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By Mike Knowles

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Kuwaiti wholesale market receives US\$49m



The Al Forda wholesale centre. Photo: Jotun

New funding will allow developer Al Wafir to expand Kuwait's central fresh fruit and vegetable market

The fresh produce wholesale business in Kuwait is to benefit from new financial investment after it was confirmed that Al Wafir Marketing Services, the company responsible for running the country's central fruit and vegetable market, has been granted new financial backing for plans to redevelop and expand the market.

According to a press release, the company will receive a loan worth KD14m (US\$49m) that will be put towards extending the reach of the existing Al Forda fresh produce wholesale market in Sulaibiya, possibly by venturing into new areas of the fruit and vegetable supply network.

Othman Al Sumait, chairman of Al Wafir, said the loan would open new doors

for the market and its wholesalers. "As the exclusive operator of Kuwait's central wholesale market for fruits and vegetables, Al Wafir plans to leverage its expertise by entering into a number of businesses related to the food supply chain," he commented. "We expect this expansion strategy to greatly enhance shareholders' value and to position Al Wafir as a leading player in the wholesale food sector."

Loai Mukamis, chief executive officer of Kuwait International Bank (KIB), which provided the loan facility, said the bank had been keen to adopt what he described as "lucrative" projects whereby companies are running operations under so-called BOT (buy-operate-transfer) schemes.

A member of the World Union of Wholesale Markets, Al Wafir Marketing Services was established in 1998 for the purpose of developing the central fruit and vegetable market for wholesalers under a BOT scheme from the Kuwaiti government.

The market will be operated as a monopoly by Al Wafir until the end of June 2029, at which point control of the infrastructure will be handed back to the government.

The company said it had plans to expand in the region through the establishment of similar projects and other food-related businesses.