ANNEX TO THE **WORLDWIDE FISHERIES MARKETING STUDY:** PROSPECTS TO 1985

KUWAIT

Government of Canada
Fisheries and Oceans

Gouvernement du Canada
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Canada. Dept. of Fisheries and Oceans. Fisheries Economic Development & Marketing. Marketing Services Branch.

DRAFT

Annex to the

Worldwide Fisheries Marketing Study:

Prospects to 1985

KUWAIT

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The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

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E. Wong
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FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before a new dynamic equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the global potential on a country and species basis.

Specifically, the purpose of the Study is to identify the longer term market opportunities for selected traditional and non-traditional species in existing and prospective markets and to identify factors which may hinder or help Canadian fisheries trade in world markets. To date, over 40 country markets and 8 species groups have been analyzed. It should be noted that while the information contained in the Reports was up-to-date when collected, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and GATT agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices. The results of the Study should, therefore, usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft report is published for discussion purposes and as such we invite your critical comments.

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Department of Fisheries and Oceans
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Ottawa

WORLDWIDE FISHERIES MARKETING STUDY

KUWAIT

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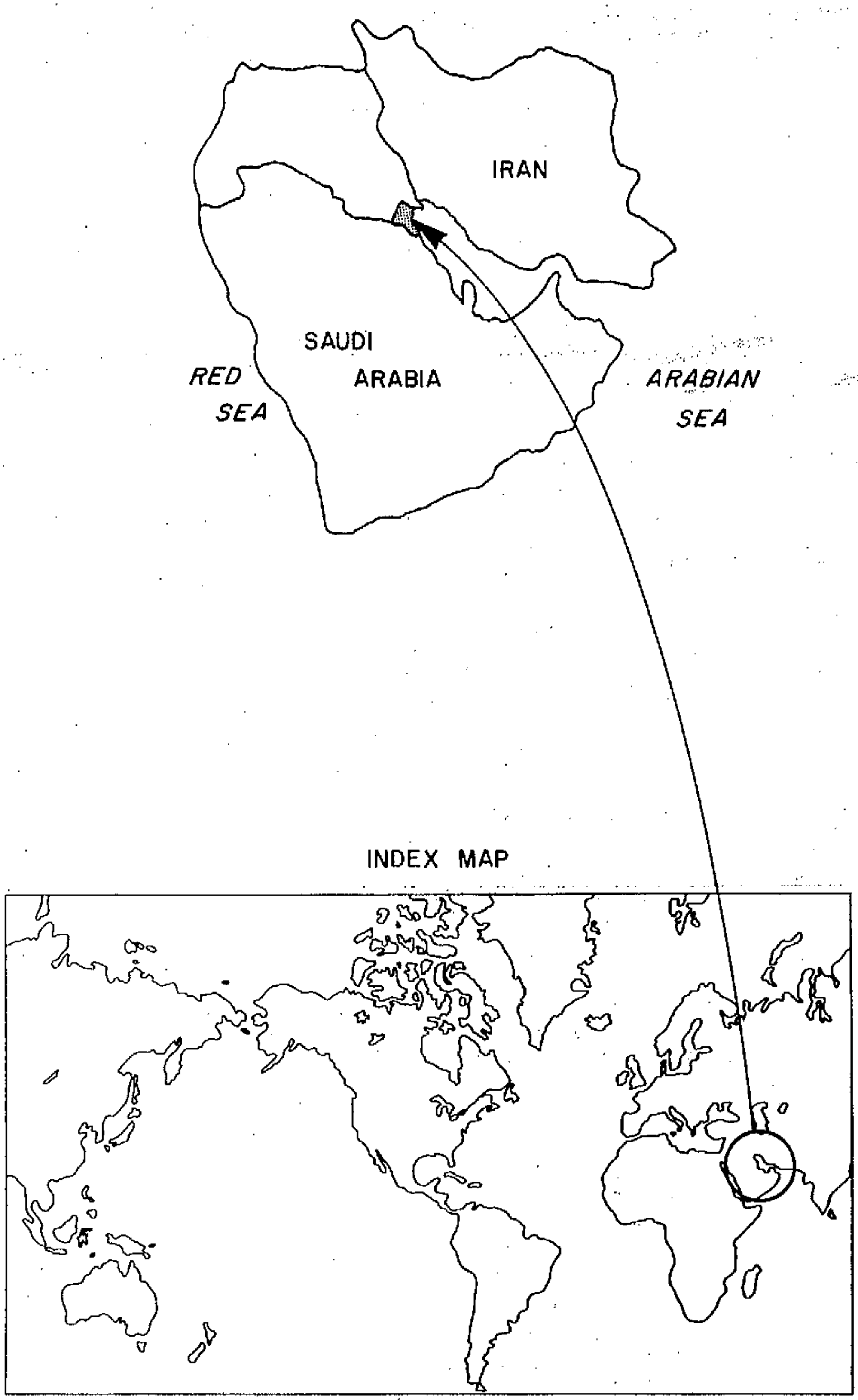

WORLDWIDE FISHERIES MARKETING STUDY

KUWAIT

A. INTRODUCTION

Kuwait lies at the head of the Arabian Gulf, bordering Iraq and Saudi Arabia. As the world's ninth largest producer of oil, Kuwait has benefited greatly from oil price increases during the 1970's. Revenues have increased dramatically since 1973 and were estimated to be C$9 500 million in 1978.

The population of Kuwait grew at a rate of 8.2% per year between 1965 and 1973 and continues to expand at an annual rate of some 6%. The total population was estimated at 1 198 500 in 1978 and is expected to reach 2 million by 1985. This rather remarkable increase since the mid-60's is largely due to an influx of foreign workers drawn by Kuwait's need for expatriate labour and the high salaries offered. In 1975, the foreign population was estimated to be 520 000, representing 52-55% of the population and about 70% of the workforce.

The Kuwaiti population is ethnically Arab, and the non-Kuwaiti population is made up primarily of other Arabs including Jordanians, Palestinians, Egyptians, Iraquis and Syrians. In recent years, there has also been an increase in the numbers of Europeans and Americans entering the country as part of the foreign labour force.

In 1977, the Kuwait per capita income of approximately US$12 700, was the highest in the world. As a result of this, and because of its trading policy and geographical situation, the Kuwait market is very strong and there is a considerable demand for a broad variety of consumer goods. Kuwait has, as a result, the highest per capita level of imports in the world. Total imports in 1977 amounted to KD1 387 million (Kuwaiti Dinars) or C$1 433 million.*

Kuwait's trade involves entrepot activities. In large part this consists of the import and stocking of foodstuffs and other goods which are eventually re-exported to nearby countries. These neighbours, because of foreign exchange regulations or domestic economic circumstances, do not permit the direct import or storing of large stocks of essential commodities. The total value of non-oil exports and re-exports to other countries during 1977 amounted to KD235 million, of which three-quarters were re-exported goods.

The enormously fast growth of the economy has, however, had some rather deleterious side effects. Inflation, for example, is estimated to be running at between 15% and 30%, and government spending has been increasing by 25% per year. Rapid price increases have adversely affected the standard of living and few Kuwaitis would admit to being wealthier today than ten years ago. Food prices in particular have increased sharply, and food purchases are the largest single category of consumer spending. This is due in part to very limited domestic capacity for production of food, which necessitates the importation of most foodstuffs consumed.

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* The average exchange rate in 1977 was one Kuwaiti Dinar equivalent to C$3.702.

With a per capita income almost twice that of Canadians, Kuwaitis have an average caloric intake which is among the highest anywhere in the world at about 3 000 calories per day. Due to the religious prohibition of all pork products, lamb, beef, poultry and fish are the only suitable alternatives. Fish appears to be a highly acceptable protein source in the Gulf States. Price is, however, a major concern for fish consumers in Kuwait, and is the first consideration for most shoppers.

As a result of Kuwait's high inflation rate in recent years, the government has undertaken certain initiatives to arrest price increases and, if possible, reduce food costs. One of these initiatives has been the creation of the Union of Cooperative Societies. This is an association of some twenty five co-operative societies throughout Kuwait which together handle about 70% of all food business. The Union of Cooperative Societies, as a result of its very large share of the food market, as well as its involvement in all facets of the food industry from purchasing to consumer distribution, can literally control the cost of most foodstuffs. The Cooperative bases its prices on information gathered from surveys and price comparisons undertaken both domestically and internationally. Tenders are requested from local sources as well as from external suppliers. Currently, local producers are required to sell to the cooperative societies at 1978 prices unless it can be clearly demonstrated that the producers costs have risen.

The Government of Kuwait applies direct subsidies to many staple food items to ensure price stability and hold back the large increases in food costs which have plagued Kuwaitis in recent years. Among the subsidized items are such foods as sugar, milk, flour, certain meat and poultry products, canned tuna and some of the locally produced fish. The subsidy, which applies only to goods sold through co-operative stores, has the effect of limiting competition from other food stores or alternative products not stocked by the cooperative system.

B. DEMAND

1. Present Consumption of Fish

Fish consumption is relatively high and rising. In 1977, per capita annual consumption was 9.2 kilograms and by 1979 had risen to an estimated 10.9 kilograms.

Part of this increase appears to be due to price controls on all fish produced and sold locally. The controls have been imposed by Kuwait's government as part of their policy of providing cheap basic foods. Most of the domestic catch is sold fresh in local markets and Kuwaitis are willing to pay a premium for fresh whole fish. Kuwaitis appear to be distrustful of all frozen, canned or otherwise prepared products and are, as a result, reluctant to try the various types of imports currently available to them. It is estimated that four-fifths of all imported fishery products, regardless of form, are consumed by Kuwait's expatriate population.

2. Trends in Consumption of Fish Products to 1985

It is difficult to project Kuwait fish consumption figures to 1985, but there is good reason to believe that the demand for fishery products will continue to grow due to increases in population, economic growth and changes in culture. If we assume that the population grows to 2 million by 1985, and that annual per capita consumption continues to expand but at a decreasing pace due to the inevitable increases in relative protein prices, so reaching 13.5 kg, the overall domestic consumption of fish would rise from approximately 11 685 tonnes in 1979 to 27 000 tonnes in 1985, - a volumetric increase of 2.3 fold.

3. Consumer Tastes and Spending Power

Kuwait has been moving quickly toward modernization and diversification of its industries, particularly in the non-oil sector. This trend towards modernization has also spread to other areas, perhaps as a result of the large foreign community in Kuwait, and has increased both the availability and the demand for a multitude of consumer goods. In addition, the very high standard of living has allowed Kuwaitis a certain degree of flexibility in the purchase of consumer goods, resulting in a potentially very good market for the best quality and upper price ranges of fisheries products.

Canadian fish packed in Japan, fish from the United States and from other countries is now readily available in Kuwait in a full range of consumer packages. Large increases in imports of fresh, chilled, frozen and canned products from India and Pakistan have been recorded in the last few years and this tendency may be expected to continue as local fish supplies become less able to satisfy demand requirements. The combination of local product shortages, high incomes, gradually changing tastes and a need for a diversified protein diet, all argue strongly that both expatriates and Kuwaitis will gradually turn more and more to high quality fish imports in the next five years.

C. SUPPLY

Current and Expected Supply Picture to 1985

1. Domestic Production

The once prosperous fishing industry of Kuwait and the Arabian Gulf has virtually collapsed due to overfishing. This resulted from poor fisheries management practices, and was exacerbated by pollution from rapid industrial growth in the Gulf region.

At one time Kuwait had one of the largest and most sophisticated shrimp fleets in the world. Kuwaiti shrimpers ranged as far afield as Africa and India providing the raw material for a thriving export market. The fleet at that time consisted of 175 vessels. With the onset of severe problems in 1972, the three existing shrimp producers were amalgamated to form the Kuwait Fisheries Company. Today, the Kuwait Fisheries Company has an active fleet of only 35 vessels and even these must be heavily subsidized by the government in order to continue operations. The company now produces only about 1 500 tonnes of shrimp products a year which it must sell at prices established by the government. In return, the government covers the considerable losses incurred by the company, and provides a 25% margin of profit to the stockholders.

Some effort is now being made to apply sound resource management principles to the shrimp fishery. Fishing effort has been substantially reduced and a closed season was introduced in 1978. This fallow period was repeated in 1979 and 1980. Much of the shrimp production is now sold fresh for local consumption and little remains for export.

The bulk of the remaining domestic fisheries production of Kuwait is from an artisanal fishery which supplies the local market with fresh fish. Some 30 different types of finfish are caught in the waters of the Arabian Gulf, but none are caught in sufficient quantities to make a commercial fishery feasible. This fishery is carried out by a fleet of about 50 small vessels, which also fish in Saudi Arabian and Iranian waters. The main gear used are trawls, fish traps, drift and set nets. The fishermen are mostly Iranians, with some Omanese and Indians.

Practically all of the domestic production is sold in fish markets near the point of landing. Kuwaitis are very fond of fresh fish and local production appears insufficient to satisfy the demand at current subsidized prices. It is estimated that current total production of 6 000 tonnes per year will not vary greatly in the near future. The Kuwaiti government is, however, making efforts to rationalize the fisheries and increase catches. An FAO training centre designed to provide basic instruction in ship mechanics, navigation and marketing has been established and is now graduating 10-15 people annually.

Stock assessment techniques are being developed and legislation designed to protect the fishery is being prepared. There is also a good deal of research being done into the types of aquaculture suitable for Kuwait.

In spite of the current development activities, it is doubtful if the fishing industry in Kuwait will realize any significant gains in the size of its harvest in the next five years. High costs of production and an over-exploited resource militate against increased domestic production.

Kuwaitis are willing to pay premium prices for the best fresh fish, and, as a result of the high demand for the local catch, all domestic production is sold within a few hours of landing. The major species caught include grouper, snappers, croakers, drums, pomfrets, mullet, and king mackerel in addition to shrimps and prawns (Table 1). The fish is consumed immediately and generally baked to be served whole with rice. Very little of the catch is processed or preserved, although some shrimp is still frozen for export.

2. Imports

Kuwait's imports of all types of fishery products have increased in recent years. In some cases the gains have been quite dramatic, with total imports more than doubling since 1976. The greatest increases have come in imports of fresh, chilled or frozen fish and in canned products.

It is thought that this rise in imports is due principally to the large influx of foreign workers into Kuwait. Kuwaitis, as mentioned above, still have a distrust of frozen or otherwise prepared products and it is estimated that the large expatriate population in Kuwait consumes about 80% of the imports, with the remaining 20% being re-exported to other destinations in the Gulf Area such as Saudi Arabia and the Gulf States.

a) Fish: fresh, chilled or frozen

Imports of this category have increased from 79 tonnes in 1970 to nearly 3 000 tonnes, and were valued at over KD 1 million in 1977.

TABLE 1

KUWAIT: LANDINGS BY SPECIES
(tonnes)

Species	1973	1974	1975	1976	1977	1978
Hilsa shad	300	347	385	218	292	285
Demersal percomorphs	100	71	83	91	74	130
Groupers	300	469	398	304	331	373
Snappers	200	217	172	198	209	237
Grunts	200	113	280	341	378	273
Croakers, drums	200	180	238	243	366	440
Striped mullet	0	136	165	141	159	210
Mullets	200	355	488	291	458	494
Fourfinger threadfin	-	-	55	58	58	-
Carangids	-	-	178	204	234	235
Silver pomfret	500	1049	1101	610	575	664
Butterfishes, pomfrets	-	-	162	126	154	158
Narrow barred king mackerel	0	87	135	144	148	161
Other marine fishes	1200	1171	832	1160	1419	2318
Natantian decapods (shrimp & prawns)	2000	516	473	562	397	385
Total	5200	4711	5145	4691	5252	6363

Source: FAO, Yeabook of Fishery Statistics, Vol. 46 - 1978.

In 1974, the U.K., Somalia and Saudi Arabia were the main suppliers but India and Pakistan now dominate the market, providing 93% of imports (see appendix Table A-1).

b) Fish: salted, dried or smoked

Imports of this category have also risen and, in 1977, were valued at KD 116 000. The U.K. has managed to capture most of this market, with the Netherlands and South Korea supplying smaller amounts (see appendix Table A-2).

c) Crustacea and molluscs (excluding shrimp)

A small but expanding market for this category is supplied by Taiwan, the U.S., the U.K. and Malaysia. In 1977 the total imports were valued at KD 11 335 (see appendix Table A-3).

d) Caviar and batarekh

Imports of these luxury commodities fluctuate, with Japan and West Germany being the major suppliers (see appendix Table A-4).

e) Fish in airtight containers

Imports of canned fish have increased four-fold since 1970, doubling in volume between 1976 and 1977. Japan has maintained its dominance of this market supplying, in 1977, approximately 73% of the total imports of 3 632 tonnes which were valued at KD 1.8 million (see appendix Table A-5).

f) <u>Shrimps</u>

Kuwait imports small quantities of fresh, chilled or frozen shrimp (see appendix Table A-3). When the major source was Somalia, the price per kilogram was KD 1.13 in 1974 rising to KD 1.29 in 1975. In 1976 the major source of shrimp became Pakistan and the price dropped to KD 0.49, rising to KD 0.99 in 1977. Dried and salted shrimps are also imported, mainly from Pakistan. In 1977, 112 000 kilograms, valued at nearly KD 66 000 were imported (see appendix Table A-6).

3. Exports

Kuwait exports more shrimp in the fresh, chilled or frozen category than it imports. In 1977 over 1 million kilograms, valued at KD 1.5 million were sold, mainly to the neighbouring Gulf states. With improvements in fishery management, the exports of shrimps may improve in the long run (see appendix Table A-6).

Exports of other categories are shown in appendix Tables A-1 to A-5. Most of these are re-exports as Kuwait, with its free trade policies, acts as a major distribution centre for the Arabian Gulf consumer goods trade.

D. DEMAND-SUPPLY BALANCE

With the exception of shrimp, imports of fishery products far exceed exports, as can be seen from all the tables in Appendix I.

The demand for various fish products has increased substantially in Kuwait in recent years and this increase is expected to continue to 1985 as the population grows with the influx of foreign workers. Since the small domestic fishery is not expected to expand significantly in that time, it is therefore inevitable that continued increases in imports will occur to meet increased demand.

The available data for 1977 suggest that Kuwait's domestic fisheries landings amounted to 5 252 tonnes. Added to this were 6 908 tonnes of imports, less 2 219 tonnes of exports (mostly re-exports, except for shrimp). Therefore the total domestic fisheries products disappearance within Kuwait in 1977 was 9 941 tonnes, or about 8.8 kg per capita annual disappearance. Using the population and per capita disappearance forecasts of Section B.2 above, 2 million consumers at 13.5 kg per capita would require 27 000 tonnes of fish by 1985, up from 11 700 tonnes in 1980. Looking at the upturn in domestic production between 1976 and 1978, shown in Table 1, an optimistic assumption of sustained Kuwaiti annual production growth of 16% from 1978 to 1985 would result in a harvest of 17 500 tonnes, which would still require a <u>net</u> import of 9 500 tonnes to satisfy local demand. This would be a doubling of <u>net</u> fish imports over 1977 Kuwaiti levels.

The analysis of the preceeding paragraph may be treated as an example of the possible Kuwaiti production and import requirements for 1985. In the absence of hard data it is difficult to be more specific. However, it is clear that the Kuwait import market will expand to at least 10 000 tonnes by 1985. This will not only cover expanding local consumption but also provide for major increases in re-exports to neighbouring Middle East markets.

E. POTENTIAL TRADE

1. Market Potential for Canadian Exports

There is some potential for Canadian fishery products to make inroads into the Kuwaiti market. While the domestic market in Kuwait is very small there is an enormous potential market in neighbouring states such as Iraq, Iran and, to a lesser extent, the Gulf States of Saudi Arabia and Yemen.

The Middle East market for fishery products shows a marked preference for species and products which are the same or similar to those produced locally (e.g. snapper, grouper, pomfret and jack) Canadian products may therefore be at a disadvantage in this respect. Canned products such as salmon, tuna and mackerel are also popular, but again Canadian products may find it difficult to compete with less costly imports from India, Pakistan and Korea. There is, however, keen competition on the Kuwaiti market, with the price/quality relationship of goods being a major determinant of success. This factor may provide Canadian products with an edge since the quality of most current imports from competing supply countries is somewhat inferior.

The Kuwaitis are also interested in entering into joint ventures and have approached Japan, Korea and the United Kingdom. Also, efforts are being made to develop a joint fisheries management approach with neighbouring Gulf States.

2. Market Entry Requirements and Barriers

Kuwait's economy is almost completely dependent on foreign trade and it has, as a result, adopted a relatively open approach to imports. Duties on most imports are set at 4% _ad valorem_, although foodstuffs, with few exceptions, are exempted from any duties whatever.

Kuwait is a strict Muslim state, and therefore prohibits the import of goods containing alcohol or pork, as well as goods originating from Israel or South Africa. Information on trading procedures and customs regulations can be found in Appendices II, III, IV.

F. CONCLUSIONS

Demand

Fish consumption in Kuwait is relatively high and rising. This increase appears to be due, in part, to the price controls imposed by the government on all locally produced and sold fish in the interests of providing cheap basic food. Most of the catch is sold fresh in local markets and Kuwaitis will pay a premium for fresh fish and are reluctant to buy frozen or prepared products.

Kuwait has one of the highest per capita incomes in the world; however an inflation rate of between 15 and 30% has made inroads into the standard of living. Food prices in particular have increased sharply, making this the largest single area of consumer spending.

The population of Kuwait grew at a rate of 8.2% per year between 1965 and 1973 and has continued to grow at 6% annually. Total estimated population stood at 1.2 million in 1978 and is expected to grow to approximately 2 million by 1985. It is estimated that between 55-60% of the population are expatriates.

Supply

Commercial fishing in Kuwait is now practically non-existent. A portion of the once large shrimp fleet still operates but is heavily subsidized by the government. Production of shrimps and prawns from the Gulf has dropped to about 1 500 tonnes annually, and this is supplemented by some 4 000 to 5 000 tonnes of fin fish produced by a small artisanal fishery. All of the domestically produced fish is sold fresh in the local markets.

Imports of fishery products have increased dramatically since 1970, with a jump from 78 tonnes in that year to 6 908 tonnes in 1977. Much of this was re-exported to other states in the Gulf Area such as Saudi Arabia, Oman and Bahrain. Local consumption of imported products is limited to the expatriate workforce since Kuwaitis tend to dislike all but whole fresh fish.

Market Potential

While the existing market is quite small, there is potential for expansion as Kuwait establishes itself as a trans-shipment point for the Gulf area. Large potential markets exist in Iran and Iraq. These may, in the future, become available through Kuwait.

There is, at present, a marked preference for fish species which are similar to those caught locally e.g. snapper, grouper, pomfret and jack. It is difficult to gauge what the reaction to Canadian products would be. Also, Canadian products would have difficulty competing, in terms of price, with less expensive imports from India, Pakistan and Korea which now enjoy the bulk of the import market.

APPENDICES

APPENDIX I

IMPORTS AND EXPORTS OF FISH PRODUCTS

TABLE A-1

Kuwait: Fish: Fresh, Chilled or Frozen
(Value in KD, Quantity in kg)

Year	Imports Value	Imports Quantity	Exports Value	Exports Quantity
1970	31 228	78 798	3 778	17 744
1971	31 911	149 668	23 515	193 656
1972	57 374	366 513	37 751	346 243
1973	33 543	119 639	6 178	57 976
1974	41 161	126 104	8 026	24 919
1975	83 917	151 544	1 882	5 688
1976	623 121	1 557 041	27 335	58 713
1977	1 156 888	2 976 723	204 480	494 879

Main Sources of Kuwaiti Imports
(Value in KD)

Country	1974	1975	1976	1977
United Kingdom	12 229	32 260	43 413	49 839
Somalia	9 841	-	-	-
Saudi Arabia	6 798	-	-	-
Denmark	5 350	8 313	16 360	6 202
India	2 569	11 331	482 765	893 181
Bulgaria	-	-	-	12 289
Netherlands	780	5 907	8 912	6 416
Lebanon	109	-	-	-
Pakistan	-	-	43 778	93 474

Source: Kuwait Chamber of Commerce, 1980.

TABLE A-2

Kuwait: Fish: Salted, Dried or Smoked
(Value in KD, Quantity in kg)

Year	Imports Value	Imports Quantity	Exports Value	Exports Quantity
1970	5 138	20 609	108	540
1971	13 677	89 257	151	343
1972	13 528	66 162	135	270
1973	18 501	73 508	1 623	7 590
1974	10 146	18 236	30	50
1975	19 352	34 868	30	50
1976	28 861	49 601	1 490	3 640
1977	116 023	172 602	27 150	46 480

Main Sources of Kuwaiti Imports
(Value in KD)

Country	1974	1975	1976	1977
Sudan	3 313	-	-	-
United Kingdom	2 778	4 931	15 157	85 247
Netherlands	2 208	8 976	8 452	9 023
United Arab Emirates	80	854	1 600	200
Hong Kong	-	-	-	-
India	108	350	-	-
South Korea	-	-	-	5 417
Pakistan	-	-	-	5 417

TABLE A-3

Kuwait: Other Crustacea & Molluscs
(Value in KD, Quantity in kg)

Year	Imports Value	Imports Quantity	Exports Value	Exports Quantity
1970	-	-	-	-
1971	-	-	-	-
1972	-	-	-	-
1973	2 700	2 101	-	-
1974	6 072	5 366	-	-
1975	8 468	8 929	5 850	2 188
1976	5 305	4 094	-	-
1977	11 335	10 183	-	-

Main Sources of Kuwaiti Imports
(Value in KD)

Country	1974	1975	1976	1977
Japan	1 849	2 744	1 404	259
Taiwan	1 130	608	-	2 437
India	989	-	-	-
France	570	1 023	1 460	681
U.S.A.	519	1 110	-	1 399
United Kingdom	-	-	690	2 203
Malaysia	-	-	-	4 047

TABLE A-4

Kuwait: Caviar & Batarekh
(Value in KD, Quantity in kg)

Year	Imports Value	Imports Quantity	Exports Value	Exports Quantity
1970	-	-	-	-
1971	-	-	-	-
1972	-	-	-	-
1973	2 333	885	18	6
1974	7 790	2 681	-	-
1975	6 232	1 252	1 818	560
1976	2 057	433	-	-
1977	7 406	812	108	-

Main Sources of Kuwaiti Imports
(Value in KD)

Country	1974	1975	1976	1977
Denmark	3 946	1 990	447	722
Japan	2 562	-	-	1 906
West Germany	819	2 771	1 000	2 060
U.S.A.	-	1 032	-	430
South Korea	-	-	-	973

TABLE A-5

Kuwait: Fish in Airtight Containers
(Value in KD, Quantity in kg)

Year	Imports		Exports	
	Value	Quantity	Value	Quantity
1970	455 834	1 807 735	70 816	560 948
1971	517 755	2 080 542	70 623	520 340
1972	320 479	1 211 583	60 567	294 528
1973	394 610	1 365 565	149 587	657 061
1974	645 243	1 768 944	105 535	435 595
1975	549 509	1 260 414	48 651	160 572
1976	705 828	1 862 687	250 618	865 425
1977	1 842 613	3 631 990	232 143	599 895

Main Sources of Kuwaiti Imports
(Value in KD)

Country	1974	1975	1976	1977
Japan	392 701	410 495	461 420	1 314 188
Morocco	131 170	83 044	195 637	284 350
Spain	57 274	7 042	12 489	52 402
United Kingdom	19 159	12 415	7 051	17 535
Poland	10 304	1 006	1 292	8 570
U.S.S.R.	8 288	8 296	50	-
India	-	-	6 951	9 516
Yugoslavia	-	-	5 278	104 184

TABLE A-6

Kuwait: Shrimps, Dried or Salted
(Value in KD, Quantity in kg)

Year	Imports Value	Imports Quantity	Exports Value	Exports Quantity
1970	36 470	186 235	795	9 311
1971	27 034	114 192	10 120	54 970
1972	33 008	157 488	4 865	31 969
1973	10 831	47 313	1 757	7 350
1974	60 778	138 348	4 698	10 475
1975	44 780	100 106	72 687	101 295
1976	34 070	63 084	6 240	10 785
1977	65 709	111 999	15 346	18 700

Main Sources of Kuwaiti Imports
(Value in KD)

Country	1974	1975	1976	1977
Pakistan	57 898	44 042	33 357	55 763
Japan	-	-	-	6 583

APPENDIX II

Extracts from Introduction to the Kuwaiti Market

Kuwait Chamber of Commerce and Industry, Foreign Relations Dept.

Instructions on the use of goods should preferably be written in Arabic, with English being the second recommended language. Other languages are not known to the majority of the population.

Exporters should, furthermore, use the metric system in weights and measurements when forwarding goods to Kuwait and should attach labels to goods showing their metric weights and measurements.

Publicity and advertising play a major role in marketing a product in Kuwait. Therefore, it would be advisable to set aside a certain proportion of the foreign companies' profits, realized in Kuwait, for the purpose of advertising and the introduction of goods with emphasis on their distinctive characteristics.

Trading Procedure:

Foreign companies interested in marketing their products in Kuwait would do well to appoint a Kuwaiti agent for their products. Kuwaiti merchants and businessmen have extensive knowledge and experience in the market's requirements that a non-Kuwaiti cannot match. The commercial laws of Kuwait have given the right of representing foreign companies to Kuwait is only, thereby safeguarding the interests of the exporting foreign firms. Furthermore, it is advisable to appoint the Kuwaiti agent directly and independently of any area or Middle East Agent based in another Middle Eastern State. This procedure cuts on the expenses and commissions involved thereby increasing the competitiveness of the product. Yet foreign commercial companies have the choice of exporting their goods to Kuwait through any of the following ways:

(1) a Kuwaiti agent who imports goods directly from the company in accordance with the sole agency agreement concluded between the two parties;

(2) a Kuwaiti merchant who imports according to a specific letter of credit;

(3) a Kuwaiti middleman, whether he be an importer or a commission agent.

The highly competitive nature of the Kuwait market bars the possibility of importing goods through third parties and commission agents. The price of a good is a vital factor in it's marketability, and any procedure that will unnecessarily increase the cost incurred by the Kuwaiti importer, which will eventually reflect itself detrimentally on the price of the commodity in the market, will lead only to a loss of competitiveness that is uncalled for. There must be as few barriers between the consumer and the product as possible, and the commission agent or third party is a superfluous barrier that can be done without. Thus we find that Kuwaiti merchants prefer to deal directly with the producing foreign company or with its sole exporting agent.

Similar to the above is the case of the Area representative or agent. To enquire Kuwaiti importers to purchase a foreign company's products from an area agent rather than directly from the production company itself is a procedure that will lead to higher prices in the market. The method of appointing a sub-agent in Kuwait tied to a General Agent in a neighbouring or nearby country is therefore not advisable.

Finally, it is worthwhile to advise that the laws of Kuwait State clearly indicate that the right of representation and the status of "agent" can only be awarded to Kuwaiti nationals. The laws also prohibit the appointment of sub-agents subject to regional general agents for the whole area of the Middle East. These laws thus best protect the interests of the exporting company, the Kuwaiti importer and the local consumer.

Exporters to Kuwait may receive payment against the value of their goods by means of any of the following ways:

(1) by a Letter of Credit, according to which payment is made after completion of shipping formalities;

(2) by part payments, provided that previous other payments were effected within specified dates;

(3) credit sales, according to which the value of each part sold shall be transferred to exporters, as in the case of tea and industrial machinery transactions;

(4) sales based on commission, according to which the merchant sells the commodity at the prevailing prices on behalf of the exporter and receives an agreed commission thereof;

(5) sales against sight drafts or promissory notes for an agreed upon period of time. Customarily this period ranges between 30 to 180 days.

It is advisable, however, to adopt the system of Letter of Credit, unless the exporter and importer agree on other arrangements. Transfer of money can be effected in pounds sterling, U.S. dollars, French francs, Swiss francs or any other currently available in the local free exchange market.

Documents and Statements Required to Clear Goods

(a) An official Delivery Order issued by the shipping agent and/or other authorized concern showing the number of parcels, their contents and marks in accordance with the manifest.

(b) Invoices specifying type of goods, their unit value, total value, name and address of manufacturer, the exporting source and means of transportation provided that these invoices are officially certified.

(c) Packing lists indicating types and means of packing (whether in boxes, crates, cartons, bales, etc.), the contents of each parcel, together with its net and gross weight and value. These lists should also be officially certified.

(d) A certificate of origin issued by the producing and/or exporting company and authenticated by a Chamber of Commerce or Exporters/Industrial Association(s) of the exporting country duly certifying and attesting that the exported goods are of the pure national origin of the exporting country. This certificate must state clearly that the exported goods are not of an Israeli origin nor do that they contain any raw material made in or imported from Israel. Furthermore, this certificate must also contain the name of the factory or plant in which the goods were manufactured and/or the name of the producing company. The certificate of origin must as well show the source of the goods, net gross weight, the recorded trade mark mentioned in the manifest, value, type of packing and transportation medium.

(e) The certificate of origin accompanying goods to be exported to Kuwait must be certified by the Embassy of the State of Kuwait or the Kuwaiti Consulate in the exporting country. In cases where the State of Kuwait is not represented at the Diplomatic or Consular levels, the certificate of origin can be validated by any Arab Embassy or Consulate.

Special Remarks

As already stated elsewhere in this manual, Kuwait is a free trading centre, and as such local importers do not need to obtain an import licence for each product they intend to bring into the country. Instead, an annual Import Licence obtained from the Ministry of Commerce and Industry, authorising the merchant to import any amount of goods from any country is all that is issued or required.

For more details see Appendix III Customs Duties.

Conclusions:

Exporters to Kuwait should take into consideration the following:

(1) Make sure that all invoices of goods duly satisfy the following:

(a) detailed description of goods;

(b) total as well as unit prices;

(c) net and gross weight;

(d) type of wrapping (packing);

(e) full name and address of the manufacturer/producers/exporters;

(f) trade marks and number of the goods as shown in the manifest;

(g) means of transportation, the shipping port and country of origin;

(h) certification of the invoices by the authorized organizations.

(2) Make sure that the packing invoices contain all the aforesaid requirements together with the following:

(a) a document showing the contents of each parcel;

(b) a document showing the total and net weight of each parcel;

(c) a document showing the value of each item contained in the parcel;

(3) Make sure that each unit or parcel or bale, etc., of the exported goods carry clearly and undetachably the name of the country of origin and that this name is identical with the name on the letter of credit and all other documents concerned.

(4) Make sure that all electrical tools, motors and appliances conform with the technical specifications required in Kuwait namely:

(a) The voltage must be 200-240, up and down 6% - 50 cycles.

(b) That all Letters of Credit established in favour of electrical goods suppliers contain the above mentioned voltage and cycles.

(5) Make sure that the letter of order of merchandise contain the largest number of details and specifications, especially specifications of size, number, measurements, colours, packing and wrapping, shipping method and method of freight.

(6) Make sure that all bottles, cans, boxes, etc. containing foodstuffs carry an Arabic language label stating the name of the foodstuffs, its composition (ingredients) net and gross weights, country of origin, and its expiry date.

(7) Make sure that the certificate of origin (a) is duly certified by a Chamber of Commerce and Industry of the exporting country, (b) contains the full name of the manufacturing plant or producer as well as freight forwarder, (c) shows the means of transportation, (d) shows that the goods are not of Israeli origin and that they do not contain any material made or imported from Israel or just indicate the country of origin.

(8) Make sure that all invoices and documents are available to the importer before the arrival of goods to Kuwait, as goods can not be cleared without these documents.

(9) Make sure that packing and wrapping materials are suitable to the exported goods and that they could withstand the sea voyage and the loading and unloading.

(10) Trade marks and numbers should be clearly printed on all parcels and should correspond to the trade mark on the pertinent manifest.

(11) Prior arrangements should be made for receiving frozen items immediately upon arrival to their destination. Same arrangements should be made for the clearance of other goods to avoid glutting the port's warehouses.

(12) Make sure that the exported goods and items are not prohibited and that the pertinent licences for the goods and items subject to import licences had been obtained before shipping is effected.

(13) Make sure that medicaments and drugs are properly prepared, because some are subject to laboratory test by the concerned authorities at the Ministry of Public Health.

(14) Make sure that all foodstuffs are suitable for human consumption and use because these, too, are subject to a strict laboratory examination by those concerned authorities at the Municipality Health Section.

(15) Customs and Ports authorities should be notified prior to the arrival of any inflammable or explosive materials in order to make the necessary arrangements in accordance with the Customs Law (1959) pertaining to the means of loading, transportation and storage.

(16) Exporters to and importers in Kuwait should constantly keep abreast with whatever is being published, such as the official Gazette with regard to new rules and regulations issued from time to time by the Customs and Ports Department and other authorities in respect of certain goods.

(17) It is preferable to ship the goods directly and in one consignment, once and for all.

(18) Reputation and financial standing of any merchant, firm or company in Kuwait can be ascertained from the Kuwait Chamber of Commerce and Industry or from local banks respectively.

(19) All information concerning the economy of Kuwait, import statistics, commercial legislation, names and addresses of dealers, etc., can be obtained from the Kuwait Chamber of Commerce and Industry, P.O. Box 775, State of Kuwait.

APPENDIX III

MINISTERIAL DECREE NO. 50/76

Dated 1/7/1976

PERTAINING TO CUSTOMS DUTIES ON GOODS IMPORTED

INTO KUWAIT

STATE OF KUWAIT

MINISTERIAL DECREE NO. 50/76

Dated 1/7/1976

PERTAINING TO CUSTOMS DUTIES ON GOODS IMPORTED INTO KUWAIT

Although, as a general rule, most of the items imported into Kuwait are subject to a unified customs duty amounting to (4%) of the CIF value of the goods, yet some changes have been made to this general rule, in the Ministerial Decree No. 50/76 of 1/7/1976, thus making some items exempted from this duty, while increasing same on others as shown in details hereafter:

PART ONE: THE CUSTOMS DUTY

(1) Goods, materials and commodities imported into Kuwait are subject to a customs duty at the rate of (4%).

(2) The customs duty is calculated on the basis of the FOB value of the imported goods plus their freight charges to Kuwait, i.e. CIF value.

(3) Products and materials enlisted in Part Three are subject to a customs duty at a rate higher than the (4%), as shown beside each of them. This is in conformity with the State's general policy to protect newly established local industries producing identical or similar products.

(4) The customs authorities have the right to re-evaluate any consignment, if they feel that the value or the freight declared therein is not convincing.

(5) Re-exported goods are subject to a customs duty at the rate of (4%) of their value, provided that they have entered the country exempted from that duty originally.

(6) Commodities and items mentioned in separate lists which form annexes to the bilateral agreements between Kuwait and other countries are treated in accordance with the articles of each agreement from the point of view of customs reductions.

Those customs reductions shall not be applied on products and items similar to those manufactured locally, which are subject to tariff protection.

PART TWO: GOODS AND ITEMS EXEMPTED FROM CUSTOMS DUTY

(1) Vessels and ships registered under the Kuwaiti flag for commercial purposes.

(2) Gold and silver bullion.

(3) All kinds of foodstuffs, fresh, preserved or prepared, whether canned or not. This includes foods and beverages and the materials used therein for their preparation (except macaroni, vermicelli and hard buiscuits).

(4) Books, periodicals, newspapers and the like that are not considered as stationery items.

(5) Developed ready to show movie films.

(6) Advertisements and advertising materials that carry the name of the advertiser and are not meant for sale.

(7) Private belongings arriving as personal luggage whether accompanying them or not, on condition that they don't have a commercial attribute.

(8) Live animals, and live poultry and birds (except live chickens and domestic tropical birds).

(9) Samples of goods and articles meant for display that are not for sale.

(10) Gibsum and unworked mosaic stones.

(11) Items imported in the name of other countries and were unloaded in Kuwait by mistake.

(12) All kinds of imported feeding stuffs for live animals and poultry.

PART SIX: THE TRANSIT REGULATIONS

The following is an unofficial English translation of the relevant part of the prevalent regulations that are considered as temporary instructions for the in-transit goods.

ARTICLE (4): The in-transit goods should be accompanied with official documents showing its value, description of the goods, quantity and weight, country of origin and its destination.

ARTICLE (5): (a) The in-transit goods traversing Kuwait to any of the Arab countries maintaining a bilateral agreement with Kuwait regulating the in-transit trade will be subject to an in-transit charge of 2 per thousand.

(b) An in-transit charge not exceeding 4 per thousand is to be collected on the in-transit goods traversing to other countries.

ARTICLE (6): Transfer of the in-transit goods from one means of transportation to another while traversing Kuwait is absolutely forbidden unless a special permission is granted therein by the customs authorities.

ARTICLE (8): (a) The in-transit goods should not consist of any banned, boycotted or restricted items.

(b) Weapons, explosives and strategic products are also not permitted to traverse without having been granted a prior approval from the customs authorities and any other authorities concerned in the country.

(c) The entry of any of the goods mentioned in paragraphs (a) and (b) above without a prior approval is to be considered as an act of smuggling and causing disorder to the prevalent laws and regulations, thus necessitating the confiscation of the goods or fining either the proprietor or the transporters.

ARTICLE (9): It is possible, after getting the approval of the Customs Authorities, to keep the in-transit goods in the private warehouses of its importers for a period not exceeding three months. These warehouses will be sealed by the customs authorities and will not be opened except by them.

In addition the customs authorities have the right to assign, in their approval, the location in which the goods are to be stored and to keep cash or bank guarantees as long as the in-transit goods are still in the Kuwaiti territory.

ARTICLE (10): A bank or personal guarantee - as being the choice of the customs authorities - is taken on the in-transit goods. This guarantee will be released just upon producing a copy of the "manifest" of the in-transit goods duly signed by the last customs center at the border through which the goods have left the country.

ARTICLE (11): No alternation whatsoever on the in-transit goods should be affected while traversing the country or being kept in temporary stores whether in packaging, packing, weight or quality.

ARTICLE (12): Transport facilities traversing the country in-transit are not allowed to take loads within the territory of Kuwait for any reasons whatsoever.

ARTICLE (13): The customs authorities usually stamp the in-transit goods and reserve the right for any other precautionary measures. In addition, they have the full right to check the in-transit goods any time they like. Taking off the stamps from the in-transit goods is not allowed for any reason whatsoever unless a special approval is obtained from the customs authorities, and it should also be effected in the presence of a responsible official.

ARTICLE (15): All traversing trucks and cars should be covered with a comprehensive insurance for all risks by a recognized well known insurance company being authorized to issue the green insurance card.

ARTICLE (16): Non-Kuwaiti means vacant of transportation are not allowed to come into the country to take the in-transit goods, unless a prior permission is granted to them by the customs authorities.

APPENDIX IV

AMIRI DECREE

ON

THE SPECIFICATIONS & STORING CONDITIONS

OF

IMPORTED CANNED AND OTHER FOODSTUFFS

ISSUED ON 16TH OF JUNE 1977

STATE of KUWAIT

AMIRI DECREE ON THE SPECIFICATIONS AND STORING CONDITIONS OF IMPORTED CANNED AND OTHER FOODSTUFFS

An Amiri Decree was issued on the selling of food and related storage. The Decree also included a supplement containing conditions which must be observed by bakeries, restaurants, hotels, cafes, candie stores, soft drinks plants, farms and food plants.

The Decree contained 24 articles specifying good and harmful foodstuffs and the role of the Municipality and the Ministries of Health and Public Works in the application of these conditions as well as penalties and fines for their violation. The following is an unofficial translation of this Decree.

Art. 1: Food is whatever man eats or drinks, excluding pharmaceutical preparations.

Art. 2: Food additions include every stuff which is not considered a food or a natural composition of any foodstuff, which is added to the food for giving it a colour, a taste or a smell or to preserve it or for any other purpose allowed for manufacturing, preparation or filling.

Art. 3: Food must enjoy the following conditions:

a) must be of value;

b) must be suitable for human consumption;

c) must not be harmful to health either directly or indirectly;

d) must be allowed by the Islamic Shariat;

e) must enjoy technical and hygenic specifications and conditions imposed by the Municipality in agreement with the Ministries of Commerce and Health.

Art. 4: Food is considered dangerous to health in the following cases:

a) if it contains poisonous material or if it is polluted with microbes which cause illness to man;

b) if it contains materials not permitted hygenically for use;

c) if it is the produce of a dead or sick animal;

d) if it is mixed with earth;

e) if it were taken by a man suffering from a fictitious disease;

f) if it contained dead or live worms or insects;

g) if its containers have materials harmful to health.

Art. 5: Additions to food should not be harmful to health and they should be in line with specifications decided by the Municipality in cooperation with the Ministries of Commerce and Health.

Art. 6: A label in Arabic must be placed on canned or packed foods containing details of its contents, characteristics, date of its manufacture and its validity. The announcement should not contain details contrary to its specifications or actual contents.

Art. 7: Circulation of food is banned in the following cases:

a) if it didn't enjoy conditions stated in Article 3;

b) if one of its elements is eradicated partly or fully without any clarification on the special label;

c) if it is contrary to the commercial statement;

d) if one of its contents is partly or fully replaced by another;

e) if its validity has expired;

f) if it contained artificial sweetners or other materials not allowed by the Health Ministry;

g) if it contained alcohol, mineral material, pork or pig fat;

h) if it is rotten.

Art. 8: Owners of stores, factories, plants, hotels and restaurants which manufacture prepare or sell food must abide by technical and hygenic specifications and conditions decided by the Municipality and they should observe cleanliness of the materials, methods of preparations and instruments.

Art. 9: They should also inform the Municipality in case there is any rotten material at their places or any material whose date of validity has expired, so that the Municipality be able to destroy such material.

Art. 10: Imported food can't be sold or shown for sale before testing by the Municipality according to conditions stated in Article 3. In case of lack of the said conditions, the importer could either destroy or re-export them and he has to inform the Municipality of his wish in writing within a month after the Municipal notice.

The Municipality could extend this period for another but not exceeding two months. And if this extra period passes without the owner submitting a verbal wish, the Municipality will keep the merchandise, awaiting a hearing of the case.

Art. 11: Importers and retail dealers of vegetables, fresh fruit and eggs can't sell or exhibit these materials before testing by the Municipality and stamping them. These dealers should also register imported quantities at the Central Market and to inform about consequent sold quantities.

Art. 12: Imported frozen meat, chicken or those produced locally must all enjoy technical and hygenic specifications and conditions.

Local plants can't manufacture these materials before checking and reporting their suitability for human consumption.

Art. 13: Materials mentioned in Art. 12 can't be sold as fresh materials and frozen meat can't be sold in butcheries without Municipal permission.

Art. 14: Frozen meat or poultry can't be owned, sold or established if not slaughtered according to the Islamic Laws.

Art. 15: Food stores will be subject to rules stated in the decree on public places regarding cases not mentioned in this Decree.

Art. 16: Food stores must abide by special conditions stated in these appendix. Municipality direct or could close down any store which endangers the public health till this store applies required conditions.

Art. 17: Means of food transportation must enjoy technical and hygenic conditions and specifications applied by the Municipality in cooperation with teh Ministries of Interior and Health. Other materials not stated in the license can't be transported in the conveyance.

Art. 18: Any person involved in food preparation, industry, selling, distribution, circulation, cooking, transporting and storing must obtain a certificate from the Health Ministry. This certificate must be renewed in time and the employer can't employ workers without this certificate and he should stop any worker if he gets any disease outlined by the Health Ministry.

Art. 19: The proprietor must provide the said workers with uniforms decided by the Municipality. They are not permitted to work without wearing this uniform.

Art. 20: Officers assigned with establishing crimes committed in violation of this decree, must take three specimens from the food in the presence of the concerned persons and they must be sealed till a decision is taken on the case.

Art. 21: Not ruling out a higher punishment, violators of articles: 3, 5, 6 (Para A), 7, 8 (Para A), 9, 10, 11 (Para A), 12, 13, 14 and 16 of this Decree, will be subject to a penalty not less than K.D. 50/- and not more than K.D. 200/- in addition to confiscating the material in question. Moreover the store could also be closed for a period not exceeding six months.

Art. 22: Not ruling out any higher punishment any person violating rules of Articles 6 (Para B), 11 (Para B), 17 and 18 (Para B) will be subject to a penalty of not less than K.D. 50/- and not more than K.D. 100/- and the penalty will be multiplied by number of workers in case of violation of Art. 18 (Para B).

Art. 23: Violators of Articles 8 (Para B), 18 (Para A), and 19 will be subject to a penalty not less than 5 dinars and not more than 25 Dinars. The penalty will be multiplied by number of workers in case of any violation of Article 19.

Art. 24: All concerned Ministries are to execute this Decree which will be effective as from the date of publication except Article six (Para A), which will be workable after 30 days.

(2) Make sure that the packing invoices contain all the aforesaid requirements together with the following:

(a) a document showing the contents of each parcel;

(b) a document showing the total and net weight of each parcel;

(c) a document showing the value of each item contained in the parcel;

(3) Make sure that each unit or parcel or bale, etc., of the exported goods carry clearly and undetachably the name of the country of origin and that this name is identical with the name on the letter of credit and all other documents concerned.

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(a) The voltage must be 200-240, up and down 6% - 50 cycles.

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APPENDIX III

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Dated 1/7/1976

PERTAINING TO CUSTOMS DUTIES ON GOODS IMPORTED INTO KUWAIT

STATE OF KUWAIT

MINISTERIAL DECREE NO. 50/76

Dated 1/7/1976

PERTAINING TO CUSTOMS DUTIES ON GOODS IMPORTED

INTO KUWAIT

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APPENDIX IV

AMIRI DECREE

ON

THE SPECIFICATIONS & STORING CONDITIONS

OF

IMPORTED CANNED AND OTHER FOODSTUFFS

ISSUED ON 16TH OF JUNE 1977

STATE of KUWAIT

AMIRI DECREE ON THE SPECIFICATIONS AND STORING CONDITIONS OF IMPORTED CANNED AND OTHER FOODSTUFFS

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The Decree contained 24 articles specifying good and harmful foodstuffs and the role of the Municipality and the Ministries of Health and Public Works in the application of these conditions as well as penalties and fines for their violation. The following is an unofficial translation of this Decree.

Art. 1: Food is whatever man eats or drinks, excluding pharmaceutical preparations.

Art. 2: Food additions include every stuff which is not considered a food or a natural composition of any foodstuff, which is added to the food for giving it a colour, a taste or a smell or to preserve it or for any other purpose allowed for manufacturing, preparation or filling.

Art. 3: Food must enjoy the following conditions:

a) must be of value;

b) must be suitable for human consumption;

c) must not be harmful to health either directly or indirectly;

d) must be allowed by the Islamic Shariat;

e) must enjoy technical and hygenic specifications and conditions imposed by the Municipality in agreement with the Ministries of Commerce and Health.

Art. 4: Food is considered dangerous to health in the following cases:

a) if it contains poisonous material or if it is polluted with microbes which cause illness to man;

b) if it contains materials not permitted hygenically for use;

c) if it is the produce of a dead or sick animal;

d) if it is mixed with earth;

e) if it were taken by a man suffering from a fictitious disease;

f) if it contained dead or live worms or insects;

g) if its containers have materials harmful to health.

Art. 5: Additions to food should not be harmful to health and they should be in line with specifications decided by the Municipality in cooperation with the Ministries of Commerce and Health.

Art. 6: A label in Arabic must be placed on canned or packed foods containing details of its contents, characteristics, date of its manufacture and its validity. The announcement should not contain details contrary to its specifications or actual contents.

Art. 7: Circulation of food is banned in the following cases:

a) if it didn't enjoy conditions stated in Article 3;

b) if one of its elements is eradicated partly or fully without any clarification on the special label;

c) if it is contrary to the commercial statement;

d) if one of its contents is partly or fully replaced by another;

e) if its validity has expired;

f) if it contained artificial sweetners or other materials not allowed by the Health Ministry;

g) if it contained alcohol, mineral material, pork or pig fat;

h) if it is rotten.

Art. 8: Owners of stores, factories, plants, hotels and restaurants which manufacture prepare or sell food must abide by technical and hygenic specifications and conditions decided by the Municipality and they should observe cleanliness of the materials, methods of preparations and instruments.

Art. 9: They should also inform the Municipality in case there is any rotten material at their places or any material whose date of validity has expired, so that the Municipality be able to destroy such material.

Art. 10: Imported food can't be sold or shown for sale before testing by the Municipality according to conditions stated in Article 3. In case of lack of the said conditions, the importer could either destroy or re-export them and he has to inform the Municipality of his wish in writing within a month after the Municipal notice.

The Municipality could extend this period for another but not exceeding two months. And if this extra period passes without the owner submitting a verbal wish, the Municipality will keep the merchandise, awaiting a hearing of the case.

Art. 11: Importers and retail dealers of vegetables, fresh fruit and eggs can't sell or exhibit these materials before testing by the Municipality and stamping them. These dealers should also register imported quantities at the Central Market and to inform about consequent sold quantities.

Art. 12: Imported frozen meat, chicken or those produced locally must all enjoy technical and hygenic specifications and conditions.

Local plants can't manufacture these materials before checking and reporting their suitability for human consumption.

Art. 13: Materials mentioned in Art. 12 can't be sold as fresh materials and frozen meat can't be sold in butcheries without Municipal permission.

Art. 14: Frozen meat or poultry can't be owned, sold or established if not slaughtered according to the Islamic Laws.

Art. 15: Food stores will be subject to rules stated in the decree on public places regarding cases not mentioned in this Decree.

Art. 16: Food stores must abide by special conditions stated in these appendix. Municipality direct or could close down any store which endangers the public health till this store applies required conditions.

Art. 17: Means of food transportation must enjoy technical and hygenic conditions and specifications applied by the Municipality in cooperation with teh Ministries of Interior and Health. Other materials not stated in the license can't be transported in the conveyance.

Art. 18: Any person involved in food preparation, industry, selling, distribution, circulation, cooking, transporting and storing must obtain a certificate from the Health Ministry. This certificate must be renewed in time and the employer can't employ workers without this certificate and he should stop any worker if he gets any disease outlined by the Health Ministry.

Art. 19: The proprietor must provide the said workers with uniforms decided by the Municipality. They are not permitted to work without wearing this uniform.

Art. 20: Officers assigned with establishing crimes committed in violation of this decree, must take three specimens from the food in the presence of the concerned persons and they must be sealed till a decision is taken on the case.

Art. 21: Not ruling out a higher punishment, violators of articles: 3, 5, 6 (Para A), 7, 8 (Para A), 9, 10, 11 (Para A), 12, 13, 14 and 16 of this Decree, will be subject to a penalty not less than K.D. 50/- and not more than K.D. 200/- in addition to confiscating the material in question. Moreover the store could also be closed for a period not exceeding six months.

Art. 22: Not ruling out any higher punishment any person violating rules of Articles 6 (Para B), 11 (Para B), 17 and 18 (Para B) will be subject to a penalty of not less than K.D. 50/- and not more than K.D. 100/- and the penalty will be multiplied by number of workers in case of violation of Art. 18 (Para B).

Art. 23: Violators of Articles 8 (Para B), 18 (Para A), and 19 will be subject to a penalty not less than 5 dinars and not more than 25 Dinars. The penalty will be multiplied by number of workers in case of any violation of Article 19.

Art. 24: All concerned Ministries are to execute this Decree which will be effective as from the date of publication except Article six (Para A), which will be workable after 30 days.