait's government, including as public prosecutors. Women in Kuwait can drive, and many women own businesses. There are several nongovernmental organizations run by Kuwaiti women, such as the Kuwait Women's Cultural and Social Society, that are dedicated to improving rights for women and to agitating on several different issues unrelated to gender. An estimated 16% of the workforce in the country's crucial energy sector is female.

Still, Kuwait remains a traditional society and Islamists who want to limit women's rights have substantial influence. The law does not specifically prohibit domestic violence, although courts try such cases as assault. Kuwaiti women who marry non-Kuwaiti men cannot give their spouses or children Kuwaiti citizenship. Numerous international reports assert that violence, particularly against expatriate women working in domestic service roles, is frequent. Some expatriate women have also been subjected to nonpayment of wages and withholding of passports.<sup>5</sup>

## Trafficking in Persons<sup>6</sup>

In 2015 Kuwait was designated by the State Department's *Trafficking in Persons* report for 2015 (issued July 2015) as "Tier Three" (worst level) for the eighth year in a row. The designation is based on the report's assessment that Kuwait was "not making sufficient efforts" to comply with minimum standards for the elimination of trafficking. Kuwait adopted an anti-trafficking law in March 2013, but it has not demonstrated significant efforts to prosecute and convict trafficking offenders and there is no lead national anti-trafficking coordinating body.

## Status of "Stateless Persons"(Bidoons)

Non-Gulf Arabs and Asians, and about 110,000 stateless residents (known as "bidoons"—the Arabic word for "without") continue to face discrimination. The government asserts that the bidoons deliberately destroyed evidence of another nationality in order to obtain generous social benefits in Kuwait. Despite that suspicion, in October 2010 the government promised to implement a plan to resolve the legal and economic status of the bidoons. In March 2011, the government set up a "Central System for Remediating the Status of Illegal Residents," with a mandate to resolve the status of the bidoons within five years. A bill enacted by the National Assembly on March 20, 2013, called on the government give about 4,000 bidoons citizenship. In November 2014, the government announced a plan to obtain for tens of thousands of bidoons "economic citizenship in the Union of the Comoros" wherein the bidoons would be allowed to remain physically in Kuwait, and a separate decree approved some government services and subsidies for bidoons. Human rights groups called the plan far from an acceptable solution to the bidoon issue. Over the past few years, the government has been giving citizenship to small numbers of bidoons—children of soldiers killed fighting for Kuwait (in the 1990 Iraqi invasion of Kuwait).

---

<sup>5</sup> Fahim, Kareem. "Away From Home, Fleeing Domestic Life." *New York Times*, August 2, 2010.

<sup>6</sup> The most recent State Department "Trafficking in Person" report is at <http://www.state.gov/documents/organization/243560.pdf>.

## Freedom of Expression and Media Freedoms

Official press censorship ended in 1992, fostering the growth of a vibrant press, but successive State Department human rights reports have asserted that the government does not always respect constitutional provisions for freedom of speech and the press. By law, newspaper publishers must be licensed by the Ministry of Information.

A trend that has attracted substantial criticism not only of Kuwait but of other GCC states is the increasing use of existing and new laws to act against opponents—including revoking their citizenship—who use newspapers and social media to criticize the government and mobilize demonstrations. Kuwait’s penal code (Article 25) provides for up to five years in jail for “objecting to the rights and authorities of the Amir or faulting him”—wording that sometimes takes varying forms in charging documents and other official announcements. The Constitutional Court rejected a challenge to Article 25 in December 2013. In June 2015, Kuwait enacted a cybercrimes law that includes prison sentences and fines for insulting religious figures or criticizing the Amir, or for harming Kuwait’s relations with other countries.

In 2014, the government revoked the citizenship of more than 30 people (all naturalized Kuwaitis, not born citizens, who by law cannot have citizenship revoked) for criticizing the government on social media and through other media outlets. One whose citizenship was revoked is Ahmad Jabir al-Shammari, owner of *Alam al-Yawm* newspaper, discussed above, and a television station. In April 2014, a judge ordered his paper and another paper (*Al Watan*) closed for two weeks for disobeying a court-ordered news blackout on a videotape purporting to show former senior officials plotting to try to remove the Amir from office.<sup>7</sup> Others whose citizenship have been revoked on similar grounds include an Islamist former member of the National Assembly, Abdullah al-Barghash, and Saad al-Ajmi, an opposition spokesman.

The government also has sought to silence media that expose internal discussions among the royal family. In June 2014, the government ordered the same two papers to stop publishing for five days over the same issue.

## Labor Rights

The law protects the right of workers to form and join unions, conduct legal strikes, and bargain collectively, but contains significant restrictions. The government allows one trade union per occupation, but the only legal trade federation is the Kuwait Trade Union Federation (KTUF). Foreign workers, with the exception of domestic workers, are allowed to join unions, and the government has tended not to impede strikes. In recent years, strikes have taken place among customs officers (2011) and employees of Kuwait Airways (2012). In 2014, the government threatened to replace and possibly imprison Kuwait Petroleum Company employees who threatened to strike, and the strike did not take place.

A widely identified human rights problem in Kuwait has been the abuse—sometimes physical abuse, including rape—of female domestic workers, who are almost always expatriates. In 2015, Kuwait enacted legislation (Law No. 68) that gives domestic workers enforceable labor rights for the first time, including a prohibition on employers’ confiscating their domestic workers’ passports.

<sup>7</sup> “Kuwait Papers Closed for Violating ‘Plot’ Blackout.” BBC News, April 20, 2014.

## Religious Freedom

Recent State Department religious freedom reports have changed little from year to year in their assessments of Kuwait's respect for religious freedom. Shiite Muslims (about 30% of Kuwait's population) continue to report official discrimination, including limited access to religious education and the perceived government unwillingness to permit the building of new Shiite mosques. Of Kuwait's Shiite population, about half are Arab Shiites, some of whom are originally from the eastern provinces of Saudi Arabia, and half are of Persian origin. Unlike in Bahrain, Shiites are well represented in the police force and the military/security apparatus, although they generally are not offered leadership positions in those institutions. In 2012, the Kuwaiti ministry that oversees houses of worship began monitoring Shiite mourning houses known as *Husseiniyas*, but it also began providing state funds to Shiite mosques, as it does for Sunni mosques.

Kuwait has seven officially recognized Christian churches to serve the approximately 450,000 Christians (mostly foreign residents) in Kuwait. However, Islamists in the National Assembly have sometimes sought to prevent the building of new churches in Kuwait.<sup>8</sup> Members of religions not sanctioned in the Quran—including about 400 Baha'i's, 100,000 Buddhists, 600,000 Hindus, and 10,000 Sikhs—are mostly non-citizens working in Kuwait and have not been allowed to operate official places of worship. They have been permitted to worship in their homes. There are a few hundred Christians and some Baha'i's among the citizenry.

## U.S.-Kuwait Relations and Defense Cooperation

A U.S. consulate opened in Kuwait in October 1951 and was elevated to an embassy upon Kuwait's independence from Britain in 1961.<sup>9</sup> Kuwait was the first Gulf state to establish relations with the Soviet Union in the 1960s, perhaps reflecting the influence on Kuwaiti politics of many relatively left-wing figures who were attracted to the ideologies of Gamal Abd al-Nasser of Egypt and his patron, the Soviet Union. Because of that orientation, Kuwait was not strategically or politically close to the United States until the Iran-Iraq War (1980-1988), when Kuwait became a pivotal partner of the United States in order to secure itself from Iran. Since 1991, the cornerstone of the U.S.-Kuwait defense relationship has been a broad Defense Cooperation Agreement (DCA). The pact was signed on September 19, 1991, seven months after the U.S.-led expulsion of Iraqi forces from Kuwait in the 1991 Persian Gulf War (Operation Desert Storm). The DCA had an initial duration of 10 years, but remains in effect.<sup>10</sup> The text is classified, but reportedly provides for mutual discussions in the event of a crisis; joint military exercises; U.S. evaluation of, advice to, and training of Kuwaiti forces; U.S. arms sales; prepositioning of U.S. military equipment; and U.S. access to a range of Kuwaiti facilities.<sup>11</sup> The DCA reportedly includes a Status of Forces Agreement (SOFA) that provides that U.S. forces in Kuwait be subject to U.S. rather than Kuwaiti law—a common feature of such arrangements.

---

<sup>8</sup> Middle East Media Research Institute. "In Kuwait, Public Debate Over Demand to Demolish Churches," April 10, 2012.

<sup>9</sup> The current U.S. Ambassador to Kuwait is Douglas Silliman.

<sup>10</sup> <http://www.whitehouse.gov/the-press-office/2013/09/13/remarks-president-obama-and-amir-sabah-al-sabah-kuwait-after-bilateral-m>.

<sup>11</sup> Hajjar, Sami. U.S. Military Presence in the Gulf: Challenges and Prospects. U.S. Army War College, Strategic Studies Institute. p. 27.

*U.S. Troops in Kuwait and Facilities Used.* Since 2011, there have been about 13,500 U.S. troops in Kuwait.<sup>12</sup> This U.S. force level is higher than that positioned in Kuwait during the Iraq containment period of the 1990s (see below), and constitutes more than a third of the 35,000 total U.S. forces in the Gulf. The U.S. force includes some Army combat troops, not purely support forces.<sup>13</sup>

The U.S. forces deployed to Kuwait—currently and in past U.S. regional operations—have been able to use several Kuwait facilities, in accordance with the DCA. These facilities reportedly include Ali al-Salem Air Base; Shaykh Jabir Air Base; the main U.S. headquarters in Kuwait at Camp Arifjan (40 miles south of Kuwait City); a desert training base and firing range called Camp Buehring (far out in the desert, near the border with Saudi Arabia); and a naval facility called Camp Patriot. Under the DCA, enough U.S. armor to outfit at least one brigade is pre-positioned in Kuwait; the equipment pre-positioned there was used for the 2003 invasion of Iraq and returned after the U.S. mission in Iraq ended. (In December 2005, U.S. forces vacated Camp Doha, the headquarters for U.S. forces in Kuwait during the 1990s and former site for pre-positioned tanks.)

*Major Non-NATO Ally Status.* Recognizing Kuwait's consistent and multi-faceted cooperation with the United States, on April 1, 2004, the Bush Administration designated Kuwait as a "major non-NATO ally (MNNA)," a designation held by only one other Gulf state (Bahrain). The designation opens Kuwait to buy the same U.S. equipment that is sold to U.S. allies in NATO.

## **U.S.-Kuwait Defense Cooperation: 1987-2011**

Under the DCA, Kuwaiti facilities have hosted virtually all U.S. operations in the region in the past 25 years.

*Iran-Iraq War.* During the Iran-Iraq War, Iran had sought to compel Kuwait to end its financial and logistical support for Iraq by striking with Silkworm missiles some Kuwaiti oil facilities, including the Al Ahmadi terminal. In 1987-1988, the United States established a U.S. naval escort and tanker reflagging program to protect Kuwaiti and international shipping from Iranian naval attacks (Operation Earnest Will). As part of the skirmishes between the United States and Iran in the course of that operation, Iran attacked a Kuwaiti oil installation (Sea Island terminal).

*Operation Desert Storm.* Asserting that Kuwait was one of Iraq's key benefactors assisting its fight against Iran in the Iran-Iraq War, Kuwait's leaders were surprised and shaken by the August 2, 1990, Iraqi invasion. Iraq asserted that it needed to invade because Kuwait was overproducing oil and thereby harming Iraq's ability to repay its debts and recover economically from the war with Iran. However, most experts believe that the invasion was a result of Saddam's intent to dominate the Persian Gulf. Iraq's occupation lasted until U.S.-led coalition forces of nearly 500,000 expelled Iraqi forces from Kuwait in "Operation Desert Storm" (January 16, 1991-February 28, 1991). Kuwait's leaders, who spent the occupation period in Saudi Arabia, were restored to power. Kuwait contributed financially to the 1991 war—it paid \$16.059 billion to offset the U.S. incremental costs of Desert Shield/Desert Storm.

*Iraq Containment Operations (1991-2003).* After the 1991 war, U.S. forces used Kuwaiti facilities to conduct containment operations. Most prominent among them were the 1992-2003 enforcement of a "no fly zone" over southern Iraq (Operation Southern Watch, OSW), which

---

<sup>12</sup> Thom Shanker. "In Kuwait, Panetta Affirms U.S. Commitment to Middle East." *New York Times*, December 11, 2012.

<sup>13</sup> Michelle Tan. "15,000 in Kuwait, At Least For Now." *Army Times*, January 16, 2012.

involved 1,000 U.S. Air Force personnel in the various Kuwaiti air bases. The containment strategy included the prepositioning of enough armor in Kuwait (allowed under the DCA) to outfit two combat brigades. There were generally about 4,000 or more U.S. troops stationed in Kuwait at any given time. Kuwait contributed about \$200 million per year for U.S. military costs of these containment operations, according to U.S. observers.<sup>14</sup> Kuwait also funded two-thirds of the \$51 million per year U.N. budget for the 1991-2003 Iraq-Kuwait Observer Mission (UNIKOM) that monitored the Iraq-Kuwait border. (Kuwait also allowed U.S. forces participating in the major combat phases of Operation Enduring Freedom in Afghanistan to transit Kuwait.)

*Operation Iraqi Freedom (OIF) and Post-Saddam Iraq.* Kuwait enthusiastically supported the George W. Bush Administration's decision to militarily overthrow Saddam Hussein (Operation Iraqi Freedom [OIF]). It hosted the vast bulk of the U.S. invasion force of about 250,000 forces, as well as the other coalition troops that entered Iraq in March 2003. To secure that force, Kuwait closed off its entire northern half for weeks before the invasion. It also allowed U.S. use of two air bases, its international airport, and sea ports; and provided \$266 million in burden sharing support to the combat, including base support, personnel support, and supplies such as food and fuel. Kuwaiti forces did not participate in OIF.

After Saddam was overthrown, Kuwait built political ties to the dominant, mostly Shiite, factions in Iraq in order to ensure there would be no repeat of the 1990 Iraqi invasion or of any Iraqi Shiite-led violence such as that which occurred in the 1980s. On July 18, 2008, Kuwait named its first ambassador to Iraq since the 1990 Iraqi invasion—Ali al Momen, a retired general and a Shiite Muslim. On January 12, 2011, then Prime Minister Nasser became the first Kuwait Prime Minister to visit Iraq since the 1990 invasion—a visit occurred a few days after Iraqi Prime Minister Nuri al-Maliki said that Iraq's former ambitions against Kuwait "have gone forever and will never return again."<sup>15</sup> Maliki made his first visit to Kuwait on February 16, 2011, and a March 2012 Maliki visit to Kuwait paved the way for Amir Sabah's attendance at the March 27-29, 2012, Arab League summit in Baghdad. Iraq considered that summit crucial to its efforts to return to the Arab fold after decades of isolation.

As part of its outreach to post-Saddam Iraq, Kuwait built a water line into Iraq and it ran a humanitarian operation center (HOC) that gave over \$550 million in assistance to Iraqis from 2003-2011. A Kuwaiti company, First Kuwaiti General Trading and Contracting, was lead contractor on the large U.S. embassy in Iraq that opened in January 2009. On April 22, 2008, Kuwait hosted a regional conference on Iraq's stability, which included the United States, Iran, and other neighboring countries.

During 2003-2011, there were an average of 25,000 U.S. troops based in Kuwaiti facilities, not including those rotating into Iraq at a given time. Kuwait served as the key exit route for U.S. troops as they withdrew from Iraq. The United States and Iraq had discussed retaining 3,000-15,000 U.S. troops in Iraq beyond 2011 to continue training Iraqi forces, but Iraq and the United States were unable to agree on a legal status framework for retaining U.S. troops, and the last U.S. troops left Iraq on December 18, 2011.

According to Defense Department budget documents, Kuwait contributed about \$210 million per year in similar in-kind support to help defray the costs incurred by the U.S. military personnel that rotated through Kuwait into or out of Iraq for operations in Iraq during 2003-2011. In

<sup>14</sup> Author conversation with U.S. military official in Kuwait. February 2014.

<sup>15</sup> "No Claim on Sovereign Kuwait, Iraqi Ambitions Gone Forever." *Arab Times* (Kuwait). January 9, 2011.



FY2012, Kuwait contributed \$350 million for these purposes, as stipulated in the FY2012 Consolidated Appropriation (P.L. 112-74).

### **Defense Cooperation with the GCC and other Western Powers**

Kuwait cooperates with U.S. efforts to improve the defense capabilities of and coordination among the GCC states as a whole. Kuwait has purchased missile defense equipment that supports U.S. efforts to forge a joint GCC missile defense network for the Gulf, as noted below. Kuwaiti naval forces participate in U.S.-led mine clearing exercises in the Persian Gulf that signal to Iran the strength of the U.S.-GCC alliances in the Gulf.

Kuwait also supports Saudi-led efforts to promote greater military coordination and joint action among the GCC countries, including by forming a GCC joint military command. The GCC decision to form such a command, announced at the GCC summits in December 2013 and reiterated at the annual GCC summits since, is consistent with Obama Administration efforts to augment Gulf security by forging greater coordination and interoperability of equipment among the GCC states. That U.S. policy was supported by a December 16, 2013, Presidential Determination authorizing U.S. defense sales to the GCC as a whole.

The trend toward more intra-GCC defense cooperation also apparently reflects a growing perception among some GCC leaders that the United States is reluctant to use force in the region. The Amir represented Kuwait at the May 13-14, 2015, U.S.-GCC summit at Camp David, which the United States organized to try to reassure the GCC states of the U.S. commitment to Gulf security as the United States and its partners were attempting to finalize the nuclear deal with Iran (Joint Comprehensive Plan of Action, JCPOA). The GCC-led military action in Yemen, discussed below, also appears to reflect a new GCC willingness to undertake military action in the region even if such action is not led by the United States.

Kuwait also has sought cooperation with other U.S. partners. It was reported in December 2011 that NATO discussed with Kuwait opening a center in Kuwait City as part of the Istanbul Cooperation Initiative (ICI) initiated in 2004. Kuwait joined the ICI in December 2004. The NATO center in Kuwait did not open, in part because the ICI has languished as NATO member states face significant financial constraints. In April 2014, Kuwait set up an office in Pakistan to recruit Pakistani trainers for Kuwaiti soldiers.<sup>16</sup>

### **Hosting Coalition Operations against the Islamic State Organization**

Kuwaiti leaders assert that the Islamist extremist organization Islamic State represents a threat to regional stability, including to the territorial integrity of Iraq and Syria. Kuwait has close relationships with the government of Iraq and a direct stake in Iraqi stability, as discussed throughout. As do the other GCC states, Kuwait asserts that Syrian President Bashar Al Asad's policies have caused many Syrians to support the Islamic State. However, Kuwaiti officials say the government has not provided government funds to any armed rebel groups fighting in Syria. Kuwait (along with the other GCC states) closed its embassy in Damascus in 2012, but in December 2014, Kuwait allowed Syria to reopen its embassy in Kuwait to perform consular services for the approximately 140,000 Syrians living and working in Kuwait.<sup>17</sup> Kuwaiti diplomats insisted the reopening did not represent a change of policy on Asad.

---

<sup>16</sup> Middle East Media Research Institute. April 22, 2014.

<sup>17</sup> <http://www.presstv.ir/Detail/2015/01/06/391924/Syria-embassy-in-Kuwait-resumes-services>.

At a U.S.-GCC meeting in Saudi Arabia, on September 11, 2014, Kuwait formally joined the U.S.-led coalition against the Islamic State. Kuwait has placed its military facilities at the disposal of the U.S.-led coalition, including allowing Canada and Italy to base reconnaissance and combat aircraft in Kuwait for their participation in the mission, which is called “Operation Inherent Resolve” (OIR).<sup>18</sup> Kuwait hosts the headquarters of “ARCENT”—the U.S. Army component of U.S. Central Command—and the ARCENT commander, who is based in Kuwait, serves as overall U.S. commander of Operation Inherent Resolve (OIR). On February 23, 2015, Defense Secretary Ashton Carter, on his first visit to the region after being sworn in, held a meeting at ARCENT headquarters in Kuwait with OIR-related U.S. combatant commanders (for the Middle East, Africa, and Europe) to assess the status of the campaign to that time. Unlike Saudi Arabia, Bahrain, UAE, and Qatar, Kuwait has not flown air strikes or air support missions against Islamic State forces in Syria. In the aftermath of the November 13, 2015, ISIS attacks in Paris, Kuwait expressed willingness to increase its support to the U.S.-led coalition, but continued to assert that it would not send combat troops into Iraq or Syria.<sup>19</sup> In February 2016, Saudi Arabia and UAE said they are willing to send ground forces to assist U.S.-led anti-Islamic State operations in Syria. Kuwait pledged logistical and intelligence support for any such GCC ground forces sent, but Kuwaiti officials asserted they would not pledge Kuwaiti ground forces.

Aside from hosting coalition forces fighting the Islamic State, Kuwait has been at the forefront of the GCC in attempting to help the civilian victims of the conflicts in Syria and Iraq. Kuwait has hosted three major donors’ conferences (January 30, 2013, January 15, 2014, and March 31, 2015) at which Kuwait has pledged a total of over \$1 billion in humanitarian aid. The Kuwaiti donations were composed mostly of donations to nine U.N. agencies and to the International Committee of the Red Cross (ICRC). Of the Kuwaiti government’s pledges, about 10% is channeled through Kuwaiti agencies such as the Kuwait Fund for Arab Economic Development and the Kuwait Red Crescent Society.

Perhaps in part because of Kuwait’s place in the coalition, and despite the absence of Kuwaiti forces in OIR military actions, the largest terrorist attack in Kuwait in many years took place on June 26, 2015. A mosque in Kuwait City was bombed, resulting in 27 deaths. A local branch of the Islamic State called “Najd Province,” named after the central region of the Arabian Peninsula, claimed responsibility for the action.

## **U.S. Security Assistance**

The United States continues to assist Kuwait’s defense capabilities, at least in part to promote interoperability with U.S. forces. U.S. officials say that the U.S.-Kuwait defense relationship has improved the quality of the Kuwaiti military, particularly the Air Force. As a result of Kuwaiti recruitment efforts, its military has now nearly regained its pre-Iraq invasion strength of 17,000. In 2008, U.S. Central Command (CENTCOM) established in Kuwait a permanent platform for “full spectrum operations” in 27 countries in the region—among its objectives has been to help Kuwait establish a more capable navy. Kuwait is considered a wealthy state that can fund its own military operations—it even has been a donor to some U.S. operations in the region as discussed above. In the past, Kuwait received some very small amounts of U.S. assistance in order to qualify Kuwait for a discount to send its officers for training in the United States.

---

<sup>18</sup> “Kuwait Plays Uneasy Host as Canadian Jets Join Anti-ISIS Campaign.” Canada Television News, October 29, 2014.

<sup>19</sup> Kuwait Planning to Boost Military Capabilities – US, GCC States Eye Boots on the Ground Against ISIS.” Arab Times, December 9, 2015.

## Major U.S. Arms Sales to Kuwait

U.S. arms sales have sought to enhance Kuwait's capability. U.S. sales to Kuwait are intended to comport with the overall U.S. goals of containing Iran by enhancing the individual and joint capabilities of the Gulf states. Kuwait is not eligible to receive U.S. excess defense articles. Major post-1991 Foreign Military Sales (FMS) include the following:

- *Missile Defense Systems*: In 1992, Kuwait bought five Patriot anti-missile fire units, including 25 launchers and 210 Patriot missiles, valued at about \$800 million. Delivery was completed by 1998. Some of them were used to intercept Iraqi short-range missiles launched at Kuwait in the 2003 war. In 2007, Kuwait also bought 80 PAC-3 (Patriot) missiles and 60 PAC-2 missiles and upgrades, valued at about \$1.3 billion. In August 2010, the Administration notified Congress of the potential sale to Kuwait of 209 Patriot "Guidance Enhanced Missile-T" (GEM-T) missiles valued at \$900 million. On July 20, 2012, the Administration notified a sale of 60 Patriot Advanced Capability ("PAC-3") missiles and 20 Patriot launching stations, plus associated equipment, valued at \$4.2 billion. On December 31, 2013, DOD said Lockheed Martin would deliver 14 of the missiles and seven launcher modification kits by June 30, 2016. Kuwait has not announced whether it will buy the more sophisticated missile defense system called the Theater High Altitude Air Defense (THAAD) system that the United States has sold to UAE and Qatar.
- *Combat Aircraft/F-18s*. The core of Kuwait's fleet of combat aircraft is 40 FA-18 combat aircraft Kuwait bought in 1992. On December 4, 2013, DSCA notified a possible sale to Kuwait of technical support to its U.S.-made F-18s for an estimated cost of about \$150 million. Kuwait has asked to buy another 28 F-18s, but reportedly has expressed frustration at delays in the DOD approval process for that sale. In February 2016, Kuwait announced it would buy 28 Eurofighters instead, but then retracted that purchase, perhaps because the U.S. sale of the new F-18s moved forward.<sup>20</sup> Still, to date, DSCA has not issued a notification of sale of additional F-18s to Kuwait.
- *Tanks*. In 1993, Kuwait bought 218 M1A2 tanks at a value of \$1.9 billion. Delivery was completed in 1998.
- *Apache Helicopters*. In September 2002, Kuwait ordered 16 AH-64 (Apache) helicopters equipped with the Longbow fire-control system, valued at about \$940 million.
- *Air-to-Air Missiles*. In 2008, Kuwait bought 120 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM), along with equipment and services, with a total value of \$178 million. On February 27, 2012, the Administration notified Congress of a potential sale of 80 AIM-9X-2 SIDEWINDER missiles, and associated parts and support, with an estimated value of \$105 million. The sale, if completed, would help Kuwait modernize its fighter aircraft and enhance interoperability with U.S. aircraft.

<sup>20</sup> "Kuwait Says Sticks to F-18 Jets Despite Approval Delays." Reuters, January 21, 2016; "Kuwait to Sign Eurofighter Jet Deal with Italy: Minister. Gulf News, February 12, 2016.

- DSCA announced on June 30, 2014, that the U.S. Army Corps of Engineers would build a Kuwait Armed Forces Hospital in Kuwait at a cost to Kuwait of \$1.7 billion.

No specific new U.S. arms sales to Kuwait were announced in conjunction with the U.S.-GCC summit held on May 13-14, 2015, in the United States, or subsequently. However, in early December 2015 Kuwait's government asked the National Assembly to approve \$20 billion in additional funds for arms purchases. Press reports indicate some of the funds will be used to pay for the 28 Eurofighter Typhoon combat aircraft Kuwait bought in September 2015, as well as for additional U.S. Apache helicopters, French naval vessels and light armored vehicles, and Russian-made missile systems and heavy artillery.<sup>21</sup>

**Table 2. U.S. Aid to Kuwait**  
(dollars in thousands)

	FY06	FY07	FY08	FY09	FY10
International Military Training and Education (IMET).	-	19	14	0	10
Non-Proliferation, Anti-Terrorism, De-Mining and Related (NADR).	628	1,025	0	0	0

**Source:** Department of State. No U.S. assistance to Kuwait has been requested or provided since FY2010.

### International Military Education and Training (IMET)

As noted in **Table 2**, in recent years Kuwait has received very small amounts of funding under the International Military Education and Training (IMET) program. That funding has been provided primarily to qualify Kuwait for a discount in the rate it pays for Kuwait-funded trainees to participate in U.S. programs. Kuwaiti military students in the United States study intelligence, pilot training, and other disciplines. In FY2010, Kuwait spent about \$9.7 million to provide such education for 216 Kuwaiti military students.

## Other Foreign Policy Issues

After the United States, Kuwait's most important alliances are with the other GCC states. In May 2012, Saudi Arabia proposed a close political union among the GCC states—a proposal opposed by several GCC states, including Kuwait, and not adopted. Kuwait has a much longer and more extensive experience with elections and parliamentary process than does Saudi Arabia or the other GCC states, and most Kuwaitis are perceived as fearful of jeopardizing their political tradition. However, the issue remains under discussion, as stated in the final communique of the

<sup>21</sup> "Kuwait Planning to Boost Military Capabilities – US, GCC States Eye Boots on the Ground Against ISIS." Arab Times, December 9, 2015.

December 9-10, 2015, GCC summit held in Saudi Arabia,<sup>22</sup> which represented a consensus GCC position. Many of the issues discussed below were addressed in the GCC summit communique.

## Residual Bilateral Issues With Iraq

Kuwait departs from the other GCC states in its close relationship with the Shiite-dominated government of post-Saddam Iraq, in large part because of the legacy of the 1990 Iraqi invasion. Many, although not all, of the residual issues from the invasion have been resolved. In August 2012, the Iraqi government vowed to “end all pending issues with Kuwait before the start of [2013]”—a statement apparently intended in part to garner support for the U.N. Security Council to remove any remaining “Chapter 7” (of the U.N. Charter) mandates on Iraq stemming from the invasion. Kuwait’s Prime Minister Jabir visited Iraq on June 12, 2013, and reached agreement on taking some of the bilateral issues involving missing Kuwaitis and Kuwaiti property out of the Chapter 7 supervision of the United Nations and replacing them with alternative mechanisms, as discussed below. On December 15, 2010, the U.N. Security Council passed three resolutions—1956, 1957, and 1958—that ended Saddam-era sanctions against Iraq, but the resolutions did not fully end the “Chapter 7” U.N. mandate on Iraq and continued the 5% automatic revenue deductions for reparations payments, discussed below.

*Reparations Payments Continue.* Kuwait has not dropped its insistence on full U.N.-supervised reparations by Iraq for damages caused from the 1990 invasion. Iraq has sought a cessation of the mandatory deduction of 5% of all its revenue to fund a U.N. escrow account that, since 1991, has been compensating the victims of the Iraqi invasion of Kuwait. The U.N. Compensation Commission (UNCC), created by the post-Desert Storm U.N. resolutions, paid out about \$52 billion awarded to over 100 governments and 1.5 million individual claimants by the time it ended in April 2015. As of that time, the process had paid \$48 billion of that amount, leaving only about \$4.6 billion left to be paid—the last remaining amount due from the \$14.7 billion awarded for damage to Kuwaiti oilfields during the Iraqi occupation. In late 2014, the UNCC, accounting for Iraqi budget shortfalls, extended the deadline for Iraq to begin the final payments to the beginning of 2016.<sup>23</sup> In October 2015, apparently taking into account the significant fall in oil prices, Kuwait agreed to give Iraq until early 2017 to make these final payments.<sup>24</sup>

*Missing Kuwaitis and Kuwaiti National Archives.* The U.N. resolutions adopted December 15, 2010, also continued the effort, required under post-1991 war U.N. resolutions (most notably 687), to resolve the fate of the 605 Kuwaitis and third party nationals missing and presumed dead from the 1991 war, as well as that of the missing Kuwaiti national archives. A special U.N. envoy, Gennady Tarasov, was U.N. High-Level Coordinator for these issues. In September 2011 and in June 2012, Iraq called for an end to the mandate of that post and for Iraq and Kuwait to pursue the issue bilaterally. The June 16, 2013, visit of the Kuwaiti Prime Minister to Iraq—which followed progress on border demarcations issues—resulted in an Iraq-Kuwait joint recommendation to remove these issues of missing property and persons from the Chapter 7 U.N. mandate, a recommendation that was endorsed in the U.N. Secretary General’s report of June 17, 2013. U.N. Security Council Resolution 2107 of June 27, 2013, abolished the High-Level Coordinator mandate and transferred the supervision of these issues to the U.N. Assistance Mission—Iraq (UNAMI)—under Chapter VI of the U.N. Charter (which does not carry enforcement mechanisms as those adopted under Chapter VII).

<sup>22</sup> <http://bna.bh/portal/en/news/700828>.

<sup>23</sup> <http://www.reuters.com/article/2014/12/18/us-mideast-crisis-iraq-un-idUSKBN0JW1DH20141218>.

<sup>24</sup> <http://news.kuwaittimes.net/website/kuwait-delays-iraq-reparations-payment-to-2017/>.



The search process has resulted in finding the remains of 236 Kuwaitis. The cases of 369 Kuwaitis remain unresolved. In 2010, Kuwait made a \$1 million grant to the Iraqi Ministry of Human Rights, which is the lead Iraqi agency trying to determine the fate of the Kuwaitis. A Tripartite Commission on the issue (Kuwait, Iraq, International Committee of the Red Cross) met on May 18, 2011, the first such meeting in many years. To date, more than 10,000 trenches have been dug to search for remains and jailed members of the Saddam regime have been interviewed. However, recent U.N. reports on these issues have not noted any progress.

As far as the Kuwaiti National Archives, U.N. reports on December 14, 2012, and June 17, 2013, say there has been no progress locating the archives. However, Annex I to the June 17, 2013, report (U.N. document S/2013/357) contains a list of all the Kuwaiti property returned to Kuwait by Iraq since 2002. In June 2012, Iraq returned to Kuwait numerous boxes of tapes from Kuwait's state radio, books belonging to Kuwait University, and keys to Kuwait's Central Bank.

*Kuwait-Iraq Border.* Disputes over the Iraq-Kuwait border have also been mostly resolved. Under post-1991 Gulf War U.N. Security Council Resolution 833, the Council accepted the U.N.-demarcated border between them. Kuwait has sought that the post-Saddam government in Iraq formally acknowledge its commitments under the resolution to pay some of the costs of border markings and signs. And, as a consequence of the March 15, 2012, Maliki visit to Kuwait, Iraq agreed to pay its portion of the costs of maintaining the border markings and the issue of the sea border markings and related issues was resolved in early 2013.

*Other Outstanding Bilateral Disputes/Iraqi Airways.* In 2004, Kuwait reportedly pledged to forgive a substantial portion of the \$25 billion Saddam era debt, but it has not written off the debt to date. Another major dispute concerned Kuwait Airways' lawsuits alleging that Iraq owed Kuwait \$1.2 billion for planes and parts stolen during the Iraqi invasion; the actions led to the long-term impoundment of Iraqi Airways jets. The March 15, 2012, Maliki visit resolved the issue with agreement for Iraq to pay Kuwait \$300 million in compensation, and to invest \$200 million in an Iraq-Kuwait joint airline venture. Subsequent to the visit, Iraq-Kuwait direct flights resumed. In November 2013, Kuwait's national airline, Kuwait Airways, began its first flights to Iraq (Najaf) since the 1990 Iraqi invasion.

*Remaining Threat from Iraqi Extremist Groups.* Kuwaiti leaders say they remain wary of pro-Iranian Shiite extremist groups still operating, particularly in southern Iraq. The December 1983 bombings of the U.S. and French embassies in Kuwait and an attempted assassination of the Amir in May 1985 were attributed to the Iran-inspired Iraqi Da'wa (Islamic Call) Party, composed of Shiites. Seventeen Da'wa activists were arrested for those attacks, and Da'wa activists hijacked a Kuwait Airlines plane in 1987. Da'wa is the party that Maliki and current Iraqi Prime Minister Haydar Al Abbadi head, although the party no longer has a militia wing. In July 2011, the Iran-supported militia of Shiite cleric Moqtada Al Sadr rocketed Kuwait's embassy in Iraq and caused Kuwait to temporarily recall its diplomats.

## Iran

Unlike several of the GCC states, Kuwait undertakes consistent high-level engagement with Iran. Amir Sabah visited Iran in June 2014, including meeting with Iran's Supreme Leader, Ayatollah Ali Khamene'i, as well as elected President Hassan Rouhani. Kuwait's Shiites have historically been well integrated into politics and society. After the 1990 Iraqi invasion, Kuwait supported Iran as a counterweight to Saddam Hussein and often hosted pro-Iranian anti-Saddam Iraqi Shiite oppositionists, even though some of these same Shiite groups had conducted attacks in Kuwait in the 1980s. Kuwait consistently joined the other GCC states in expressing concern about Iran's nuclear intentions, while endorsing Iran's right to peaceful uses of nuclear technology.



Kuwait has enforced U.S. sanctions against Iran, most of which are to be suspended pursuant to the JCPOA. After enactment in July 2010 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA), which subjects to penalties firms that supply gasoline to Iran, a Kuwaiti gasoline trading firm, Kuwait's Independent Petroleum Group, stopped supplying gasoline to Iran.<sup>25</sup> Kuwait's cooperation with the United States might also account for Kuwait's decision, to date, to decline Iran's offer to sell Kuwait natural gas, delivered by way of Iraq.

Amir Sabah represented Kuwait at the U.S.-GCC summit of May 13-14, 2015, which was organized to address GCC concerns about a comprehensive nuclear accord with Iran—particularly the regional implications of such an agreement. Subsequent to the U.S.-GCC summit and the finalization of that nuclear agreement on July 14, 2015, Kuwait and the other GCC states publicly expressed support for the accord while calling on the United States and the GCC countries to work effectively to curb Iran's efforts to expand its influence in the region. The December 2015 GCC summit communique insisted on Iran's compliance with the JCPOA, criticized its recent ballistic missile tests, and "rejected Iran's interference into the internal affairs of the GCC states and the region." In January 2016, Kuwait downgraded relations with Iran over the sacking of Saudi diplomatic facilities in Tehran and Mashhad by demonstrators protesting the Saudi execution of a dissident Saudi Shiite cleric Nimr al Baqr Al Nimr. Kuwait recalled its Ambassador from Iran but it did not follow the lead of Saudi Arabia and Bahrain in breaking relations with Iran outright.

The sectarian tensions roiling the region and related Iran-GCC differences have spilled over into Kuwait domestically. In May 2010, Kuwait arrested some Kuwaiti civil servants and stateless residents for allegedly working on behalf of the Qods Force of the Islamic Revolutionary Guard Corps (IRGC-QF) of Iran—the IRGC unit that supports pro-Iranian movements and conducts espionage in neighboring and other foreign countries—in a purported plot to blow up Kuwaiti energy facilities.<sup>26</sup> In March 2011, a Kuwait court sentenced two Iranians and a Kuwaiti to death in the alleged plot, but the sentences were later commuted to life in prison. On September 1, 2015, Kuwait announced the arrest of 25 Kuwaiti Shiites and one Iranian on charges of planning attacks in and spying on Kuwait.<sup>27</sup> On January 12, 2016, a court found 22 of these persons (21 Kuwaiti Shiites and 1 Iranian) guilty of acting as "agents for Iran and being members of Lebanese Hezbollah." Two of the defendants, including the Iranian (who was tried in absentia) were sentenced to death. The verdict prompted the Shiites in the National Assembly to boycott sessions of the body, arguing that the government does not prosecute Kuwaiti Sunnis who might be sympathetic to the Islamic State with equal rigor.

## **Actions on 2011 Uprisings-Related Regional Instability**

Kuwait has generally acted in concert with—although not always as assertively as—other GCC states on regional issues such as those that have stemmed from post-2011 unrest in the region.

*Bahrain.* Of all the countries affected by "Arab spring" uprisings, the GCC has the most direct stake in Bahrain, which is a GCC member. Kuwait sent a naval unit to support the March 14, 2011, intervention of the GCC's "Peninsula Shield" unit to assist Bahraini security forces. However, Kuwait did not send ground troops to join the 2,000 Saudi troops and UAE police (GCC Peninsula Shield force) that entered Bahrain to help suppress the uprising. The Kuwaiti

<sup>25</sup> [http://www.defenddemocracy.org/index.php?option=com\\_content&task=view&id=11788115&Itemid=105](http://www.defenddemocracy.org/index.php?option=com_content&task=view&id=11788115&Itemid=105).

<sup>26</sup> "Iran Spy Cell Dismantled in Kuwait." Associated Press, May 6, 2010; "Iran Cell Planned Attacks in Kuwait, Minister Says. *Reuters*, April 21, 2011.

<sup>27</sup> <http://www.aljazeera.com/news/2015/09/kuwait-charges-terror-cell-tied-iran-hezbollah-150901134517950.html>.

naval unit departed Bahraini waters in July 2011. The United States criticized the GCC deployment as contributing to a repressive response to the Shiite-led protests in Bahrain. Kuwait's involvement came despite opposition from Kuwaiti Shiites, who have sympathized with Bahrain's Shiites.

*Libya.* Kuwait supported the Arab League position in favor of U.N.-mandated intervention to protect civilians but, initially, it stopped short of recognizing the Transitional National Council (TNC) as the legitimate representative of the Libyan people. Kuwait did not contribute any air or other forces to the NATO coalition that conducted strikes in support of anti-Qadhafi rebels. It recognized the TNC as the sole legitimate representative after the fall of Tripoli in August 2011. Unlike the UAE and Qatar, Kuwait has not intervened militarily or politically in Libya since.

*Yemen.* Kuwait joined its GCC allies in implementing a plan for a peaceful transition of power in Yemen that led to the departure of President Ali Abdullah Saleh in January 2012. However, Saleh's successor Abdu Rabbu Mansour Al Hadi resigned in January 2015 under pressure from Iran-backed Zaydi Shiite Houthi rebels who took over the capital, Sanaa, and subsequently advanced on the second-largest city of Aden. Kuwait has participated in the Saudi-led coalition of Arab countries against the Houthis by conducting air strikes against the Houthis and their allies, and by sending small numbers of ground forces in as well.<sup>28</sup> The stated intent of the military action is to compel the Houthi rebels to enter into negotiations to restore the government of President Hadi, negotiations which have begun as of early December 2015.

*Egypt.* Kuwait adopted a position on Egypt's internal struggles that was similar to that of Saudi Arabia and UAE, but at odds with Qatar. Qatar was the major Gulf financial benefactor of Egypt during the presidency of Muslim Brotherhood senior figure Mohammad Morsi. Kuwait, Saudi Arabia, and the UAE assert that the Brotherhood in Egypt supports Muslim Brotherhood oppositionists in the Gulf states, including those in Kuwait. Since Morsi was deposed by the Egyptian military on July 3, 2013, Kuwait has given Egypt at least \$8 billion in aid to Egypt in grant, loans, and investments—representing Kuwait's portion of joint Saudi, UAE, and Kuwaiti pledges to Egypt of \$24 billion. Kuwaiti leaders criticized U.S. cuts in aid to Egypt after the Morsi ouster, as reportedly discussed during the September 2013 White House meeting between the Amir and President Obama. However, Kuwait did not join Saudi Arabia, Bahrain, and UAE in withdrawing their ambassadors from Qatar over the Egypt/Muslim Brotherhood dispute. The rift was resolved in November 2014 when Qatar signed an agreement to increase cooperation with the other GCC states on foreign policy issues and the three GCC states returned their ambassadors to Doha.

Kuwait has also made arrests of Egyptians in Kuwait for political activities. In April 2011, just after President Hosni Mubarak was overthrown, security officers arrested and deported 21 Egyptian nationals resident in Kuwait for attending meetings in support of Egyptian opposition figure Dr. Mohammad El Baradei. In August 2011, in line with Kuwait's stance against the Egyptian Muslim Brotherhood, Kuwaiti authorities said they would deport nine pro-Morsi demonstrators who had been protesting outside the Egyptian embassy in Kuwait.

*Other Assistance.* In July 2011, Kuwait contributed \$1 million to help relieve the effects of drought in Somalia. In November 2013, Kuwait donated \$10 million in relief aid to the Philippines following a destructive typhoon there.

---

<sup>28</sup> <http://www.criticalthreats.org/gulf-aden-security-review/gulf-aden-security-review-september-10-2015>.

## Palestinian-Israeli Dispute

For many years after the Iraqi invasion, Kuwait was at odds with then Palestinian leader Yasir Arafat and with Jordan for opposing war to liberate Kuwait from the Iraqi invasion. Kuwait expelled about 450,000 Palestinian workers after liberation, viewing them as disloyal. Kuwait subsequently maintained ties and gave financial support to Hamas, the main competitor of Arafat's Palestine Liberation Organization. In part because of Kuwait's antagonism to the PLO, which still dominates the Palestinian Authority (PA), Kuwait has not mediated intra-Palestinian disputes and has not advanced any of its own proposals for resolving the Israeli-Palestinian dispute. However, in line with the positions of the other GCC and Arab states, Kuwait supports U.N. recognition of a "State of Palestine."

During the period of active Gulf-Israel negotiations (1992-1997), Kuwait attended multilateral working group peace talks with Israel—sessions on arms control, water resources, refugees, and other issues that were begun as part of the "Oslo Accords" process between Israel and the Palestinians. However, Kuwait did not host any sessions of the multilaterals. In 1994, Kuwait was key in persuading the other Gulf monarchies to cease enforcement of the secondary (trade with firms that deal with Israel) and tertiary (trade with firms that do business with blacklisted firms) Arab boycotts of Israel. However, Kuwait did not, as did Qatar and Oman, subsequently exchange trade offices with Israel and therefore retained the "primary Arab boycott" (on direct trade with Israel). On the other hand, potentially signaling that Kuwait might join other GCC states such as UAE in cultivating private ties to Israel, Kuwait's foreign minister visited the Old City of Jerusalem in September 2014. The Kuwaiti government denied it represented a trip to Israel, stating that the Old City is a part of Palestine that is occupied, but the visit required at least the tacit cooperation of Israeli authorities.

## Performance on Countering Terrorism Financing/Islamic State Donations<sup>29</sup>

The Obama Administration and outside experts have criticized Kuwait for failing to halt private Kuwaiti donations to Islamic extremist groups in Syria.<sup>30</sup> Kuwaiti donors have used social media and other methods to collect funds for such Syrian factions as Al Nusra Front<sup>31</sup> and possibly also the Islamic State.<sup>32</sup> The total amounts of such Kuwaiti donations to such groups are not known, but the private donor effort reportedly has been highly organized, operating under such slogans as "Syria Calls," launched by a group called the "Union of Kuwaiti Campaigns to Support Syria." U.S. officials urged the Kuwaiti government to try to stop this financial flow, and then Treasury Department Under Secretary for Terrorism and Financial Intelligence David Cohen said publicly on March 4, 2014, that the appointment of a leading Kuwaiti donor to Al Nusra, Nayef al-Ajmi, as Minister of Justice and Minister of Islamic Endowments (Awqaf), was "a step in the wrong direction."<sup>33</sup> Subsequent to those comments, Ajmi resigned his government posts.<sup>34</sup> On August 6,

<sup>29</sup> Some information in this section is taken from the State Department country report on terrorism for 2014. <http://www.state.gov/j/ct/rls/crt/2014/239407.htm>.

<sup>30</sup> Joby Warrick, "Wealthy Donors Influence Syria War," *Washington Post*, June 16, 2013.

<sup>31</sup> Ben Hubbard, "Donors' Funds Add Wild Card to War in Syria," *New York Times*, November 13, 2013.

<sup>32</sup> <http://www.newsweek.com/2014/11/14/how-does-isis-fund-its-reign-terror-282607.html>.

<sup>33</sup> Department of the Treasury. Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for New American Security on "Confronting New Threats in Terrorist Financing." March 4, 2014.

<sup>34</sup> Karen DeYoung, "Kuwait Cabinet Minister Resigns After Allegations." May 13, 2014.

2014, the Treasury Department imposed sanctions on two Ajmi tribe members and one other Kuwaiti (Shafi Sultan al-Ajmi, Hajjaj al-Ajmi, and Abd al-Rahman al-Anizi)<sup>35</sup> under Executive Order 13224 sanctioning support for international terrorism. Hajjaj al-Ajmi and another Kuwaiti, Hamid Hamad Al Ali, were sanctioned by the United Nations Security Council for allegedly providing financial support to the Al Nusra Front. In a speech on October 23, 2014, Cohen reiterated his earlier criticism, saying Kuwait (and Qatar) were still “permissive jurisdictions” for terrorism financing.<sup>36</sup> Earlier, in June 2008, the Treasury Department froze the assets of a Kuwait-based charity—the Islamic Heritage Restoration Society—for alleged links to Al Qaeda, under E.O. 13224.

The government has taken some steps to accommodate U.S. views on this issue. In May 2014, the Ministry of Social Affairs warned Kuwaiti citizens that the campaigns are unauthorized and violate Kuwait law on financial donations. Kuwait law limits fundraising to only authorized charity organizations, including the Social Reform Society, Islamic Heritage Restoration Society, Direct Aid, Sheikh Abdullah al-Nuri Charitable Society, Prisoners Solidarity Society, Sunna Sciences Society, Kuwait Relief, Al-Najat Charitable Society, Good Tidings Charity, and Patients Helping Fund Society.

The State Department reports on global terrorism for 2013 and 2014 credited Kuwait with passing and implementing a May 2013 comprehensive money laundering and anti-terrorism financing law. The 2013 law was intended to provide a sufficient legal basis for Kuwaiti authorities to prosecute terrorism-related crimes and freeze terrorist assets. The 2013 laws also created a Financial Intelligence Unit (FIU), which investigates terrorism financing and money laundering and prescribe a jail term of up to 15 years for those convicted of funding terrorist organizations. Kuwait is a member of the Middle East North Africa Financial Action Task Force (FATF), and the 2013 laws adopted apparently were the product of an action plan Kuwait developed with the FATF to address Kuwait’s weaknesses on the issue. In August 2014, Kuwait arrested three of its citizens suspected of funneling funds to extremist groups.

The State Department report on terrorism for 2014 credits Kuwait for arresting suspected members of the Islamic State. However, Kuwait was unable to detect and disrupt the plotters of the June 26, 2015, mosque bombing, discussed above. Previous State Department terrorism reports have also praised Kuwait’s programs to encourage moderation in Islam in Kuwait.

In April 2011 Kuwait introduced biometric fingerprinting at Kuwait International Airport and has since extended that system to land and sea entry points. The NADR funds shown above have been used, in large part, to assist Kuwait with counterterrorism efforts, border control, and export controls.

Kuwait long sought the return of two prisoners (Fayez al Kandari and Fawzi al-Udah) held at the U.S. facility in Guantanamo Bay, Cuba, under accusation of belonging to Al Qaeda. Amir Sabah reportedly raised the issue with President Obama during their September 13, 2013, White House meeting. Kuwait built a rehabilitation center to reintegrate them into society after they are returned. In November 2014, Fawzi al-Udah was returned to Kuwait and Al Kandari was returned in January 2016.

---

<sup>35</sup> Treasury Department, Office of the Press Secretary. August 6, 2014.

<sup>36</sup> Remarks by Under Secretary for Terrorism and Financial Intelligence David Cohen. “Attacking ISIL’s Financial Foundation.” October 23, 2014.

## Economic Issues

In part because of the political disputes and unrest since 2006, Kuwait—even before the sharp drop in oil prices in 2014-2015—underinvested in capital infrastructure and overspent on public sector salaries and subsidies, according to the IMF and other observers. The underinvestment has contributed to a perception of stagnation, particularly compared to the more vibrant GCC states Qatar and UAE.

Kuwait's finances have suffered further with the drop in oil prices since mid-2014. Kuwait's budget is based on a "break even" price of \$75 per barrel. Because oil and other hydrocarbon sales still represent about 90% of government export revenues and about 60% of its Gross Domestic Product (GDP,) the drop in oil prices has caused Kuwait to project a budget deficit of about \$24 billion for its 2015-2016 budget year (April 1, 2016 begins Kuwait's next budget year). Compounding economic uncertainty, since October 2014, Saudi Arabia and Kuwait have been engaged in disputes over ownership and operation of some oil fields that they share control over (Khafji and fields in their "neutral zone").<sup>37</sup> On the other hand, Kuwait still has a large sovereign wealth fund, managed by the Kuwait Investment Authority, with holdings estimated at nearly \$600 billion.<sup>38</sup> In February 2016, Kuwait said it would go along with a Saudi-Russia agreement to freeze oil production at existing levels—a step that some producers reportedly hope will stabilize world oil prices.

Even before the decline in oil prices, Kuwaiti leaders had been rethinking economic policy. In October 2013 Prime Minister Jabir said the subsidies system had produced a "welfare state" and was "unsustainable," and he pledged to work to reduce them. Total subsidies cost the government about \$17.7 billion annually. In 2015, Kuwait considered IMF and other recommendations to reduce subsidies, such as for electricity, to raise fees for services, to diversify the economy, and increase taxes, including by introducing a value-added tax (VAT). Introduction of a VAT would come in concert with a GCC-wide move to apply that tax by some time in 2017. However, Kuwait took only modest, if any, action on these recommendations. In 2016, the government sought to address its budgetary difficulties by moving forward on stalled privatization efforts. The National Assembly passed some legislation, which took effect September 2010, to privatize major sectors of the Kuwait economy, and in January 2014, the Assembly approved legislation to privatize Kuwait Airways. However, the privatization efforts did not proceed.

Political disputes have also prevented movement on several major potential drivers of future growth, the most prominent of which is Project Kuwait. The project, backed by the Kuwaiti government, would open Kuwait's northern oil fields to foreign investment to generate about 500,000 barrels per day of extra production. The Assembly has blocked the \$8.5 billion project for over 15 years because of concerns about Kuwait's sovereignty. A project to build a fourth oil refinery, estimated to cost \$8 billion, also has not advanced.

The 2008 financial crisis, coupled with the political infighting, earlier caused Kuwait to shelve a joint venture with Dow Chemical to form the largest maker of polyethylene. On December 29, 2008, the government cancelled the venture, which was to have required a Kuwaiti investment of \$7.5 billion by state-run Petrochemical Industries Co.-Kuwait. Dow reportedly had planned to use the proceeds of the investment to fund its purchase of the Rohm and Haas chemical firm, although that deal ultimately went through anyway. In May 2013, an arbitrator decided in favor of

---

<sup>37</sup> The neutral zone is the only place in either Saudi Arabia or Kuwait where foreign oil companies are permitted to have equity in oil fields.

<sup>38</sup> <http://www.swfinstitute.org/fund-rankings/>.

Dow Chemical, ordering the Petrochemical Industries Co.-Kuwait to pay Dow \$2.2 billion in damages for severing the venture.

Like other Gulf states, Kuwait sees peaceful uses of nuclear energy as important to its economy, although doing so always raises fears among some in the United States, Israel, and elsewhere about the ultimate intentions of developing a nuclear program. Kuwait is cooperating with the International Atomic Energy Agency (IAEA) to ensure international oversight of any nuclear work in Kuwait.

In 1994, Kuwait became a founding member of the World Trade Organization (WTO). In February 2004, the United States and Kuwait signed a Trade and Investment Framework Agreement (TIFA), often viewed as a prelude to a free trade agreement (FTA), which Kuwait has said it seeks. Kuwait gave \$500 million worth of oil to U.S. states affected by Hurricane Katrina. The United States imports an average of about 300,000 barrels per day in crude oil from Kuwait in 2014. Total U.S. exports to Kuwait were about \$3.6 billion in 2014, about 40% higher than in 2013, consisting mostly of automobiles, industrial equipment, and foodstuffs. Total U.S. imports from Kuwait in 2014 were about \$11.4 billion, of which almost all was crude oil and other petroleum products.

**Table 3. Some Basic Facts**

Leadership	Amir: Shaykh Sabah al-Ahmad al-Jabir Al Sabah. Crown Prince/heir apparent: Shaykh Nawwaf al-Ahmad al-Jabir Al Sabah. Prime Minister: Shaykh Jabir al-Mubarak Al Sabah
Population	About 2.7 million, of which 1.2 million are citizens.
GDP (purchasing power parity, PPP)	\$288 billion (2015)
Religions	Muslim 85% (of which: Sunni 70%, Shiite 30%); other (Christian, Hindu, Parsi) 15%
GDP per capita (PPP)	\$72,200/yr. (2015)
GDP growth rate	1.2% (2015)
Inflation	3.4% (2014)
Oil (proven reserves)	102 billion barrels (6% of world proven reserves)
Oil exports	2.15 million barrels per day (mbd)

**Sources:** CRS; CIA, *The World Factbook* reports; IMF.



**Figure I. Map of Kuwait**



**Source:** Graphic created by CRS. Boundaries and cities generated by (name redacted) using data from Department of State, Esri, and Google Maps (all 2013).

## Author Contact Information

(name redacted)  
 Specialist in Middle Eastern Affairs  
 fedactedj@crs.loc.gov , 7-....

## EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.