

Kuwait - Powerful Oil Kingdom to Royal Stock Market

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account states that there is a belief in Kuwait that the days of glory witnessed before the Gulf War can once again be repeated. The optimism in the local stock market comes from the prosperity that has been experienced throughout recent years. In addition to this, a period of political crisis in Kuwait has given way to rises in the stock market and had a positive effect on investors.

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Toronto, Canada ([PRWEB](#)) February 4, 2009 -- InvestTechFX head of Forex Islamic Account & Forex Swap Free Account said that despite this optimism in the economy, Kuwait's oil principality has suffered a constitutional crisis that continued over the last year. Hearings of the ministries before dismissal, threatening of distrust proposals and postponement of governmental ruling initiatives had all become a routine. Experts claim that Kuwait is in a state of political paralysis. The ruler of Kuwait has reprimanded the politicians on their "childish" conduct at the opening of the last parliament gathering.

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account observed how, in a rather interesting way, the political struggle is having a positive effect on the investors. A historical examination of the emirate shows a different picture from other places in the world - At times of political crisis the local stock market rises. For example in March 2008, the rumours about dismissing Parliament were strong and consequently the stock market had a rise of 320 points, with daily up rise of 0.7% and 1.5%. Based on this tendency another high growth in the upcoming years can be expected.

THE GREAT OIL POWER

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account talks about the history of the stock market. The Kuwait stock market was officially founded in 1977. These were the days of the "Oil Boom", during which big and small investors were in receipt of large incomes and were looking for initiative investments. The trade in the market continued to evolve but saw a collapse in 1982 when the country's economy suffered a year of uneasy recession. This led to an imposition of stricter regulations and supervision.

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account points out that Kuwait's market economy was the first established among the Arabian Gulf countries. After experiencing an economical rehabilitation in the 80's it became an attraction for the locals and the Arabs. In the middle of the 90's it was valued at 4 times more than all Arab economy markets. The invasion of Saddam Hussein and the break of trading in the early 90's did not harm its popularity. The collapse of the stock market in 1997 and the consequential accelerate involvement of the economic markets in the Gulf had brought Kuwait to be the third largest market economy in the Arab world.

THE KUWAIT SHARES

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account is optimistic that the days of glory of the stock market, which were in the late 70's and the middle of the 90's, can repeat themselves. There has been an increase in the Kuwait's capital economy in comparison to other stock markets in the world. The Kuwait stock market has seen a rise of more than 40% between 2007 and April 2008.



According to InvestTechFX head of Forex Islamic Account & Forex Swap Free Account , at the end of April 2008, the market rose with 0.11% in the amount of as 235 billion dollars, the real estate's sectors shares reached to as 17 billion dollars, an increase of 2.35%. The worth of the sector had risen at 2.30% reaching as 4.5 billion dollars, the incoherence sector increased with 1.85% and its value reached as 2 billion dollars.

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account has claimed that the tax reform in Kuwait which was led on foreign investors increased the matter on behalf of western investors in the local capital market. The investors in the West see the Kuwait shares as a safe and attractive option compared to the unstable markets in Europe and U.S.A

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account said that the investments in the Kuwait market were limited by the law that was created under British Rule. According to this, an IRS tax of 55% was imposed on the profits of the foreign investors in the country. This obscurity was enough for the foreign investors to turn to more promising and profitable markets. It was later decided that income tax will be reduced to 15% for the foreign companies, and made clear that the foreign investor's profits will be tax free on the stock market. The change was verified this year in February.

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account emphasizes that when Kuwait's foreigners are mentioned, usually the meaning is attributed to Arab foreign investors or those from the Persian Gulf countries. Since the new tax mechanism has started, the value of trade has increased from 100 billion Dollars to 200 billion Dollars, although the change in the tax could have brought the investments to rise on behalf of the local investors.

THE MARKETS INSPECTION MECHANISM

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account stated that beyond the political struggles, it is clear that establishing a controlling authority would be necessary for the Kuwait capital market. Kuwait is the only Gulf country that does not have a supervisor's inspection on the capital market. Furthermore, in order to leverage the economic "boom" which the principality has, it must implement several steps that will increase the clarity and encourage foreign investors. Ahead of the IRS cutting, the Kuwait government is going to accelerate the privatization plan with a privatization of the national air line company. InvestTechFX head of Forex Islamic Account & Forex Swap Free Account advises that establishing the market authority will offer safety to the investors and create more clarity and credibility to the local stock market. We must now wait and see if the fighting sides can rise above the ruler-ship and prestige judgments to make the capital market efficient or if that too will be destroyed by politics.

CURRENT ECONOMIC SITUATION IN KUWAIT

InvestTechFX head of Forex Islamic Account & Forex Swap Free Account observed that Kuwait has experienced rapid economic growth over the last several years on the back of high oil prices and in 2008 posted its tenth consecutive budget surplus. With 8% of world oil reserves, the future of Kuwait looks promising. Continued high oil production in 2009 will permit the government to increase capital expenditures and stimulate the economy. www.investtechfx.com

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