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Popular Rentierism and Tourism Development in Kuwait

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ABSTRACT

The purpose of this paper is to explore the challenges facing tourism development in Kuwait due to the particularly unique political-economic system of 'popular' rentierism. Kuwait's tourism industry is relatively underdeveloped in comparison to other GCC countries and has not received much attention in the academic tourism literature. While insights of from this study will be useful for understanding the role of tourism in the rentier economies, this paper will also help to further theorize tourism within the field of political science and international political economy. This study provides both a macro-level analysis of the political economic obstacles to tourism development in Kuwait and the more micro-level challenges that have resulted, particularly in relation to mega-development projects, such as the \$3.3 billion dollar Failaka Island development.

Keywords: *political economy, Rentier Theory, Arabian Gulf, tourism development, oil-economy*

INTRODUCTION

The purpose of this paper is to explore the challenges facing tourism development in Kuwait due to the particularly unique political-economic system of 'popular' rentierism. Kuwait's tourism industry is relatively underdeveloped in comparison to other GCC countries and has not received much attention in the academic tourism literature. The paper is based upon field work in Kuwait and the examination of secondary resources including academic literature, media, and government documents. While insights of from this study will be useful for understanding the role of tourism in the rentier economies, this paper will also help to further theorize tourism within the field of political science and international political economy. Additionally this paper attempts to address a deficit in the literature, as noted by Bianchi (2004) , "What many of these...Political economy analyses of international tourism had in common was their overly generalized view of macro-structural processes... whilst crucial aspects of local/regional economic development were certainly overlooked and under-theorized" (p. 271). This study provides both a macro-level analysis of the political economic obstacles to tourism development in Kuwait and the more micro-level challenges that have resulted, particularly in relation to mega-development projects, such as the \$3.3 billion dollar Failaka Island development.

CURRENT STATE OF TOURISM IN KUWAIT

There are many obstacles facing the future development of tourism in Kuwait including the lack of tourism infrastructure, attractions, and a challenging environment for private industry. Recently, there has been renewed focus on developing the tourism industry in Kuwait as part of a wider economic diversification strategy meant to reduce the dependence on the oil revenue that makes up the majority of the GDP. This new focus on tourism, however, is met with certain challenges and opportunities. Perhaps the most pressing obstacles related to the revitalization of tourism in Kuwait are the country's relationship and proximity to Iraq. Although the 1990 Gulf War is long over, tension between the countries is still high, especially with Iraq's current political instability (Alsdirawi & Faraj, 2004). This, in addition to a heavily guarded demilitarized zone along the 240 km border, gives potential visitors a negative perception of safety in Kuwait. Another obstacle for Kuwait's tourism industry is the lack of attractions for tourists. The visitation to Kuwait has been relatively low over the past decades due to inaction by the government to promote international tourism (Alhemoud & Armstrong, 1996). In one of the only academic tourism papers on tourism in Kuwait, Alhemoud & Armstrong (1996) concluded, in a study of university students and English-speaking foreigners in Kuwait, that neither group was very impressed by the country's tourist attractions, man-made or natural.

Kuwait's tourism is relatively underdeveloped in comparison to other GCC countries. In 2011, Kuwait ranked 61st globally with 362,000 tourists, which is expected to grow to about 639,000 by 2021. Some government officials have actually stated that the aim is to attract one million visitors within five years (Kiesnoski, 2011). In 2009, Tourism contributed USD 535 Million, accounting for 0.88% of the country's exports. While the total tourism receipts have increased, the percentage of the country's exports represented by the tourism industry has decreased from 4% in 1998, likely a result of the September 11th attacks and subsequent war in Iraq. While the number of international tourists are quite low in comparison to other top destinations in the region, there are a large number of international day 'visitors'. According to Kuwait Tourism, about 82% of the nearly 3.8 million International visitors only stay for the day and spend less than \$100 per person (Kiesnoski, 2011). The international inbound tourist arrival numbers are in stark contrast to the outgoing tourism market. In 2007 there were 2.7 million outbound tourists from Kuwait. The outbound tourists spent USD 8.2 billion, which accounted for nearly 27% of the country's imports. The scale of this outbound market suggests that there is a huge amount of untapped potential for growth in the domestic tourism industry. There is a long tradition of domestic leisure and recreational activities in Kuwait. Many Kuwaiti families construct short-term tents in large camping communities in the desert during the winter months. During these cooler months, many Kuwaiti's spend weekends or evenings in these tents, many of which are furnished with all the comforts of home. Additionally, there is large number of beach chalets, where Kuwaiti's spend time pursuing leisure activities. Recreational activities including four-wheeling, jet skiing, boating, fishing, horseback riding, falconry, are all quite popular. The traditional pursuit of these activities combined with the large number of outbound tourism from Kuwait suggest that there is a huge potential for capturing the domestic tourism industry.

Since 2004, there has been a large development push in the tourism and hospitality industry. Twenty-five hotels and resorts have been built or are planned by international brands including Hilton, Four Seasons, Jumeirah and Intercontinental. The massive increase in hotel

beds combined with the planned hotel and resort components of the mega-developments (\$85 billion City of Silk, \$3.3 billion Failaka Island) will provide the need for the development of attractions to draw leisure tourists to Kuwait. Currently the market is largely made up of business tourists, most of whom are connected to the US military operations in Iraq and the energy sector. While Kuwait has relaxed visa procedures for certain regions (e.g., GCC, North America, Australia, and most of Western Europe) (Stensgaard, 2004), visitors from other regions still have to deal with often complicated and tedious procedures (al-Shamari, 2011).

The country's accessibility and mild climate during the spring and winter months provide some of the necessary draw for international tourists. There are also some unique attractions for visitors including the iconic Kuwait Towers, the Liberation Tower, Old Souk and Grand Mosque, the waterfront Corniche, and an array of beautiful beaches. Kuwait's Tourism website also includes several other attractions for visitors go to including amusement parks, ice skating rink, swimming pool complex, resorts, yacht clubs, parks, and Green Island, the first artificial island in the Gulf region (Touristic Enterprises Company, <http://www.kuwaittourism.com>). Kuwait also offers visitors a unique and arguably better opportunity for experiencing authentic cultural experiences and interactions with the local population. As one travel agent in California stated, "every single time we've ended the Persian Gulf route and our clients reminisce, they mention Kuwait as a highlight. It may not have all the glitz and glamour, but they were so glad they visited" (Kiesnoski, 2011). The relative lack of tourism development in Kuwait can create the perception of being a more authentic destination, that is off-the-beaten track or exotic. As a tour operator quoted by Kenneth Kiesnoski (2011) suggests, "Kuwait has something different to offer. Sometimes the lack of development is an attraction unto itself and the lesser-known regions often end up being the highlights of one's travels." While the lack of attractions provide some visitors with a positive feeling, it leaves very little for the tourism industry in Kuwait to work with to market or brand the destination, particularly to international long-haul tourists. Kuwait lacks the iconic attractions from antiquity as in Jordan and Egypt, the modern attractions of Dubai and Abu Dhabi, or the natural beauty of destinations like Oman.

Additionally, the ban on alcohol means that Kuwait lacks the nightlife that other destinations in the Gulf have, a potential disincentive for many leisure tourists. On the other hand, some in the tourist industry point to the lack of coordinated marketing initiatives and lack of governmental support of the tourism industry as the main obstacles for increasing the number of international tourists and keeping domestic tourists in Kuwait (Kiesnoski, 2011; al-Shamari, 2011). The tourism sector in Kuwait is handled by a small division in the Ministry of Commerce and Industry, and not by a separate ministry or board. This means that any international promotional activity and campaigns, such as the ITB in Berlin or the World Travel Market in London are supported by the private sector entities such as Kuwait Airways, the tourism operator Kuwait Tourism Services, and the Kuwait Hotel Owners Association. Essentially, many in the private sector feel that the tourism industry is treated with indifference by the government. As one CEO and hotel owner stated, "In the government no one listens to us or gives us feedback. For 25 years, we've been fighting for recognition, but they're not supporting us. We just want the government to recognize us as an industry" (Kiesnoski, 2011). This lack of support reflects the ongoing challenges for private businesses in Kuwait, and the general lack of support for non-oil related economic activities during the last few decades. The National Assembly non-support for the private sector, and specifically tourism, can be seen as a reflection of the wider

indifference of Kuwaitis. This is arguably changing, as many Kuwaitis have recognized the need for economic reforms and diversification of the economy, and thus the recent expansion of the hospitality industry and the recent general economic reforms suggest that there is a shift in the perception of the tourism industry's role in securing the economic future of the country.

In March of 2011, the Kuwaiti Ministry of Commerce drafted a tourist strategy to stimulate tourism so that it can provide a viable source of income to the country. The strategy includes the implementation of an external marketing plan and a detailed map of all tourist facilities in Kuwait (al-Shamari, 2011). A former under-secretary for tourism suggests that Kuwait "needs to offer more touristic and recreational facilities than what it has now and a comprehensive marketing plan that begins by informing citizens and residents of Kuwait about what is available in Kuwait before marketing it abroad" (al-Shamari, 2011). This emphasis on creating awareness domestically can have two important impacts on the future of the industry. First, it can help to, according to the current under-secretary of tourism in the Ministry of Tourism, "build awareness about domestic tourism to Kuwaitis who travel abroad every week. We want to encourage them to go to Kuwait Islands, which could be a tourist attraction" (al-Shamari, 2011). Second, by creating awareness among the population, there might be larger support for pro-tourism activity by the elected officials in the National Assembly. The next sections explore the political economy of Kuwait and the current economic reforms and development plans in Kuwait in more detail. These provide a foundation for understanding the context of future tourism development in Kuwait.

POLITICAL ECONOMY OF KUWAIT

Rentier theory emerged from analysis of the political economy of the oil-dependent GCC countries. A *rentier state* can be defined as a state in which the government is a primary economic player and uses its 'legitimate' monopoly over a geographic area to extract significant rents from international transactions (Beblawi & Luciani, 1987). Since a significant share of the rentier state's revenue is derived from the rents imposed on international transactions, the state is freed from the need to extract internal revenues through taxation on the domestic economy (Jenkins, Meyer, Costello, & Aly, 2011). While rents derived from energy resources are the most commonly examined, rents can be derived from other sources including: other natural resources, foreign grants/soft loans, and worker remittances. Additionally, income from international tourism based on the use of unique natural or cultural attractions are also examples (Richter & Steiner, 2008). The relationship between tourism and rentierism has only just recently been explored, and none of which have explored the unique relationship between 'popular rentierism' (Yom, 2011) and tourism as is the case in Kuwait. Mansfeld and Winckler have examined the overall challenges of tourism development as a long-term economic alternative to oil-based rentier economies in the GCC using the example of Dubai (2007) and Bahrain (2008). Additionally, Richter and Steiner (2008) examined the neo-patrimonial rentier state of Egypt and argued that the transformations that occurred over the last few decades have resulted in a diversification of external rents instead of an overall downsizing of the rentier character of the Egyptian economy.

After the oil crisis in the 1990s, many of the GCC nations started to move towards diversification, privatization, liberalization and deregulation in order to support long-term

economic growth, and the development of the tourism industry is a central component to these strategies. Within the GCC, tourism has been a main focal point of economic diversification strategies. Dubai, Abu Dhabi, and Qatar are good examples of this strategy in action. Overall the development of the tourism industry in Kuwait can be seen as a failure in comparison. While there have been several attempts to expand international and domestic tourism in Kuwait, mostly from the private sector, the overall political and economic landscape in Kuwait has resulted in several major challenges for the future development of the tourism industry. In particular, there is a lack of public-private partnerships (Hvidt, 2007) and state owned enterprises (Hertog, 2010), which have been instrumental for the development of the tourism industry (and in particular infrastructure) in places like Dubai.

The need for these wide ranging economic reforms have been recognized by policy and business leaders, it has been particularly slow among the oil-rich Gulf States and the Middle East more generally, when compared to other parts of the world (Hvidt, 2007). While some places like Dubai have seen recent 'booms' in development resulting from economic diversification and an efficient form of state-sponsored capitalism, Kuwait has not. Herb (2009) suggests that Kuwait has developed a reputation as a challenging place for business. Inward foreign direct investment in Kuwait lags way behind the rest of the GCC. During the last 50 years the increase in oil revenues have led to the development of an 'allocation state' (Luciani, 1990) in Kuwait, where oil revenues are redistributed to citizens thus decreasing the interdependence of the private sector and government (Hvidt, 2007).

Kuwait's economy can be considered an extreme form of rentierism, in which the majority of the economic activity is based on the oil industry. While other rentier states in the region have been able to successfully adopt economic diversification strategies, the unique form of 'popular' rentierism (Yom, 2011) has created challenging conditions for economic development and diversification. Kuwait's popular rentier system combines characteristics of other Gulf rentier states with the uniquely participatory political system that is responsive to internal social forces and the vulnerability and influence of external relations (Gray, 2011). Formal and informal political participation in Kuwait is tied to unique historical roots that differentiate it from other Gulf States, and thus the relatively democratic political system has been maintained despite the rentier system (Segal, 2012).

Kuwait has the strongest parliament in the GCC, whereby the parliament is able to vote no confidence in individual ministers. The parliament is made up of individuals elected through free and fair elections and there is nearly universal adult suffrage¹⁷. The parliament's power thus results in the ruling family appointing ministers who are responsive to the parliament and avoid offending the majority within parliament. As a result the structure of the Kuwaiti political system tends to support political deadlock. Thus, many of the large scale economic reforms or infrastructure projects are held up by the political system.

The private sector in Kuwait often places the blame for the economic problems at the country on the National Assembly. As one Kuwaiti economist said, "Kuwait has adopted the worst of democracy and the worst of dictatorship, the country lives on oil revenues, which makes it a temporary country" (Herb, 2009: 381). Different from other democratic capitalist political economic systems, the extreme rentier economy in Kuwait produces a situation where the large

level of natural resource wealth weakens the ‘threads of mutual interest’ that often tie together wage labor and capital (Herb, 2009). The Kuwaiti parliament does what it is supposed to, it represents the interests of the large number of citizens who rely on public sector jobs.

Another issue related to large scale developments is land ownership. Challenges that arise during tourism planning are often related to land ownership issues. In Kuwait, about 90 percent off the country’s real estate is owned by the government (not the ruling family), thus any private sector developments that require land, must secure it through government channels. Due to questionable development agreements in the past, the land has become “highly politicized” (Herb, 2009: 386). The Kuwait Government’s reluctance to sell land has lead to a bureaucratic system that restricted access for prospective developers and in some cases, halted approved BOT projects as a result of changing legislature and “bureaucratic inaction” (Herb, 2008: 389). In Kuwait, the majority of projects are developed under build, operate, transfer (BOT) mechanisms, in which the private sector finances, builds, and operates the developments for a specified time period. After this period the entire development is transferred back to the government, and the government retains the land title. While in most countries BOT are employed mostly for infrastructure projects, in Kuwait, they are used for almost all large scale projects. More on current BOT projects are discussed later in this paper. While some non-infrastructure BOT projects have been completed, many others have failed to see any movement because of bureaucratic differences. While the private sector wants the government to use oil revenue for development projects, the majority of Kuwaitis want to see the government distribute the revenues directly to the citizens (Herb, 2009).

One illustration of the impact of these political challenges to development can be seen in the turmoil over the Failaka and Bubyian island projects (discussed more later). In 2005 the government entity overseeing the development projects, the Dividend Zone Agreements & Kuwaiti Islands & Mega Projects Development Team (Dizart), was dissolved and replaced with the Mega Projects Agency. The newly formed MPA answers directly to the Ministry of Public Works. The dissolution occurred amidst criticism by the nine prequalified investor groups, and the lack of necessary political clout to move the projects forward. The MPA, however, is made up of the same staff with the same duties, with just a name change (MEED, 2005).

In addition to the issues related directly to the development of major projects and the business climate, the parliamentary instability during the last decade has also hampered economic reforms and progress on major projects. As a consequence the more economically progressive and liberal voices have been marginalized by the election of more conservative representatives and the overall popular support for the current system that redistributes the oil wealth directly to the citizens. Since 2006, the Emir has used his constitutional power to dissolve parliament and call for new elections four times. According to one newspaper editorial (Gulf News Editorials, 2008), much of the instability can be attributed to allegations of corruption and a continual lack of cooperation between ministers and the opposition-dominated parliament. Many in the private sector see the constant political logjams and the ‘snap’ elections as being detrimental to the ongoing development projects (Kerr, 2011). The most recent elections in February 2012 resulted in the opposition bloc, made up of Sunni Islamist and tribal candidates, winning 34 of the 50 seats in parliament. There are fears that the increased power of the Islamist-Tribal coalition could further destabilize the sectarian harmony. The country’s tribal structure

and growing Islamism have largely sidelined the more liberal and socially progressive political movements in the country and represent two distinct threads of opposition to the Shia ruling elite (IISS, 2012). The result of the parliamentary instability has been that the majority of members of the opposition, fueled by the public allegations of corruption and lack of transparency by the executive branch, could continue to appease popular opinion, and thus interfere with the development process including many of the urgently needed infrastructure projects. Additionally, mega development projects and economic diversification/liberalization policies have been sidetracked due to the infighting between government, parliament, the public and other bureaucratic interests groups due to the uniquely democratic political system (Hertog, 2010)

Amidst this political turmoil, the executive branch has spearheaded a series of economic reforms in the country, as part of the “Kuwait Vision 2035” plan. These reforms include new capital markets, labor and privatization laws, and \$115 billion investment undertaken by public and private sectors (IISS, 2012). The reform agenda includes several key reforms. The plan includes the reduction of the 'red tape' surrounding starting and operating a business, and increased access to land and capital for startups. Additionally, the plan supports the auctioning of government land and to engage the private sector in the development of public land. The plan also calls for increased privatization to reduce public sector employment growth, salaries, and expenditures (UK Trade & Investment, 2011).

ECONOMIC REFORMS AND DEVELOPMENT PROJECTS

With oil comprising a majority of the GDP and a climate that does not support much agriculture, the diversification of Kuwait’s economy is an important step for future stability. While some GCC countries have taken different approaches (i.e., government or private funding), all GCC countries have a shared vision of regional growth through economic diversification (e.g., manufacturing, health care, education, and tourism) (Rice & Mahmoud, 1996). The Kuwait Vision 2035 is a series of 5-year plans through 2035 with the goal of transforming “Kuwait into a financial and trade hub for investment, in which the private sector leads economic activity, fueled by the spirit of competition, and raising the efficiency of production in under a supporting institutional State agency, establishes values, preserves the social identity, achieves balanced human development and provides appropriate infrastructure, improved legislation and encouraging business environment” (Zawya, 2011). This plan will attempt to remove bureaucratic barriers to the private sector, increase government agency effectiveness, and increase access to land, among other high impact reforms (Al-Jazzaf & Al-Mutairi, 2009).

To accomplish this, Kuwait has proposed several developments in line with the government’s 3rd Master Plans. The purpose of Kuwait’s 3rd Master Plan is to define the goals and policies for future developments and describe the use of land during the next 30 years (Helmy, 2011). The 3rd Master Plan is considered the first phase of the Kuwait Vision 2035 because it enables legislation and policies to accomplish the vision’s goals. The new policies aim to attract more private sector participation, especially in housing development. For example, in the past private investors and contractors were not supportive of governmental contracts for welfare housing, citing low financial return and government legislation that decreases private investments by providing units to welfare participants for free (Helmy, 2011). The 3rd Master

Plan and sub phases aim to increase private sector participation “by reducing the ownership and supervision from the public sector in many economic sectors” (Helmy, 2011: 15). These reforms will have a large impact on future tourism developments, as many of the mega projects include mix-use facilities combining housing, retail, leisure, and tourism projects.

The most recent phase of the 3rd Master Plan, Kuwait’s Five-Year Plan (2010) includes 1,100 oil and non-oil economic projects with an estimated cost of \$125 billion. These projects include hospitals, housing, a highway system, airport improvements, and tourist attractions. To balance the high costs and retain ownership, the government will employ, in most cases, the “build, operate, transfer” (BOT) mechanism to complete these projects developments. Dictated by Kuwait law, BOTs rely on private Kuwait corporations to construct and operate projects with an understanding that the infrastructure and operations will be turned over to the government after a period of time. BOTs provide a revenue opportunity for private businesses and the government benefits from gaining infrastructure and delaying operational costs for 30 to 40 years. This law is mutually beneficial in some respects, however the ultimate beneficiary is the Kuwait government. Despite the inevitable transfer of operations and infrastructure to the government, some private companies (e.g., Injazzat Real Estate Development Company K.S.C.) take pride in public good BOT developments. Injazzat believes BOT projects are “advantageous, as the private sector clearly possesses the knowledge and ability to deliver projects on time and budget” (Injazzat, 2007). One example of a successful BOT development is the Sulaibiya wastewater treatment and reclamation facility; a 30 year contract in operation since 2004, this facility secures untreated water provided by the government, treats the wastewater, and then sells the treated water back to the government (Al-Otaibi & Abdel-Jawad, 2007). Projects such as the Sulaibiya Treatment facility, however, were under criticism in 2006 when “financial and administrative violations” (Al-Qaheri & Al-Mejren, 2009: 330) surfaced and the government responded by enacting new regulations on BOT developments in 2008. The past legislature on BOT developments led to the private sector’s misuse of public funds and lack of sufficient public revenue from projects (Al-Qaheri & Al-Mejren, 2009). There are several issues and obstacles that BOT developments face (Helmy, 2011); including, delays due to long documentation cycles, lack of human resources with project implementation skills, and lack of vacant land due to governmental regulations. In order for Kuwait’s 3rd master plan to become successful, the government must consider these challenges and respond with attractive BOT regulations that streamline procedures and provides transparency (Helmy, 2011). Without consideration of the previous challenges to the BOT mechanisms, current and future reforms of the economic system might fall short of the goals laid out in Kuwait Vision 2035.

To enhance Kuwait’s economy, appearance, and citizen well being the government has approved projects such as, the Bubiyan Island Development, the Jaber Al-Ahmad Al-Sabah bridge expressway, the Jaber Al Ahmed Al Sabah Hospital, and Khairan Residential City. Bubiyan Island is Kuwait’s largest island and poised to become a trading hub with the development of an international port, a harbor, and residential areas. The new bridge is a 750 million KD endeavor to connect the developing Silk City with smaller cities on the fringe of Kuwait City via an overwater expressway. More citizen-oriented projects include a new hospital in Surra with advanced diagnostic and treatment capabilities and the space to accommodate 1,268 beds. In addition, residential projects such as the Khairan Residential City will provide housing for Kuwait’s growing population. This particular residential city is one of the largest

with 35,844 expected residential units. These developments and others, such as a new university campus capable of accommodating 40,000 students, will provide Kuwait and its people with the economic tools to compete in the global arena.

Planned Development Projects and the Tourism Industry of Kuwait

The Kuwaiti National Assembly passed a five year development plan that includes a total of 1,100 projects, including numerous Mega Projects, totaling an estimated US\$125 billion in spending (Kuwait Five Year Plan, 2010). The plan's main aim is to address economic pressures felt since the start of the global economic recession in 2008 by decreasing the country's dependence on oil. Among these projects are several that are aimed at increasing the economic revenues of international and domestic tourism.

Within Kuwait's new Five-Year Plan, there are several large projects that will contribute to the country's growing tourism industry. These developments include, Failaka Island, Madinat Al Hareer (or the Silk City), Kuwait International Airport expansions, and projects to beautify downtown Kuwait City and Sulaibikhat Beach through developments such as, greening projects, a new metro rail system, and "cultural and educational services and facilities, which [will help] stimulate both tourism and the economy in the country" (KMC Holding, 2007). The beautification projects of downtown Kuwait City and Sulaibikhat Beach have expected values of 20 million KD and 35 million KD, respectively. One key tourism development is Madinat Al Hareer; a city that will be built from the ground up and projected to be complete by the mid 2020's. The other key development is the addition of a new terminal at the Kuwait International Airport with construction expected in 2012; the project is planned to be completed in phases over the next 30 years (International Airport Review, 2008).

Madinat Al Hareer or the Silk City is an ambitious urban development in Subiya expected to take around 25 years to construct. Approved in 2008, construction of highways, roads, and support infrastructure has already begun. This \$94 billion (USD) development will provide 430,000 new jobs and will be home to 750,000 residents, a National Wildlife Sanctuary with an eco-tourist resort, a financial center, a duty-free trade zone, a new airport, convention facilities, an Olympic stadium and other sports facilities, and the Mubarak Al Kabir Tower (which upon completion will be the tallest building in the world with over 200 floors). This project also incorporates the Bubiyan port development and the Jaber Al-Ahmad Al-Sabah Bridge connecting the Silk City with Kuwait City via two man-made islands. The city will support four major districts known as, Finance City, Leisure City, Culture City, and Ecological City. According to the firm spearheading the Silk City project, these four city centers "match the demands of [Kuwait's] contemporary society for new places to work, relax, learn, and preserve the natural heritage of [the] land" (Civic Arts, 2011). Finance City will become a new global business, commerce, and trade center. This will be accomplished by its proximity to the planned international airport and bridge to Kuwait City, giving global investors easy access to the district. Leisure City is located near the estuary of two major rivers providing beaches and waterways for leisure pursuits. In addition to vacation attractions such as, resorts, hotels, and rental properties, Leisure City will include an athletic center, academies of sports and sports medicine, and sporting complexes designed for large-scale international events. Cultural City will rest on the tip of the Subiyan peninsula and will give citizens a place for cultural knowledge and academic,

diplomatic, and policy research, as well as centers for performing arts. Lastly, Ecological City will feature the region's nature preserve, in addition to an ecological research facility. This district will also become an ecotourism destination providing views of the desert preserve and educational information about the wildlife. Silk City and its surroundings will attract international tourists with its innovation and excitement, similar to Abu Dhabi and other Middle East destinations.

The completion of the new terminal at Kuwait International Airport outside of Kuwait City is expected in 2016. This terminal will have the capacity to service 50 million passengers annually, with the first development phase set to accommodate 13 to 25 million annual passengers. Due to the structure's location and arching design, there will be enough space to operate between 30 and 51 gates and jet ways after the first phase of construction. In subsequent phases a second passenger terminal will be constructed and the capacity is expected to increase to 100 gates and jet ways. To service the new terminals, infrastructure projects such as, new roads and access points, two parallel runways, maintenance facilities, hangers, fuel depots, a rail system, and an installation of the Kuwaiti Al Mubarak Air Force Base. This terminal will not only be flexible enough to accommodate millions of travelers and larger aircraft (i.e., Airbus A380), but will also be one of the most environmentally friendly terminals in the world with the goal of a "Gold" LEED certification upon completion. With concrete construction, the terminal structure will have thermal mass and the roof will utilize photovoltaic cells for terminal operations. The terminal will offer lush landscaping to provide aesthetics and comfortable microclimates. Curtain buildings such as the parking structure will be incorporated into the landscape, adding to the terminal's natural appearance. The new terminal at Kuwait International Airport will also act as a symbol of economic security and pride for Kuwait's citizens. This project will provide employment opportunities as well as a culturally inspired icon for the State of Kuwait.

CONCLUSION

All of these developments will provide a huge expansion of the necessary infrastructure for growth of the tourism industry in Kuwait. However, the planned development of Failaka Island will be the centerpiece in the strategy for Kuwait to emerge as a competitive tourism destination. The development plan for Failaka is to create an 'iconic' destination that will move Kuwait onto a competitive alternative to Dubai, Abu Dhabi, and Qatar as a leading destination for international long-haul, regional, and domestic tourists.

The development of Failaka Island is an integral part of Kuwait's future tourism development plans. Recent economic reforms provide hope for the success of the Failaka Island development, which has been stifled in the past. There have been several development plans for the island dating back to the 1960s which have been hampered by the political and economic landscape of Kuwait. The magnitude of the current development also poses a challenge of balancing the large-scale development of the island and the preservation of the natural and historical richness of the island. When examined within the context of the overall political and economic landscape of Kuwait, the feasibility of these proposed mega projects is questionable, as is the future expansion of the tourism industry in Kuwait.

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