



KUWAIT

Cyber Security Market



WHY KUWAIT?

- Energy-rich
- Location in Middle East makes it vulnerable to cyber attacks
- Military spending 3.5% of GDP
- \$104 billion development plan to diversify economy, Vision 2035
- Cyber market worth approx. \$1 billion

Strengths

- Strong defense relationship with the US
- Party to WTO's IT agreement
- Major non-NATO ally of US

Opportunities

- Increased spending on cyber security until 2020
- High demand for defense and security products
- Favorable opinion of US products

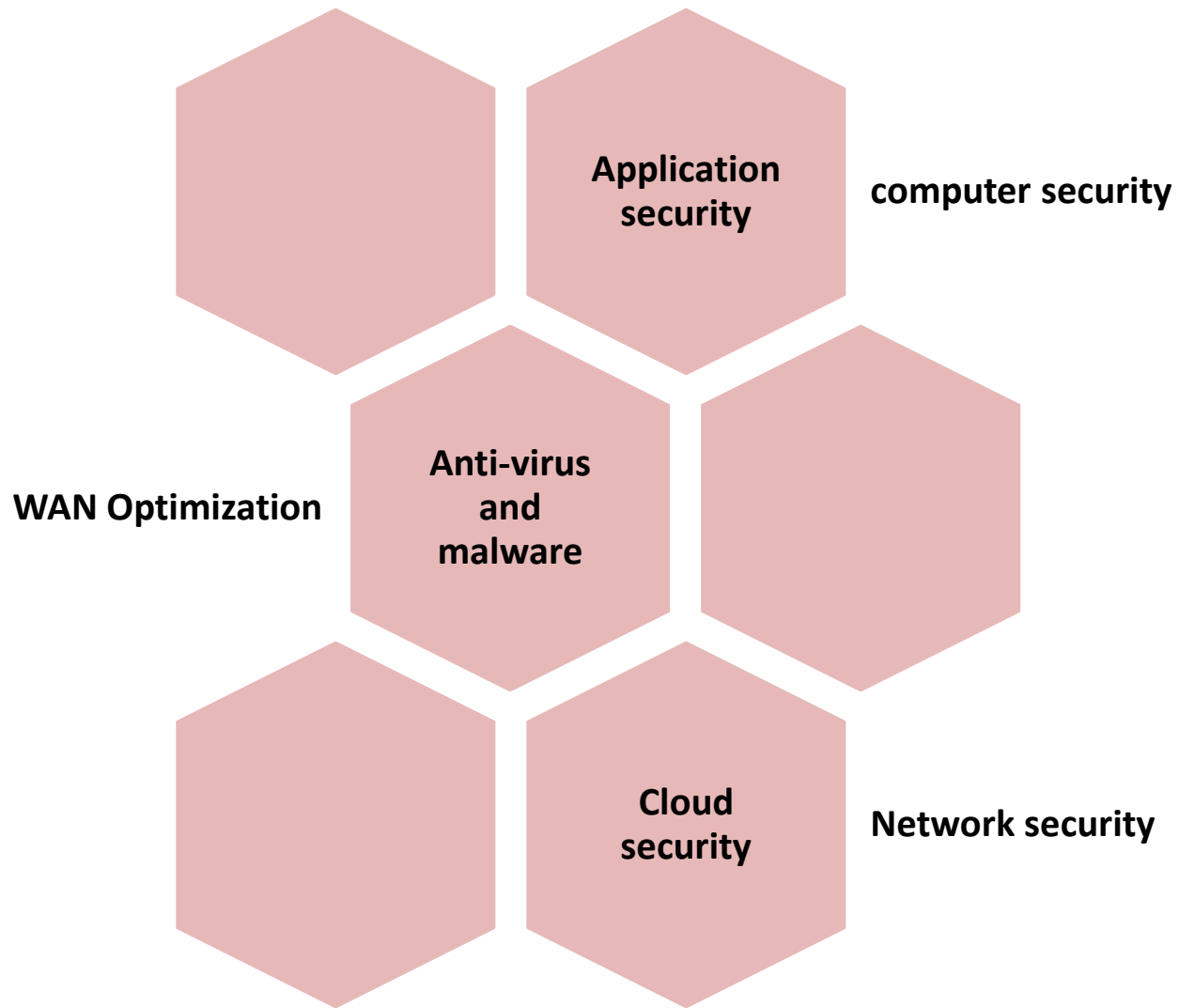
Weaknesses

- Weak intellectual property protection
- Bureaucratic and complex procurement process
- Need for an agent or partner

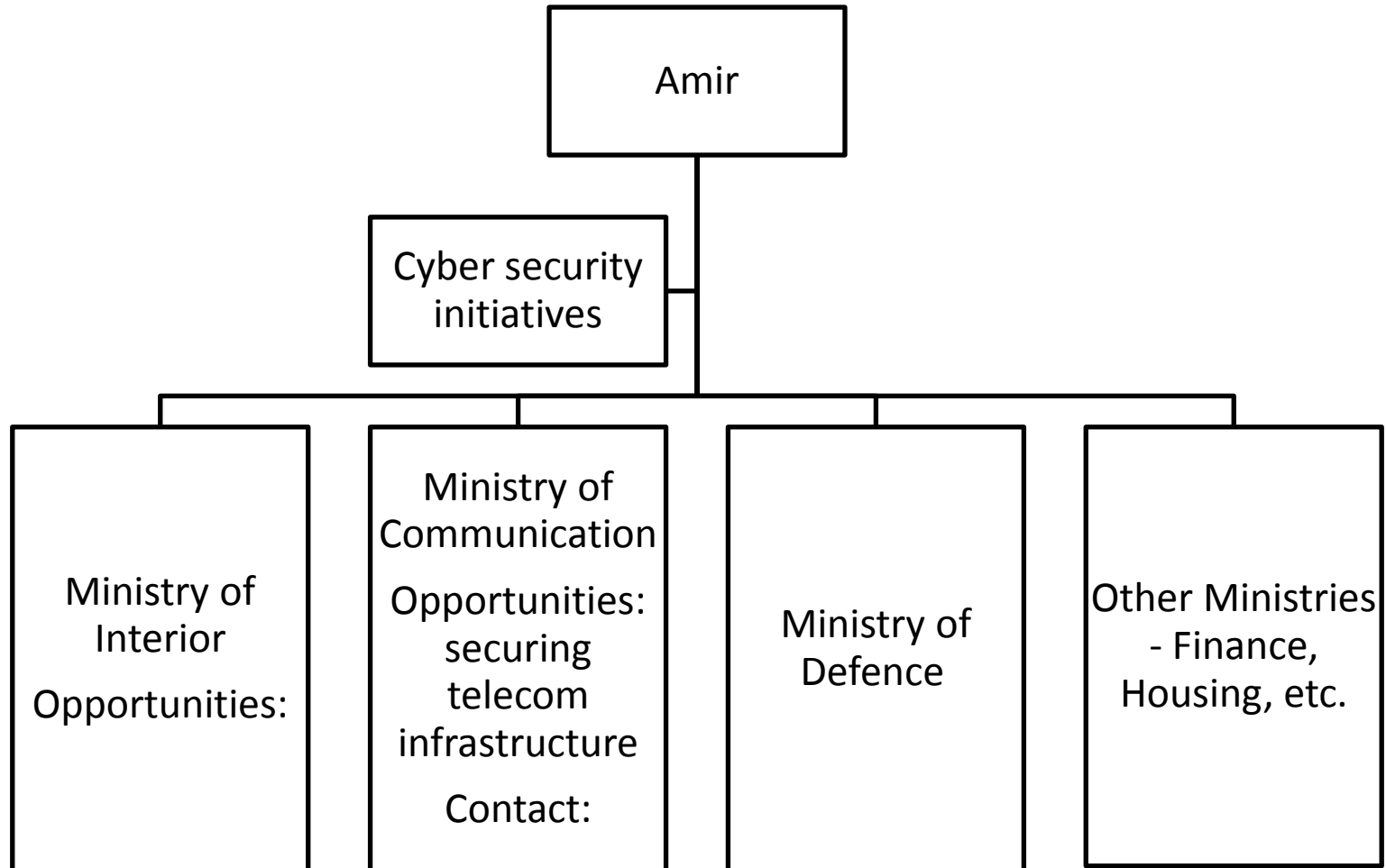
Threats

- Competition from British cyber security companies due to security partnership with the UK
- Location in the Middle East makes it vulnerable

MARKET OPPORTUNITIES



COMMAND STRUCTURE IN THE DEFENSE AND SECURITY SECTOR



- Defense Cooperation Agreement
- Trade and Investment Framework Agreement
- US defense market share in Kuwait: 78%
- Dependence on US for defense training
- Designated by US as 'major non-NATO ally'

- Centralized procurement through Central Tenders Committee
- Bid, performance bonds required
- Some favoritism toward domestic firms
- Lack of transparency
- Qualified agents can help

Entry Strategy	Features
Agents	One of the best strategies, strict laws governing agency contracts
Partnerships or joint ventures	Suitable to overcome cultural issues, partner share is majority
Establishing an office	Suitable for selected US firms interested in long term presence in Kuwait