



# موازنة 23/22 BUDGET

January 24, 2022

Ministry of Finance  
State of Kuwait



Fitch Ratings  
**AA**  
Negative

Moody's  
**A1**  
Stable

Standard & Poor's  
**A+**  
Negative

## Highlights

- Budgeted Total Expenditure: KWD 21.9 billion, down 4.8% from the current year's budget
- Projected non-Oil Revenue: KWD 2.1 billion,
- Forecasted Deficit: KWD 3.1 billion, down 74.2% from the current year's budget



## Structural changes on the 23/22 Budget

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

## A note on reserves



General Reserve Fund (State's Treasury)



Future Generations Fund (FGF)



**Status of Funds:**  
The FGF continues to perform and grow at a healthy rate. However, the General Reserve Fund (the treasury) is near depletion due to increased withdrawals to cover the state's expenditures.

**Note:** Returns from the (FGF) are not included in the state budget, but are reinvested back to the fund as mandated by law.

## Budget Highlights



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

KWD billions	Projected Revenue	Expenditure	Forecasted Deficit
	<b>18.8</b>	<b>21.9</b>	<b>3.1</b>
	+72.2% change compared Budget 2021/2022	-4.8% change compared Budget 2021/2022	-74.2% change compared Budget 2021/2022

## Basis for Oil Revenue Projection



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

**BUDGET BREAK-EVEN POINT**  
75% Average price per barrel required for budget break-even  
+2.0% increase in production costs for the 2022/2023 fiscal year

## Budget Highlights



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### Sources of Revenue

Oil	89%
Non Oil	11%

### Expenditure Breakdown

Salaries and Subsidies	75%
CAPEX	13%
Other Expenses	12%

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



## Budget Components



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

	Budget fiscal year, which ends on March 31 2023	Budget fiscal year, which ends on March 31 2022	Change%
<b>Total Expenditures</b>	<b>-4.8%</b>	Compared to Budget 2021/2022	
<b>Revenues</b>			
Oil Revenue	16,741	9,127	83.4%
Non Oil Revenue	2,078	1,802	15.3%
<b>Total Revenue</b>	<b>18,818</b>	<b>10,929</b>	<b>72.2%</b>
<b>Expenditure</b>			
Salaries	(12,816)	(12,599)	1.7%
Subsidies	(3,528)	(4,026)	(12.4%)
Capex	(2,897)	(3,466)	(16.4%)
Other Expenses	(2,707)	(2,967)	(8.7%)
<b>Total Expenditure</b>	<b>(21,949)</b>	<b>(23,058)</b>	<b>(4.8%)</b>
(FGF) Deduction	0	0	
<b>Fiscal Balance (Deficit)</b>	<b>(3,130)</b>	<b>(12,129)</b>	<b>(74.2%)</b>

## Historical Figures for Public Finance

