



Mr. Hamad Al-Humaidhi
Chairman



Mr. Mohammad Al-Osaimi
Chief Executive Officer

Kuwait Achieves ‘Emerging Market’ Status in Latest MSCI Reclassification

The reclassification comes as a result of the tri-lateral task force’s implementation of the index’s requirements

Kuwait, 19 December, 2019: Marking a momentous milestone in its transformation into a world-class financial and commercial center, Kuwait has been officially upgraded to Emerging Market status by leading index compiler MSCI Inc. Effective May 2020, the country’s MSCI indexes will be reclassified to Emerging Markets status.

Paving the way for increased participation from foreign investors in Kuwait’s capital market and driving significant capital inflows to the country, the inclusion will take place in one phase with the addition of nine blue chips to the benchmark. Kuwait’s addition adds further diversification to the MSCI Emerging Markets Index with an estimated weight of 0.69%.

The reclassification of Kuwait from its previous ‘Frontier Market’ status comes as an emphatic endorsement for the sweeping market development reforms undertaken by the tri-lateral task force of Boursa Kuwait, the Capital Markets Authority (CMA) and Kuwait Clearing Company’s (KCC).

MSCI had granted conditional approval for the inclusion of Kuwait in the coveted index as part of the benchmark provider’s 2019 Annual Market Classification Review held on June 25, 2019. The country successfully completed the implementation of MSCI’s recommendations, including the introduction of omnibus account structures and same National Investor Number (NIN) cross trades by the end of October, a month ahead of the stated deadline.

The official status upgrade follows the country's inclusion in S&P Dow Jones Indices' Global Equity Indices, with an Emerging Market classification in December 2018 and in the FTSE Russell Emerging Markets Index in September 2017.

Commenting on the achievement, **Mr. Hamad Al-Humaidhi, Chairman, Boursa Kuwait**, said: "Kuwait's MSCI status upgrade represents a tremendous achievement that places the country firmly on the global investment map, and will contribute to sustainable prosperity for the nation and its people. I would like to take this opportunity to thank His Highness Sheikh Sabah al-Ahmad Al-Sabah, Emir of Kuwait, and His Highness Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, Crown Prince of Kuwait, for their wise leadership and tireless support for the Kuwaiti economy, which, under their visionary stewardship, continues to go from strength to strength."

Mr. Mohammad Al-Osaimi, Chief Executive Officer, Boursa Kuwait, commented: "As we celebrate this milestone accomplishment, I would like to extend my deepest gratitude to the Board of Directors, the senior management and my colleagues at Boursa Kuwait as well as the Capital Markets Authority and the Commissioner's Council for their unremitting commitment and tireless efforts. The seamless support we received from the Kuwait Clearing Company and its employees have also been instrumental to the success of our endeavors in developing the Kuwaiti capital market in accordance with global standards. Our regulatory and operational reforms as well as infrastructure improvements to enhance market access for foreign investors enabled us to secure the coveted MSCI Emerging Market status, representing a major step towards realizing the country's overarching objectives outlined in the New Kuwait 2035 vision."

Boursa Kuwait's recent milestones include the completion of its privatization, becoming the only stock exchange in the Middle East that is 94 percent owned by the private sector. The achievement follows the conclusion of the public offering to Kuwaiti citizens for the Capital Markets Authority's 50 percent stake in the company in December. The company has also rolled out numerous initiatives to improve market access and efficiency, enhance transparency and governance, increase liquidity, and strengthen investor confidence. It also hosted a series of roadshows and corporate day events across leading markets around the world to promote the Kuwaiti capital market.

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