

Kuwait Quarterly Newsletter

Issue 16/2025 – Economy & Projects update
September 2025



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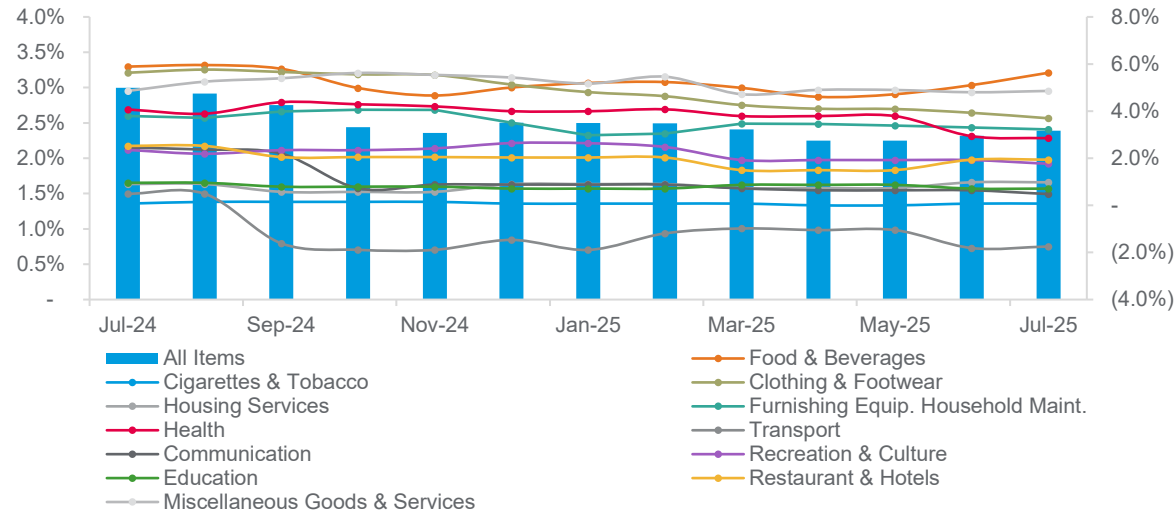
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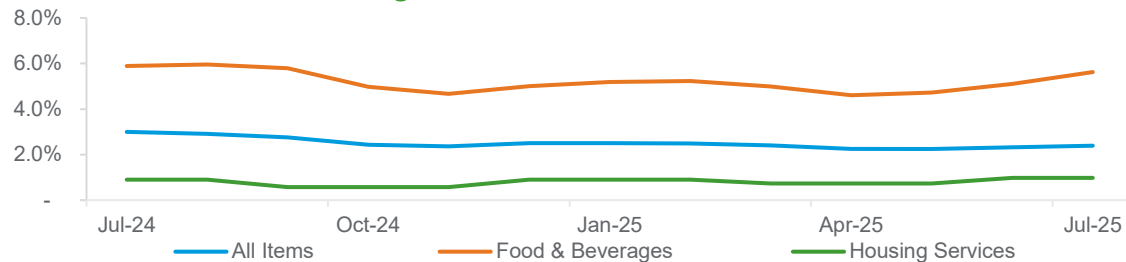


Macroeconomic update

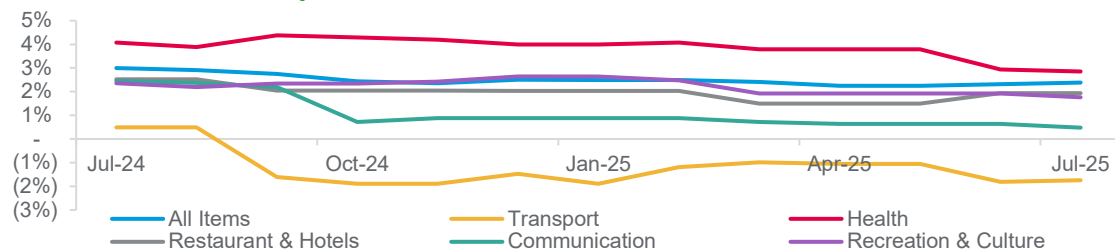
Consumer Price Inflation and Key Components (% YoY)



Inflation in F&B, and Housing Services



Inflation in Other Components



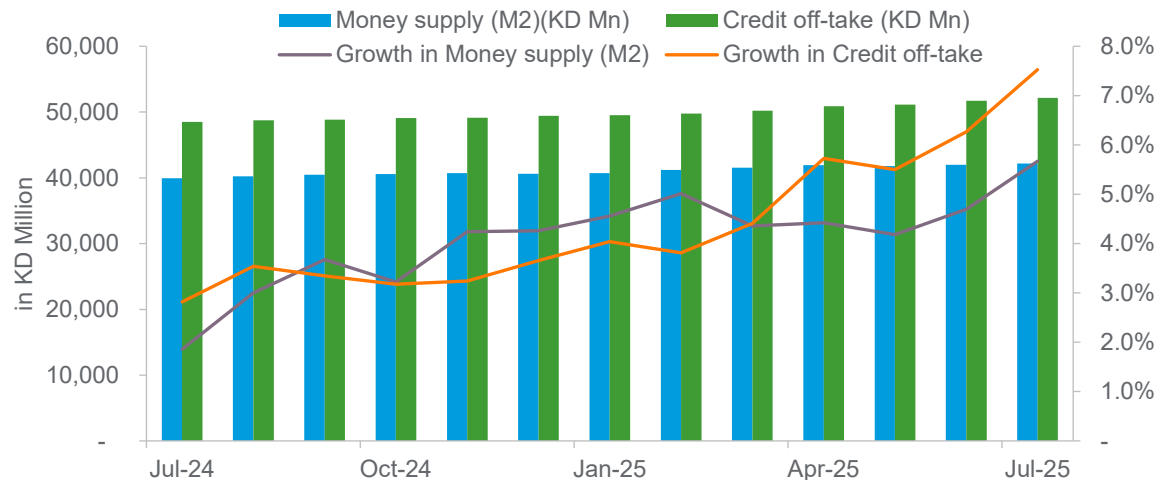
Consumer Price Inflation (CPI)

Kuwait's annual inflation, as measured by the Consumer Price Index (CPI), reaches 2.4% y/y, with a monthly increase of 0.22% in July 2025, bringing the CPI to 137.2 points.

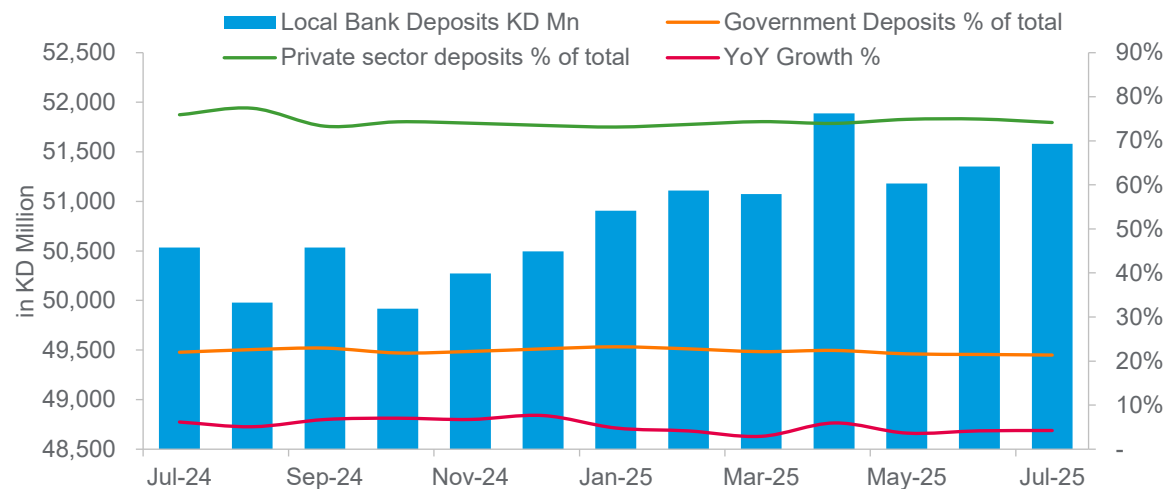
- The year-on-year increase was fueled by higher prices across several key sectors, particularly food & beverages (+5.63%), driven by global supply chain disruptions and rising input costs. Notable increases were recorded in food subcategories, such as cereals, bread, meat, poultry, fish and seafood.
- Housing services grew 0.98% y/y, mainly due to higher rental prices, while furnishing equipment, household maintenance segments saw a 3.22% y/y gain and a 0.14% monthly rise, driven by higher costs for household textiles, glassware, tableware, and utensils.
- Clothing and footwear prices increased by 3.70% y/y and 0.27% m/m, driven by higher costs in apparel and footwear. The health sector saw a 2.85% increase, while education costs remained unchanged on a monthly basis but increased by 0.71% annually. Conversely, transportation costs declined by 1.75% y/y, primarily due to lower vehicles and transport services prices.
- Other sector, such as the restaurant & hotels, and miscellaneous goods services saw moderate to significant increases, while communication costs remained stable monthly.

Macroeconomic update... Cont'd.

Growth in Money Supply and Credit Off-Take



Local Bank Deposits



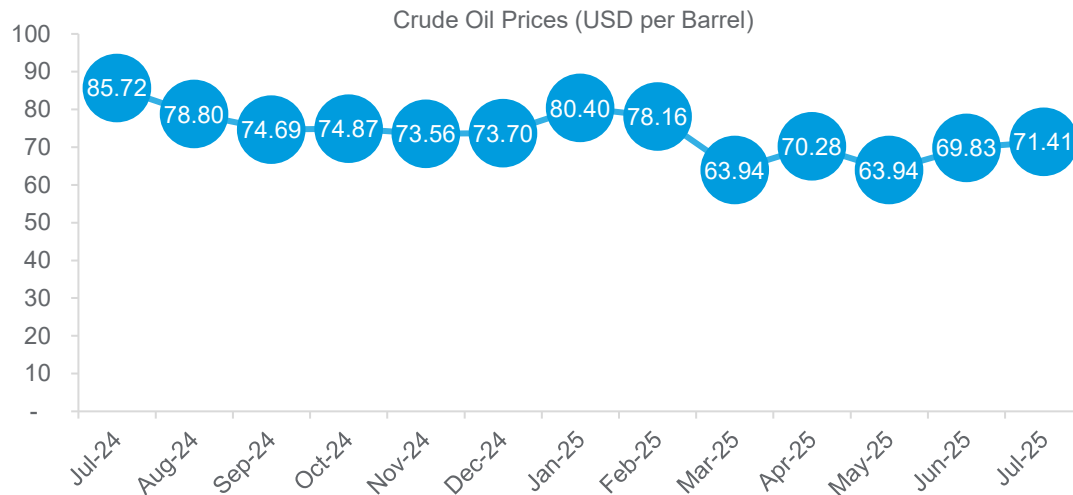
Money Supply and Local Bank Deposits

Money Supply (M2) and credit facilities maintained strong year-on-year growth in July 2025.

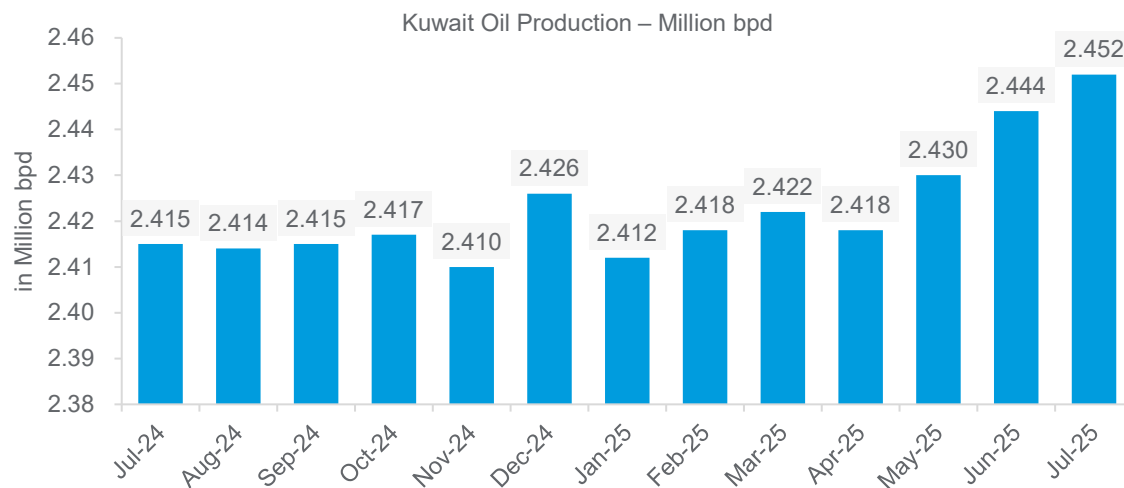
- Kuwait's broad money supply (M2) increased by 5.67% y/y in July 2025, reaching KD 42.18 billion, up from KD 39.92 billion in July 2024. On a monthly basis, it grew by 0.48% from KD 41.99 billion in June 2025.
- Credit facilities extended by local banks remained stable, with an annual growth rate of 7.53%, reaching KD 52.17 billion in July 2025, up from KD 48.52 billion in July 2024. The growth momentum in both indicator has notably accelerated since 2024, indicating improved liquidity and increased lending activity.
- Meanwhile, bank deposits at local banks decreased by KD 0.31 billion from April 2025, reaching KD 51.58 billion in July 2025. This decline was primarily driven by a KD 0.12 billion drop in private sector deposits in local currency, which decreased to KD 38.25 billion from KD 38.37 billion over the same period.
- Private sector deposits remain the largest component, accounting for 74.2% of total deposits, while government deposits increased by KD 0.07 billion, rising to KD 4.38 billion in July 2025 from KD 4.31 billion in April 2025.

Macroeconomic update... Cont'd.

Growth in Kuwait Oil Basket Prices



Movement of Kuwait Oil Production



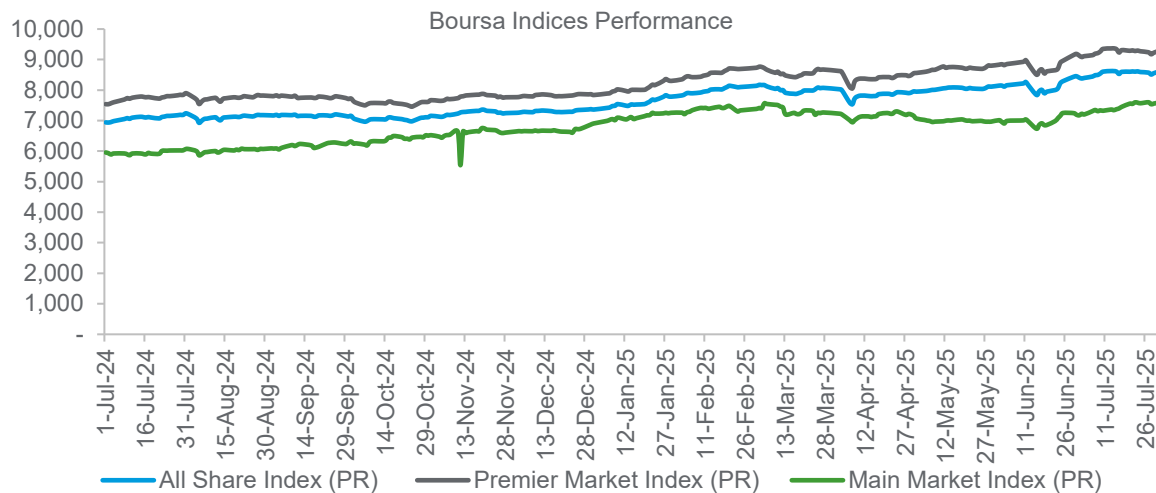
Monthly Oil Production and Oil Price

Kuwait's crude oil prices rebounded in July 2025

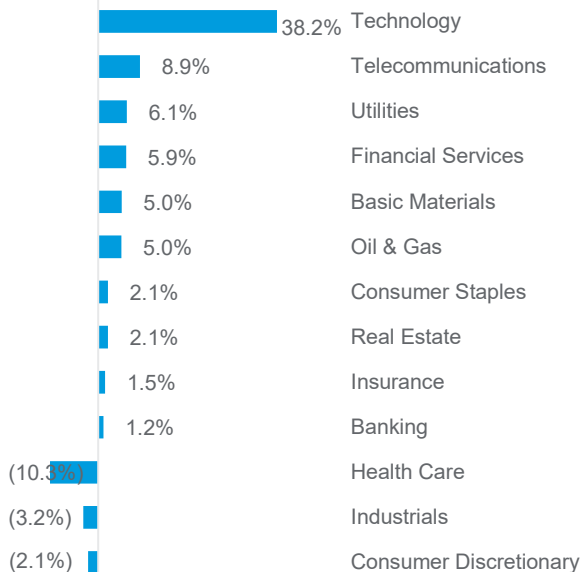
- Kuwait's crude oil prices increased by 2.3% in July 2025 to an average of USD 71.41 per barrel, up from USD 69.83 per barrel in June, driven by geopolitical tensions in the Middle East. The rebound reflects a balance between rising OPEC+ output and tightening conditions in the physical market.
- Kuwait's crude oil production has been steadily recovering since April 2025, following measures taken by the Saudi-led OPEC+ group to accelerate the resupply of 2.2 million barrels per day of crude that was withdrawn from the market during 2023-2024. Kuwait's production, which declined to its lowest level in over two years at 2.41 mb/d last November, increased to 2.45 mb/d in July 2025 and is on track to reach 2.55 mb/d by Q4 as withheld volumes are restored.
- In related developments, Saudi Arabia and Kuwait recently announced a new oil discovery in the North Wafra-Wara-Burgan field, located near the border within the partitioned zone. The Wara reservoir produces over 500 barrels per day with an API gravity of 26–27. This marks the first discovery since joint operations resumed in mid-2020 and underscores both countries' strategic importance as reliable energy suppliers, highlighting ongoing exploration and production capabilities in shared fields.

Boursa Financial Market Performance

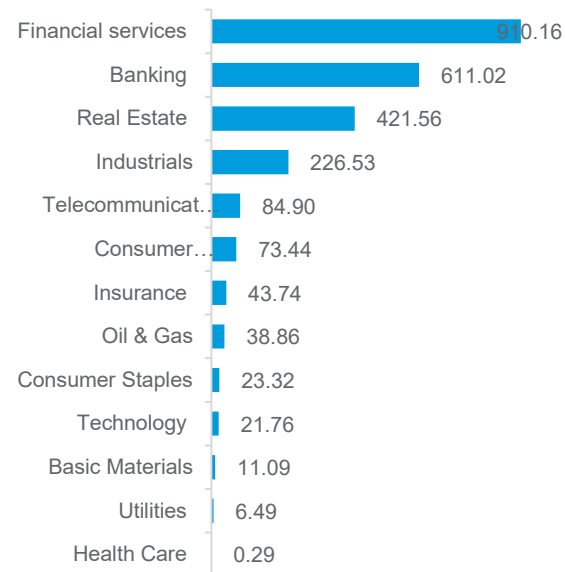
Kuwait Boursa – Key Index Performance



Monthly Sector Performance (%)



Monthly Value Traded (KD Mn)

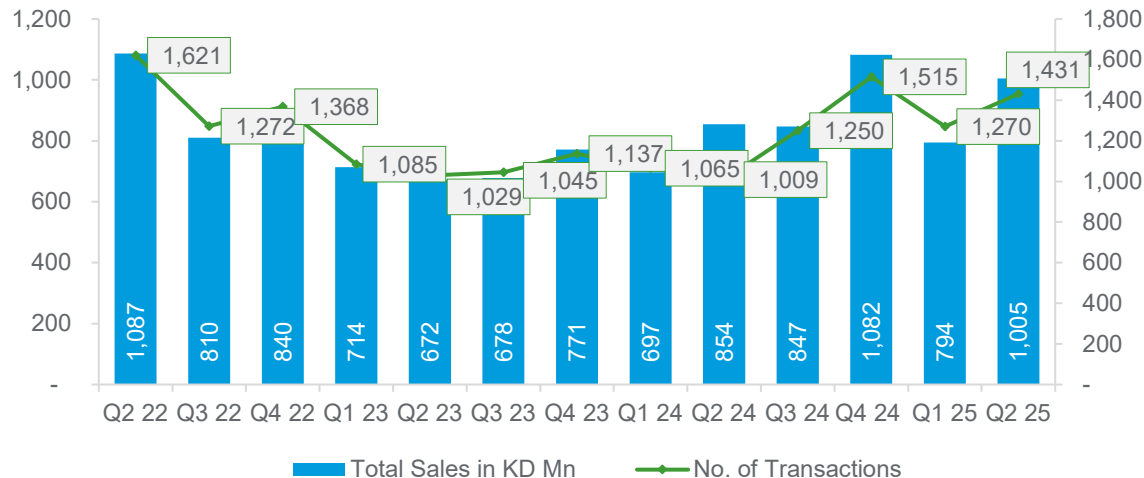


Kuwait Boursa – Key Index Performance

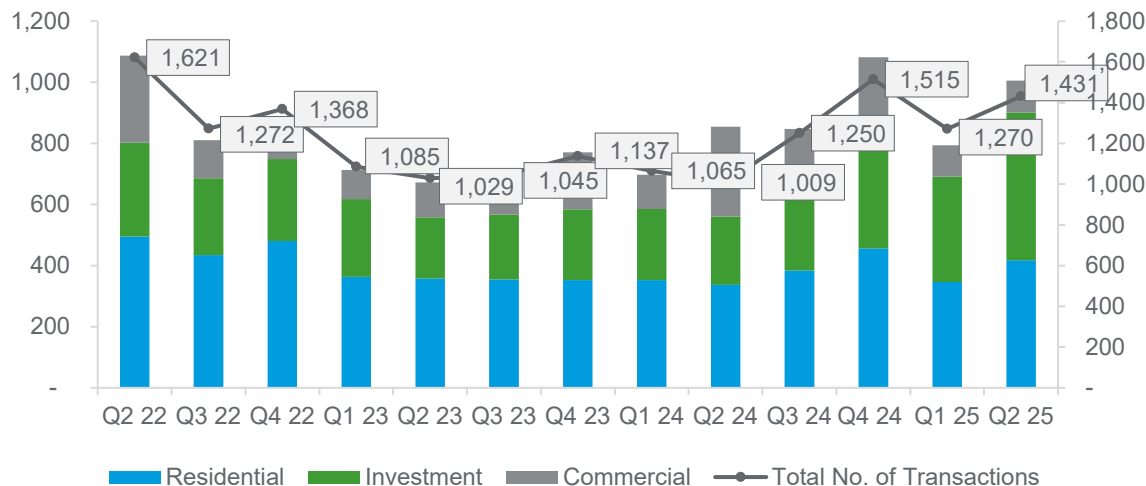
- Boursa Kuwait extended its positive trend for the third consecutive month in July 2025, driven mainly by strong performance in mid- and small-cap stocks. The Main Market Index climbed 5.83%, while the Premier Market Index recorded a modest uptick of 1.16%, resulting in a 1.92% gain in the All-Share Index, which closed at 8,617.83 points.
- Year-to-date, Kuwait remains one of the GCC's top-performing markets, with the All-Share Index up 17.0%, the second-highest after DFM, supported by an 18.6% rise in the Premier Market and a 10.2% gain in the Main Market.
- Sector performance in July 2025 was mostly positive, with 10 out of 13 sectors closing higher. The technology sector led the gains with a 38.2% surge, followed by the telecom sector (+8.9% on broad-based growth across its constituents). The Utilities and Financial Services sectors increased by 6.1% and 5.9%, respectively. On the downside, the Healthcare sector fell sharply by 10.3%, while Industrials and Consumer Discretionary indices declined by 3.2% and 2.1%, respectively.
- Trading activity rebounded strongly in July 2025, with both monthly volume and value showing significant growth. Total traded volume increased by 59.1% to 14.71 billion shares, up from 9.24 billion shares in June 2025. Similarly, total traded value increased from KD 2.08 billion in June to KD 2.47 billion in July 2025.

Kuwait Real Estate Market

Overall Real Estate Sales (Q2 2022 to Q2 2025)



Real Estate Segments Sales (in KD Mn)



Kuwait's Real Estate Market

Kuwait's real estate sales rebound in Q2 2025 driven by a large, one-time transactions in the investment sector

- Kuwait's real estate sales totaled KD 3.63 billion in 2022, before falling to KD 2.83 billion in 2023, mainly due to weaker residential and investment activity. However, sales rebounded in 2024 to KD 3.48 billion, with continued strength into the first half of 2025. The residential sector remained the largest contributor, with sales declining from KD 1.93 billion in 2022 to KD 1.43 billion in 2023 before recovering in 2024. Investment properties grew steadily from KD 0.77 billion in 2023 to KD 1.21 billion in 2024. Commercial sales, although smaller in volume, peaked in Q2 2024.
- Residential prices have recovered over the past year. In Q2 2025, overall residential sales increased by 20.8% quarter-on-quarter, marking strong growth since Q1 2024, and increased by 24.0% year-on-year, supported by a 48.7% rise in transactions. This may indicate a shift towards higher-value units in outer areas.
- Total transactions followed the sales trend, falling from 5,893 in 2022 to 4,296 in 2023, then rising to 4,839 in 2024, indicating a recovery in both activity and value across all segments.

Major Projects Update

- A. Kuwait Authority for Partnership Projects (KAPP)
- B. Infrastructure and Development Projects
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A. Kuwait Authority for Partnership Projects (KAPP)

Kuwait launches major Renewable Energy Projects with Substation and Solar Plant Developments

Kuwait's Ministry of Electricity, Water & Renewable Energy (MEWRE) has issued a USD 120 million contract for the construction of the Shagaya Z 400/132/11kV substation, which will support the Shagaya solar complex. Bids are due by 5th August 2025, with a pre-bid meeting scheduled for 20th July.

In addition, through the Kuwait Authority for Partnership Projects (KAPP), MEWRE has issued requests for proposals (RFPs) for its first large-scale 1,100MW photovoltaic solar plant at Al-Dibdibah and Shagaya, with bids due by 14th September. These projects are part of the third phase of Zone One of the Independent Power Project (IPP). KAPP had prequalified firms and consortiums for a developer concession. Unlike the solar projects, the Shagaya Z substation is being procured directly by the ministry on an EPC basis, with no transmission or distribution work included in the developer's scope.

Six prequalified firms and consortiums for Al-Dibdibah and Al Shagaya project

- Acwa Power (Saudi Arabia) / Alternative Energy Projects Company (Kuwait)
- Trung Nam Construction (Vietnam)
- EDF Renewables (France) / Abdullah Al-Hamad Al-Sagar & Brothers Company (Kuwait) /Korean Western Power Company (Kowepo, South Korea)
- Jinko Power (Hong Kong) / Jera (Japan)
- Abu Dhabi Future Energy Company (Masdar, UAE) / Fouad Alghanim & Sons General Trading Contracting Company (Kuwait)
- TotalEnergies Renewables (France)

Kuwait receives bids for 400kV overhead Transmission line

Kuwait-based Power Grid Company submitted the lowest bid of KD 48.67 million (USD 158.6 million) for a contract to install a 400kV overhead transmission line connecting the Shagaya Solar Transformer Station to the Subiya Power Station, also known as SWPS-2.

The planned OHTL network, aims to support Kuwait's renewable energy expansion as part of a broader multi-phase solar program. Two other bids were submitted by Larsen & Toubro and National Contracting Company. The project, tendered by the Ministry of Electricity & Renewable Energy (MEWRE), through the Kuwait Authority for Partnership Projects (KAPP) in October 2024, (as mentioned in our previous edition – Issue 15).

Kuwait extends bid deadline for 500MW Al-Dibdibah & Shagaya Solar Project

Kuwait's Ministry of Electricity, Water & Renewable Energy (MEWRE), in collaboration with the Kuwait Authority for Partnership Projects (KAPP), has extended the prequalification deadline for the 500MW Zone 2 of the Al-Dibdibah and Shagaya Phase 3 solar projects. The new deadline is 21st August, moved from the original 24th July. Located in Jahra Governorate, the project will be developed under a 30-year independent power producer (IPP) model and will supply electricity to Kuwait's grid via a long-term purchase agreement.

Located in the Jahra Governorate, the project will be delivered under a 30-year independent power producer (IPP) model, with power sold to Kuwait's national grid through a long-term purchase agreement. The project forms part of Kuwait's 20-year energy strategy, which targets 22,100MW of renewable energy capacity by 2030 and net-zero carbon emissions by 2060. Advisory support is being provided by EY, DLA Piper, and DNV.

Kuwait reinvites bids for Consultancy Services for Nuwaiseeb Power & Water Plant contract

Kuwait's Ministry of Electricity, Water & Renewable Energy (MEWRE), through the Kuwait Authority for Partnership Projects (KAPP), has reissued a tender for consultancy services to support Phase 1 of the 3,600MW Nuwaiseeb Integrated Water and Power Plant. The scope includes support with the supply, installation, and maintenance of gas turbine units. Bids are due scheduled to be submitted by 12th August. The original tender, issued in 2022, was subsequently cancelled. This project is one of three major integrated power-water schemes in Kuwait, alongside Al-Zour North 2 and 3 and Al-Khiran 1.

B. Infrastructure and Development Projects

Kuwait announces USD 66 Billion Infrastructure and Development Plan for 2025–2026

The Ministry of Public Works (MPW) has unveiled a comprehensive development strategy for the 2025-2026 fiscal year, encompassing 66 projects across various sectors aimed at advancing Kuwait's infrastructure and public services. The key initiatives include:

- **Maintenance Engineering Sector:**
 - Construction of roads in northern agricultural regions
 - Development of roads in southern agricultural zones
 - Renovation, maintenance, and construction of ministry-owned buildings
- **Construction Projects Affairs Sector (14 large-scale projects):**
 - A specialized education schools complex
 - Headquarters for the Public Authority for Civil Information
 - A new correctional facilities complex
 - Building for the General Department of Investigations
 - A new detention facility
 - Permanent headquarters for the Ministry of Higher Education
 - Funaitees neighborhood community center
 - Office of the Minister of State for National Assembly Affairs
 - Volunteer work center
 - Headquarters for the Public Authority for Food and Nutrition
- **Planning and Development Sector:**
 - Implementation of 15 projects, including the new Information Systems Center
- **Administrative, Financial, and Legal Affairs Sector:**
 - Execution of 9 projects, alongside an internal development initiative
- **Transport Infrastructure (24 projects executed by the Public Authority for Roads and Land Transport):**
 - Construction of a dual carriageway connecting Saad Al-Abdullah City and Amghara Industrial Area.
 - Development and maintenance of roads, bridges, stormwater drainage, and sewage systems in Kabad–Sulaibiya Industrial Area, including sections of Route 604.

This comprehensive plan reflects the ministry's commitment to enhancing living standards, optimizing public services, and advancing Kuwait's national development objectives.

Bidding underway for Al-Mutlaa City construction packages

Kuwait's Public Authority for Housing Welfare (PAHW) has received bids from nine contractors for the N12 sector and eight for the N5 sector of its Al-Mutlaa City residential project. The tenders, issued in March, encompass public building construction and infrastructure works. The lowest bids for both packages were submitted by Contractor Trading & Contracting, each amounting to USD 62 million.

Located northwest of Kuwait City, the project spans 104 square kilometers and is designed to accommodate up to 400,000 residents, featuring residential, commercial, and industrial zones. France's Egis is overseeing project logistics and cost management. Al-Mutlaa City is a part of Kuwait's Vision 2035 strategy, supported by a KD 1.7 billion budget for over 90 projects in 2025-26. The construction sector is expected to grow at an annual rate of 7.1% through 2028.

Bidders for the N12 sector and their prices:

- The Contractor Trading & Contracting – USD 62 million
- Wara Construction Company – USD 67 million
- United Building Company - USD 67.7 million
- Private General Trading & Contracting Company – USD 68 million
- HOT Engineering & Construction – USD 68.1 million
- Kuwait Industrial Centre Company – USD 69.8 million
- Doha Group Trading & Contracting – USD 71 million
- Combined Group Contracting – USD 76.6 million
- Khalid Ali Al-Kharafi & Brothers – USD 76.9 million

Bidders for the N5 sector and their prices:

- The Contractor Trading & Contracting – USD 62 million
- Wara Construction Company – USD 67 million
- United Building Company – USD 68 million
- Private General Trading & Contracting Company – USD 68 million
- Al-Dar Engineering & Construction Company – USD 69.5 million
- Kuwait Industrial Centre Company – USD 69.9 million
- Combined Group Contracting – USD 76.7 million
- Khalid Ali Al-Kharafi & Brothers – USD 77.6 million

B. Infrastructure and Development Projects... Cont'd.

Kuwait receives bids for two electricity distribution contracts

Kuwait's Public Authority for Housing Welfare (PAHW) has received bids for two significant electricity distribution projects, following the opening of submissions on 25th May 2025.

In the first contract, China's TBEA submitted the lowest bid of KD 38 million (USD 124 million) for the installation of 10 transformer stations (132/11kV) in zones N2, N4, and N6 within PAHW's South Sabah Al-Ahmed township. TBEA's bid is approximately 12% lower than the next lowest offer.

The second contract, for additional 132/11kV transformer stations in zones N1, N3, N5, and N11, received similar bids from the same companies. These projects are part of Kuwait's ongoing infrastructure expansion, with over USD 1.9 billion in substation and overhead line works currently underway, and total transmission and distribution contracts since 2020 exceeding USD 2.5 billion.

Lowest bidders for the two Electricity Distribution Contracts

- China's TBEA – KD 38 million (USD 124 million)
- National Contracting Company (Saudi Arabia) – KD 42.75 million
- Larsen & Toubro (India) – KD 42.94 million
- Al Ahleia Switchboard Company (Kuwait) – KD 43.5 million
- IMCO Engineering & Construction Company (Kuwait) – KD 43.9 million

Kuwait refers Subbiya gas turbine tender bids to MEW for review

The Central Agency for Public Tenders (CAPT) has submitted three proposals to the Ministry of Electricity, Water and Renewable Energy (MEW) for the Phase 2 of a tender to provide efficient and sustainable engineering services for the open-cycle gas turbines at the Subbiya Power and Water Distillation Plant. The Ministry has 30 days to evaluate and recommend bids.

Additionally, CAPT approved awarding a KD 7.396 million maintenance contract for the seawater reverse osmosis (RO) desalination unit at the Shuwaikh Power and Water Plant to the lowest qualified bidder, having confirmed full technical compliance. These initiatives support Kuwait's strategy to enhance the reliability and performance of its electricity and water infrastructure, especially during peak demand periods. Furthermore, CAPT approved the Ministry of Public Works to negotiate with seven qualified companies for a tender to supply and operate mobile wastewater treatment units in underserved areas, aiming to improve sanitation services and environmental conditions.

Kuwait's USD 5.8 billion Airport Terminal Expansion to complete by 2026

Kuwait's long-delayed USD 5.8 billion project to develop a second terminal at Kuwait International Airport is now on track for completion by the end of 2026. Initiated in 2017 and originally slated for 2022, the project faced multiple postponements. It encompasses three main packages:

- **Package 1:** Main construction led by Spain's Ineco – USD 4,329 million
- **Package 2:** Multistorey car park building, connection roads, bridges and landscaping works – USD 550 million
- **Package 3:** Aircraft parking, runways and service buildings – USD 950 million

Packages 2 and 3 are executed by Turkey's Limak Holding. The new terminal, designed by Foster+Partners and Gulf Consult, will accommodate up to 50 million passengers annually—three times larger than the current terminal. It features 36 gates and modern facilities. Despite recent airline withdrawals citing infrastructure and economic challenges, the project aims to deliver a state-of-the-art airport, coordinated by multiple international contractors to ensure smooth operations from day one.

Steady Progress in South Sabah Al-Ahmad Housing Projects

The Public Authority for Housing Welfare (PAHW) is making significant progress in the South Sabah Al-Ahmad Residential City, with key infrastructure milestones surpassing contractual targets as of June. Notably, infrastructure works such as main roads and multiple housing plots have exceeded expectations, reaching 54.37% completion compared to the targeted 49.66%. Specifically, the first phase of infrastructure covering 7,623 housing plots has achieved 10.69% completion (vs. 9.91%), the second phase covering 6,189 plots reached 19.22% (vs. 9.20%), and the third phase, encompassing 6,568 plots, advanced to 6.69% (vs. 3.34%).

Despite this progress, challenges remain, particularly groundwater infiltration in Suburb N11, prompting PAHW to engage a specialized firm to conduct soil treatment. Residents and officials continue to call for clearer, suburb-specific timelines and increased transparency to facilitate planning and address technical concerns effectively.

C. Oil and Gas Projects

Kuwait's MECC wins USD 70 Million central injection facility contract

Kuwait Oil Company (KOC) has awarded a USD 70 million contract to Kuwait's Mechanical Engineering & Contracting Company (MECC) for the installation of injection pumps at the Central Injection Pumping Facility (CIPF). The scope includes construction of an injection plant, installation of pumps, instrument control systems, chemical injection units, storage tanks, and other associated infrastructure.

MECC submitted the lowest bid, outperforming Heavy Engineering Industries & Shipbuilding Company (Heisco) and Alghanim International. The project aligns with Kuwait's broader strategy to increase oil production from 2.8 million to 4 million barrels per day by 2040, as part of a USD 30 billion upstream investment plan announced in January 2024.

List of Lowest Bidders for the Central Injection Facility Contract

- Mechanical Engineering & Contracting Company (MECC) – USD 70 million
- Heavy Engineering Industries & Shipbuilding Company (Heisco) – USD 73 million
- Alghanim International General Trading & Contracting Company – USD 76 million

KJO extends bid deadline for Dorra Gas field EPC packages

Al-Khafji Joint Operations (KJO) has extended the bid deadline for three engineering, procurement, and construction (EPC) packages of the Dorra gas field development project to 31st July 2025, previously set for 30th June 2025. The estimated USD 10 billion project is divided into four packages with the following bid timelines:

- 1) Package 1: Seven offshore jackets and intra-field lines; bids submitted on 2nd June 2025.
- 2) Package 2A: Seven production deck modules and corrosion-resistant pipes connecting to the gas compression plant; bid deadline to 1st July.
- 3) Package 2B: Compression and auxiliary platforms, an accommodation platform, trunklines, and cables connecting to the shoreline; bid deadline extended to 31st July.
- 4) Package 3: Onshore gas processing plant; bid deadline extended to 31st July.

The Dorra field, located in the Neutral Zone shared by Kuwait and Saudi Arabia, holds 20 trillion cubic feet of gas and 310 million barrels of oil. The two countries aim to jointly produce 1 billion cubic feet of gas per day, despite Iran's disputed claim over part of the field.

Bidders for the three offshore packages include:

- Lamprell (Saudi Arabia/UAE)
- Larsen & Toubro Energy Hydrocarbon (India)
- McDermott (US)
- NMDC Energy (UAE)
- Saipem (Italy)

Kuwait extends bid deadline for Jurassic Light Oil export project

Kuwait Oil Company (KOC) has extended the bid deadline for its KD 175 million (USD 569 million) project to develop Jurassic Light Oil (JLO) export facilities and upgrade the existing export network. The new submission date is 15th July 2025, revised from 24th June 2025.

Originally tendered in November 2023, the project has undergone multiple deadline extensions. In April 2025, KOC announced a list of 15 prequalified firms, including major international contractors:

List of prequalified bidders for the JLO Contracts

- | | |
|--|---|
| ■ CTCI (Taiwan) | ■ NMDC Energy (UAE) |
| ■ Daewoo (South Korea) | ■ Petrofac (UK) |
| ■ Fluor (US) | ■ Saipem (Italy) |
| ■ Hyundai Engineering & Construction (South Korea) | ■ Samsung Engineering Company (South Korea) |
| ■ Hyundai Engineering Company (South Korea) | ■ Sinopec Engineering Corporation (China) |
| ■ Hyundai Heavy Industries (South Korea) | ■ Sinopec Luoyang Engineering Company (China) |
| ■ JGC Corporation (Japan) | ■ Tecnicas Reunidas (Spain) |
| ■ Larsen & Toubro (India) | |

Kuwait's Jurassic Gas fields Infrastructure project set to begin by 2026

Kuwait Oil Company (KOC) is set to commence a major infrastructure project related to the development of Kuwait's Jurassic gas fields, with construction expected to begin before 2026. The contract, awarded in March 2025 to Kuwait-based Combined Group Contracting (CGC) for KD 19.2 million (USD 62.6 million), [was highlighted in our previous edition - Issue 15](#).

The scope of work includes laying pipelines, installing machinery, constructing a 16-inch feed trunk line from Umm Niqa, and the development of various facilities to connect the fields to production units. This initiative forms part of Kuwait's broader strategy to boost oil output from 2.9 million barrels per day (b/d) to 3.2 million b/d by 2025–26, aiming to reach 4 million b/d by 2035.

C. Oil and Gas Projects... Cont'd.

Kuwait extends bid timelines for Six Major upstream projects

Kuwait Oil Company (KOC) has announced an extension of the bid submission deadlines for six major upstream oil projects, collectively valued at approximately USD 2.5 billion. These initiatives are integral to Kuwait's strategic objective of boosting oil production to 4 million barrels per day by 2035. The projects encompass the following:

Description	Estimated Value	Bid Deadline
1) Separation Facility in North Kuwait (SA/BA Area) – Includes a facility near Gathering Centres GC-23 and GC-24, a new injection facility at GC-31, and effluent water injection networks.	KD 292 million (USD 951 million)	5 th August
2) Mutriba Remote Boosting Facility (Northwest Kuwait) – Scope includes development of the oil field, installation of degassing and separation units, and associated infrastructure.	KD 130 million (USD 420 million)	17 th August (originally 29 th June)
3) Effluent Water Injection Network (North Kuwait).	Approximately USD 100 million	5 th August
4) Injection Network for Sabriyah/Bahra (SA/BA) Area.	Approximately USD 100 million	5 th August
5) Jurassic Light Oil Export Facilities – Includes development of new facilities and upgrading the existing export network.	KD 175 million (USD 569 million)	3 rd August
6) Separation Facilities at GC-25 and Water Injection Facility at GC-30.	KD 104 million (USD 338 million)	10 th August

Kuwait receives lowest bids for Subiya Power plant upgrade

Kuwait-based Alghanim International submitted the lowest bid of KD 87.28 million (USD 286 million) for engineering services at the Subiya power and water plant. The project involves converting 250MW open-cycle gas turbines to a combined-cycle system. Alghanim has previous experience working with GE on power projects in Kuwait. The Subiya plant, the largest in the country, has a capacity of 7,046.7MW—accounting for 35% of Kuwait's total power generation—and produces 100 million imperial gallons of desalinated water daily.

Lowest bidders for the Subiya power and water plant

- Alghanim International General Trading & Contracting - KD 87,280,000 (USD 286 million)
- Al-Daw Engineering General Trading & Contracting - KD 92,398,000 (USD 303 million)
- Al-Zain United General Trading & Contracting - KD 95,318,378 (USD 312 million)

Kuwait advances USD 1 Billion Onshore gas processing project

Kuwait Gulf Oil Company (KGOC) is progressing with a nearly USD 1 billion project to develop an onshore gas processing plant next to the Al-Zour refinery, designed to process gas feedstock from the offshore Dorra field located in the Saudi-Kuwait Neutral Zone.

The plant, with a capacity of 632 million cubic feet per day (cf/d) of gas and 88.9 million barrels of condensates, is part of a broader development involving pipeline infrastructure and support facilities. France's Technip Energies is handling the FEED work, expected to conclude by year-end, with the main EPC tender anticipated in September. The plant will be located on a 700,000 square-meter site adjacent to the Al-Zour refinery, with ongoing discussions about site preparation. Additionally, the planned facility will also supply surplus gas to KPC's upstream business Kuwait Oil Company (KOC) for possible injection into its oil fields.

Kuwait seeks higher budget for Al-Mutlaa Fuel Depot project

Kuwait National Petroleum Company (KNPC) is seeking additional budget approval for its planned Al-Mutlaa New Fuel Depot project after Lebanon's Consolidated Contractors Company (CCC) submitted the lowest bid of KD 357.3 million (USD 1.16 billion), which is 43% above the project's target budget. The project remains pending final approval from KNPC's parent firm, Kuwait Petroleum Corporation (KPC).

The project scope includes new pumping facilities at the Mina Al-Ahmadi and Shuaiba refineries, cross-country pipelines, a local market depot, storage tanks, and fire and safety systems. Five firms participate in the bidding process, with close competition among the lowest offers. Internal discussions continue over the type of fuel to be stored, weighing the use of European-standards fuels against exporting lower-standard fuels.

Firms that submitted bids for Al-Mutlaa Fuel Depot Project

- Consolidated Contractors Company (Lebanon) – KD 357.3 million (USD 1.16 billion)
- Sinopec Louyang (China) – KD 358.4 million
- Heavy Engineering Industries & Shipbuilding Co. (Heisco)/(Kuwait) – KD 384.5 million
- Larsen & Turbo (India) – KD 413.7 million
- Open Tower General Trading & Contracting Company (Kuwait) – KD 505.5 million

C. Oil and Gas Projects... Cont'd.

Kuwait awards Infrastructure contracts worth KD 31.9 million

Kuwait's Combined Group Contracting (CGC) has signed two infrastructure contracts worth KD 31.9 million (USD 104.3 million) with Kuwait Oil Company (KOC). The first contract, valued at KD 19.2 million, involves installing a feeder trunk line in Umm Naqa area to connect existing Jurassic production facilities. The second, worth KD 12.7 million, covers the development of a gas export pipeline in western Kuwait, including engineering, procurement, and construction to boost gas export capacity.

Both projects, follows an Engineering, Procurement and Construction (EPC) model, aim to enhance Kuwait's gas export capacity. The contracts support Kuwait Petroleum Corporation's (KPC) broader strategy to boost oil production capacity by 33% by 2035 and to reduce emissions in line with its net-zero targets.

Kuwait tenders USD 80 million crude oil pipeline contract

Kuwait Oil Company (KOC) has issued a tender for a crude oil pipeline construction contract valued at approximately USD 80 million. A pre-bid meeting was held on 6 July, with bid submissions due by 26th August 2025. The project involves the development of crude oil pipelines and associated facilities and is expected to attract strong competition from local contractors.

The contract aligns with Kuwait's broader upstream expansion strategy, which aims to increase oil production capacity from 2.9 million barrels per day (b/d) to 3.2 million b/d by 2026 and 4 million b/d by 2035. The contract comes amid renewed project momentum following years of delays caused by political gridlock, which was eased after the suspension of parliament in May 2024.

Kuwait's PIC completes feasibility study for Olefins IV project

Kuwait's Petrochemical Industries Company (PIC), a subsidiary of Kuwait Petroleum Corporation, has completed feasibility studies for its planned Olefins IV project, valued roughly at USD 500 million. The project will utilize natural gas feedstock from Kuwait Oil Company (KOC). However, the project's timeline depends on confirming the availability of gas volumes, with further clarity expected once these are finalized. The Olefins IV project aligns with PIC's long-term strategy aims to expand its petrochemical portfolio and develop downstream products by 2040.

As part of this strategy, PIC has also acquired a 25% equity stake in selected assets of China's Wanhua Chemical Group, underscoring its commitment to growing its global petrochemical and derivatives business. Olefins—such as ethylene and propylene—are essential key raw materials used in the production of plastics, rubber, and a wide range of chemical products.

Kuwait tenders Flare Gas recovery units at Mina Al-Ahmadi Refinery

Kuwait National Petroleum Company (KNPC) has issued a tender for the development of three gas recovery units at the Mina Al-Ahmadi refinery. Valued at approximately USD 50 million, the project follows an engineering, procurement, and construction (EPC) contract model. It includes the installation of flare gas recovery units for the refinery, high-pressure gas plant, and acid gas plant. The front-end engineering design (FEED) was completed by Greece's Asprofos Engineering. A pre-bid meeting was held on 22nd July, with bid submissions due by 12th August.

The project supports Kuwait's broader efforts to reduce gas flaring, aiming for zero routine flaring by 2030 for upstream assets and by 2040 across all subsidiaries.

Kuwait receives bids for Separation Gathering Centre (GC-2)

Kuwait Oil Company (KOC) has received bids for its planned to install a separation gathering centre (SGC) known as SGC-2 project. UK-based Petrofac has submitted the lowest bid of KD 422.45 million (USD 1.37 billion) for the contract, more than double the project's provisional budget of KD 207 million (USD 670 million), but it was still lower than Larsen & Toubro's bid. The project, located in Kuwait's EK-2 region, involves installing a separation gathering centre and debottlenecking work.

The bidding process, initiated in June 2024 ([as mentioned in our previous edition – Issue 13](#)), saw prequalification of several international firms.

Firms that submitted bids for Separation Gathering Centre (GC-2)

- Hyundai Engineering & Construction Company (South Korea)
- Samsung Engineering (South Korea)
- Saipem (Italy)
- Sinopec Luoyang Engineering Company (China)
- Sinopec Engineering Incorporation (China)
- Tecnicas Reunidas (Spain)
- Larsen & Toubro (India)
- Daewoo Engineering & Construction (South Korea)
- Petrofac International (UK)
- GS Engineering & Construction (South Korea)

D. Other Sector Projects

Kuwait issues tender for Offshore structure revamp at Mina Abdullah Refinery

Kuwait National Petroleum Company (KNPC) has issued a tender to overhaul the offshore facilities at Mab Sea Island, located near the Mina Abdullah refinery. The island's structure is used for berthing 250,000 DWT tankers. The tender was launched on 27th July, with a pre-bid meeting scheduled for 5th August, and the deadline for submissions set for 26th August. This initiative coincides with KNPC's ongoing merger with Kuwait Integrated Petroleum Industries Company (Kipic), as part of a broader restructuring of Kuwait Petroleum Corporation (KPC) subsidiaries.

Kuwait receives bids for new South Arm facility at Shuaiba Port

The Kuwait National Petroleum Company (KNPC) has received bids for the development of a new South Arm facility at Shuaiba oil pier. Kuwait-based Canar Energy Services submitted the lowest bid of KD 147.9 million (USD 481.3 million), outperforming offers from Kuwaiti and Dutch competitors.

The project entails upgrading various facilities at Shuaiba port, including structures like the approach trestle and North and South Arm facilities. The North Arm facility consists of two berths, 31 and 32, and when operational, it loads refined products for both KNPC and state-owned Petrochemicals Industries Company.

Lowest bidders for New South Arm Facility

- Canar Energy Services Company (Kuwait) – KD 147.9 million
- Heavy Engineering Industries & Shipbuilding Company (Heisco) (Kuwait) – KD 204.1 million
- Archirodon (Netherlands) – KD 160.5 million

Heisco wins USD 45 million KOC contract as new tenders launched

Kuwait's Heavy Engineering Industries & Shipbuilding (Heisco) has secured a USD 45 million contract from Kuwait Oil Company (KOC) to repair and revamp oil production facilities in northern Kuwait, with a duration of 60 months. Meanwhile, KOC has also issued several new tenders, including contracts for oil-skimming vessels, road maintenance for northern and western oil fields, and works on manifolds and group trunklines in the north. Bid deadlines span from July to August 2025.

Kuwait awards KBR Design Contract for South Ratqa Heavy Oil project

Kuwait Oil Company (KOC) has awarded a contract to U.S.-based engineering firm KBR to provide front-end engineering and design (FEED) services for a project within its heavy oil program at the South Ratqa field. The initiative aims to boost heavy oil production, which was first discovered in 1979 and has experienced intermittent operations since, with production resuming in 2006 after disruptions caused by the Iraqi invasion in 1990. This project supports Kuwait's broader upstream development strategy to achieve a target of 4 million barrels per day by 2035.

Kuwait remediation projects reach 95% completion

Kuwait's Khalid Ali Al-Kharafi & Brothers Company, in partnership with Finland's Lamor, has completed 95% of two major environmental remediation contracts originally awarded in 2021 under the Kuwait Environmental Remediation Programme (KERP).

The two remediation projects and their original contract values are:

- 1) North Kuwait Excavation, Transportation & Remediation (NKETR) A – Sabria: Kharafi (Kuwait)/Lamor (Finland), with completion by November 2025, valued at USD 194 million.
- 2) South Kuwait Excavation, Transportation & Remediation (SKETR) A – Greater Burgan: Kharafi/Lamor, with due by January 2026, valued at USD 197 million.

Both contracts were extended to process an additional 1 million tonnes of contaminated soil after Kuwait Oil Company (KOC) identified new contamination areas linked to the 1990–91 Gulf War. Al-Kharafi procured USD 15 million worth of machinery from Ireland's CDE Group to support the extensions.

Alghanim International progresses on Kuwait's USD 153 million remediation project

Kuwait-based Alghanim International is progressing on schedule with its USD 153 million contract for the South Kuwait Excavation, Transportation and Remediation (SKETR) Zone B project, which is expected to be completed by 2027.

Awarded in 2022, the project is part of the Kuwait Environmental Remediation Programme (Kerp), established by the UN Compensation Commission. It involves extensive activities such as excavation, remediation, soil treatment, site restoration, and the construction of disposal and treatment facilities. The project aims to address ecological harm caused by the Gulf War and is the largest environmental remediation effort in the world.

RSM in Kuwait

Arraya Tower – Floors 41 & 42
Abdulaziz Hamad Alsaqar St. - Sharq
P. O. Box 2115, Safat – 13022, State of Kuwait
W: www.rsm.global/kuwait
T: +965 22961000 F: +965 22412761
E: connect@rsm.com.kw

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