



Kuwait

The Kuwaiti dinar was introduced in 1961 under the Kuwait Currency Board which had the authority to issue notes and coins. The Central Bank of Kuwait (CBK) was established in 1969 with a wider role in setting monetary policy. From March 1975 – January 2003 Kuwait fixed its exchange rate to an undisclosed currency basket which was estimated to be heavily weighted in USD. Kuwait changed its exchange rate regime to a +/-3.5% band around a central USD parity (0.29963/USD) in January 2003 as other Gulf Cooperation Council (GCC) countries moved their SDR pegs to official USD pegs in the run up to the proposed GCC common currency in 2010. In May 2007, the country reverted back to a peg against an undisclosed currency basket against a backdrop of broad-based USD weakness and rising inflation. Our estimate for basket composition is 75% USD, 16% EUR, 5% JPY, 4% GBP.

CBK's principle activity is to issue the Kuwaiti Dinar on behalf of the State of Kuwait. It is also mandated with assisting the growth of the national income and controlling the banking system in the country.

The dinar is fully deliverable and convertible.

