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KUWAIT QUARTERLY NEWSLETTER

ECONOMY & PROJECTS UPDATE – ISSUE 18

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MACROECONOMIC UPDATE

The inflation levels measured by consumer price index (CPI) marginally increased to 3.4% YoY in November 2016 as compared to 2.9% YoY in August 2016, as mentioned in our previous edition (Issue 17).

- ❖ Food and beverages prices rose to reach 0.2% YoY in November 2016 as compared to a decline of 0.2% YoY in August 2016. Inflation in this segment has been weak as global food prices continues to show a declining trend during the same period.
- ❖ The prices of transport witnessed a major increase to reach 10% YoY in November 2016 as compared to decline of 1.9% in August 2016. The increase resulted from the 50–60% hike in fuel prices during the period, which pushed transport service costs (taxi fares in particular) and operation of personal transport equipment higher.
- ❖ The prices of housing services continued to increase to reach 7.4% YoY in November 2016 as compared to 7.3% YoY in August 2016.
- ❖ Whereas, inflation in health component remained unchanged at 1.9% YoY in November.
- ❖ However, components such as tobacco & narcotics, clothing & footwear, furnishing equipment, household maintenance, communication, recreation & culture, education, restaurant & hotels and miscellaneous goods & services slowed down in terms of inflation in November 2016 as compared to August 2016.

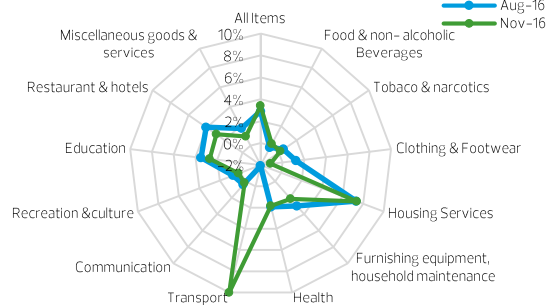
Money supply (M2) growth increased by 6.5% in November 2016 compared with August 2016

- ❖ Kuwait's broad measure of money supply (M2) increased by KD 0.39 billion from August 2016 to reach KD 35.68 billion in November 2016, a YoY growth of 6.5%. The rise in M2 is mainly attributed to the increase in quasi money which grew by KD 0.17 billion from August 2016 to reach KD 26.18 billion November 2016.
- ❖ However, credit facilities extended by local banks to residents decreased by KD 0.46 billion from August to reach KD 34.02 billion in November 2016. The personal facilities also reduced by KD 0.12 billion during the same period mainly due to decrease in purchase of securities by KD 0.30 billion.
- ❖ Bank deposits at local banks increased in November 2016 by 7.4% YoY to reach KD 40.67 billion. Private sector deposits constitutes 84% of the bank deposit base, at KD 34.09 billion in November 2016.

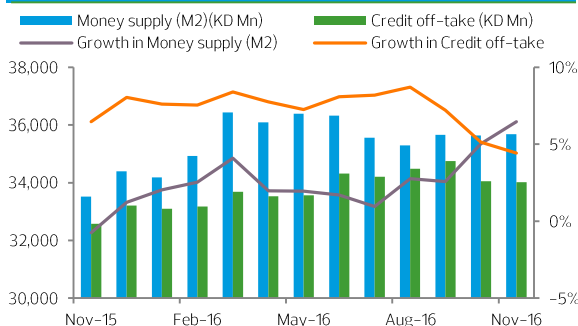
Kuwait export oil price increased during this quarter

- ❖ In December 2016, the average price of Kuwait crude oil realized about USD 50.93 per barrel (p/b), increase by USD 9.71 per barrel above September 2016 average price of USD 41.22 per barrel (p/b).
- ❖ Total Kuwait's crude oil production averaged 2.81 million barrels per day (mb/d) in December 2016, a decrease of 0.01 mb/d from September 2016.

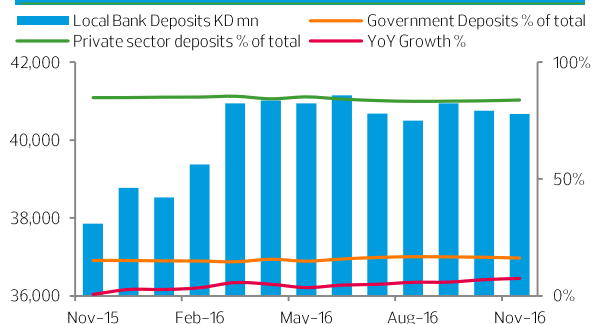
Inflation



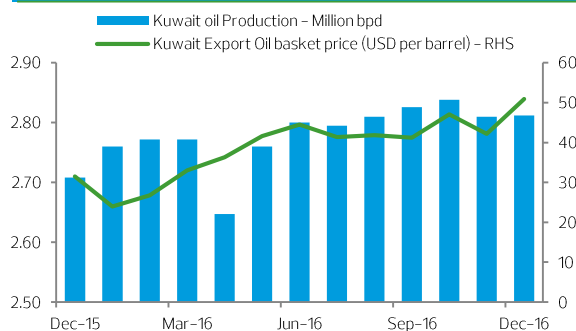
Growth in Money supply and credit off-take



Local Bank Deposits



Monthly production and Oil price



Source: Central Bank of Kuwait, OPEC

MAJOR PROJECTS UPDATE

A. KUWAIT AUTHORITY FOR PARTNERSHIP (KAPP) PROJECTS

List of Kuwait Authority for Partnership Projects (KAPP) projects in Kuwait

| Project Name | Sector | Project Value (USD Mn) | Current Status | Start Year | End Year |
|--|-------------------------------|------------------------|---|------------|----------|
| Project updates in 4th quarter 2016 | | | | | |
| 1 Kuwait National Rail Road (KNRR) | Transportation | 10,000 | KAPP approved feasibility study and intends to issue EoI by Q1-2017 | 2010 | 2017 |
| 2 Al-Zour North Independent Water and Power Project (IWPP) – Phase 2 | Power | 2,700 | 2 bidders invited for clarification meetings in October 2016 | 2010 | 2019 |
| 3 Al-Zour North Independent Water and Power Project (IWPP) – Phase 1 | Power | 1,700 | Construction works completed, commercial operation started | 2010 | 2017 |
| 4 Al-Abdaliyah Integrated Solar Combined Cycle (ISCC) | Power | 720 | Bids submission date for EPC contract extended | 2008 | 2018 |
| 5 Al-Khairan Independent Water and Power Project (IWPP) | Power | 200 | Planning to issue RFP | 2012 | 2017 |
| 6 Kuwait Schools Development Program | Education | N/A | Evaluation of the financial bids | 2012 | 2019 |
| Other projects as mentioned in our previous edition | | | | | |
| 7 Kuwait Metropolitan Rapid Transit System (KMRT) | Transportation | 7,000 | Review of FS completed | 2012 | 2020 |
| 8 Kuwait Failaka Island Development | Real Estate Development | 3,300 | Consultancy Bids under Evaluation | 2013 | 2016 |
| 9 Umm Al-Hayman Waste Water Treatment Plant (WWTP) | Water & Wastewater Management | 1,190 | 2 consortiums submitted bids for the DBOT | N/A | 2020 |
| 10 South Al-Jahra Labor City | Real Estate Development | 500 | Invited bids to submit RFP for TA procurement | 2012 | 2019 |
| 11 Municipal Solid Waste Treatment Facility – Kabd | Solid Waste Management | 215 | Issued RFP | 2012 | 2019 |
| 12 Service and Entertainment Center – Egaila | Real Estate | N/A | Prequalified 7 Consortiums | N/A | 2018 |
| 13 Rest Houses And Doha Chalet's Service Centers | Real Estate Development | 50 | RFQ and RFP | 2012 | 2017 |
| 14 Commercial, Educational, Cultural and Entertainment Center in Abdulla Al Ahmad Street | Real Estate Development | N/A | Pre-tendering | N/A | N/A |
| 15 Kuwait Public Post Office | Communication | N/A | TA Procurement – On hold | N/A | N/A |
| 16 Communication Network and Telecommunication Services | Communication | N/A | TA Procurement – On hold | N/A | N/A |

Source: MEED, Note: EOI – Expression of Interest, EPC – Engineering, Procurement and Construction, RFQ – Request for Qualification, RFP – Request for Proposal, TA – Transaction Advisory, FS – Feasibility Study, BOT – Build, Operate and Transfer, DBOT – Design, Build, Operate and Transfer

A. KUWAIT AUTHORITY FOR PARTNERSHIP (KAPP) PROJECTS ... Cont'd.

KAPP intends to issue EoI for National Rail Road scheme

KAPP has approved feasibility study, which was under review, on 28th November 2016. The authority is currently in the process of hiring transaction, financial, legal and technical advisers and intends to issue an Expression of Interest (EoI) for the Kuwait National Rail Road project in the 1st quarter of 2017. The project includes:

1. Civil works – design, build finance, and major maintenance of all infrastructure works. The public joint stock project company will have to hold an initial public offering (IPO) in accordance with Kuwait's PPP law.
2. Track, rail system and a passenger station in Kuwait City – design, build, finance, and maintenance structure. The public joint stock project company will have to hold an IPO in accordance with Kuwait's PPP law.
3. Passenger train operating company – operations and maintenance under a services contract.
4. Freight train operating company – operations and maintenance under a services contract.
5. Programme manager – responsible for delivery and managing interfacing.
6. Rolling stock – this may be purchased by the Kuwaiti government or the GCC rail authority, depending on joint GCC decisions.

Kuwait prepares to issue RFP for Al-Khiran IWPP

KAPP had been planning to issue a request for proposal (RFP) for the Al-Khiran Independent Water & Power Project (IWPP) before the end of 2016. However, as of 15th January 2017, prequalified developers were still waiting for the client to begin the procurement process. The project will have a power generation capacity of 1,500MW and a water desalination capacity of 125 million imperial gallons per day (MIGD).

Kuwait extends deadline for the 5th time for Al-Abdaliyah ISCC plant

KAPP further extended the Al-Abdaliyah Integrated Solar Combined-Cycle (ISCC) plant bid deadline, for the 5th time, from 10th November 2016 to 4th January 2017. The deadline has been extended several times, initially due on 10th October 2016, as mentioned in our previous edition (Issue 17). The extension is due to KAPP's major focus on the Al-Zour North 2 IWPP bid evaluation and also to allow bidders more time to work on prices due to the technical complexity of the ISCC project. The project involves developing an Integrated Solar Combined Cycle plant to generate power with a capacity of 280MW, including a 60MW solar energy component on a Build-Own-Operate and Transfer (BOOT) basis.

Construction of Kuwait's Al-Zour North (Phase-1) IWPP completed

Kuwait has announced the completion of the construction phase of USD 1.7 billion Al-Zour North (Phase 1) Independent Water and Power (IWPP) project and commencement of full commercial operation on 29th November 2016. The project is the first independently owned power and water facility. The project has capacity to generate 1,539MW of power (10% of Kuwait's power requirements at peak capacity) and 107 million gallons per day of desalinated water (20% of water desalination capacity).

The project is 40% owned by a consortium comprising 3 partners namely, France's Engi, Japan's Sumitomo Corporation and Kuwaiti firm AH Al Sagar & Brothers. While, the remaining 60% is held by Kuwait's sovereign wealth fund the Kuwait Investment Authority, the Public Institution for Social Security, and the PPP body Kuwait Authority for Partnership Projects (KAPP). Currently, Kuwait is planning to complete the initial public offering (IPO) process of 50% of the shares to Kuwaiti citizens by mid-2017, as a part of the condition for the project after the construction is completed.

In October 2016, KAPP invited 2 of the 3 bidders (as mentioned in one of our previous edition – Issue 16) for the Al-Zour (Phase 2) for clarification meetings. KAPP is also planning to invite advisory proposals for the Al-Zour North (Phase 3) IWPP by mid-2017. The plant is expected to have a power generation capacity of 1,800MW and a water desalination capacity of 75 million imperial gallons a day (MIGD).

Kuwait is currently evaluating financial bids for Schools PPP Development Program

KAPP has opened and is now in the process of evaluating financial bids for the Kuwait Schools PPP Development Program covering development of 9 schools on state owned properties located in Al Asema, Al Ahmadi, Hawalli and Mubarak Al Kabeer district of Kuwait on 1st November 2016. Technical evaluation for the financial bids has been carried out on the 2 consortium submitted in June 2016 (as mentioned in one of our previous edition – Issue 16). KAPP is now in the process of evaluating the financial bids which will announce the preferred bidder after the State Audit Bureau and KAPP's Higher Committee have approved the bids.

B. INFRASTRUCTURE AND DEVELOPMENT PROJECTS

Khalid Al-Kharafi and Metallurgical Group bids low for Northern road scheme

The Kuwait's Ministry of Public Works (MPW) received bidders for Kuwait North Region Road scheme.

A joint venture of China's Metallurgical Group and Kuwait Khalid Al-Kharafi & Brothers has submitted the lowest bid of KD 205.2 million (USD 574 million) for the contract to design and build the segment of Kuwait's northern regional road that extends from Al-Salmi highway to the Abdaly road junction.

The project scope includes the construction of a 53 km 4-lane carriageway with auxiliary lanes and service roads, the upgrade of an existing segment of Abdaly road into a 5-lane dual carriageway as well as several interchanges and elevated bridges.

Also, the Central Tenders Committee (CTC) has approved the request of Ministry of Public Works related to the tender for establishing the North Region Road from Abdali Road to its intersection with Subbiya Road.

Kuwait invites tenders for road consultancy

MPW has invited 8 firms to submit bids for the contract to study, design and supervise the rehabilitation, construction and maintenance for the upgrading of 2nd and 3rd Ring roads and Damascus street by 12th February 2017.

MPW had set a pre-tender meeting on 29th December 2016.

Kuwait to award Kuwait airport runway project

Kuwait's Directorate-General for Civil Aviation (DGCA) is expected to award contract worth an estimated KD 149.8 million (USD 497 million) for the construction of a new runway and the extension of the existing runway at the Kuwait International airport (KIA). A joint venture of China's Avic International Holding Corporation and Kuwait's Al-Dar Engineering & Construction had submitted the lowest bid of KD 149.8 million (USD 497.2 million) for the contract in August 2016, as mentioned in our previous edition (Issue 17).

The scope of work includes the construction of a new code 4F west runway, the extension of the existing east runway, new air traffic control tower and other related facilities. The project is expected to be completed by 2020.

DGCA has started the construction phase for KD 52.8 million (USD 174 million) contract for the temporary gateway passenger terminal at the KIA airport. As mentioned in our previous edition (Issue 17), DGCA had awarded the contract to a joint venture of Turkey's Cengiz Insaat Sanayi ve Ticaret and First Kuwaiti General Trading & Contracting Company in August 2016. The temporary passenger support terminal will provide additional capacity of up to 4.5 million passengers annually to support the existing terminal 1, until terminal 2 becomes operational in 2020.

Kuwait to start EPC contract for power and water scheme

Kuwait's Ministry of Electricity & Water (MEW) is planning to invite firms to submit bids for the planned Nuwaiseeb phase 1 power and water cogeneration plant by April 2017, which will be tendered as an engineering, procurement and construction (EPC) contract. The plant will have power generation capacity of 3,000MW and a water desalination capacity of 75 million imperial gallons a day (MIGD).

Lowest bidders for North Region Road scheme

- ❖ Metallurgical Group Corporation (China) / Khalid Al-Kharafi & Brothers (Kuwait) – USD 574 mn
- ❖ Larsen & Toubro (India) – USD 589 mn
- ❖ Kolin Insaat (Turkey) – USD 604 mn
- ❖ Cengiz Insaat (Turkey) / First Kuwaiti Company for General Trading & Contracting (Kuwait) – USD 621 mn
- ❖ Afcons Infrastructure (India) – USD 639 mn
- ❖ Sinohydro Corporation (China) / Copri Construction projects (Kuwait) – USD 644 mn
- ❖ Consolidated Contractors Company (Lebanon) – USD 673 mn
- ❖ SK Most Group of Companies (Russia) – USD 680 mn
- ❖ Al-Ayuni Investment & Contracting (Saudi Arabia) – USD 681 mn
- ❖ Arab Contractors / Kuwait Arab Contractors Company (Kuwait) – USD 705 mn
- ❖ Sacyr (Spain) – USD 705 mn
- ❖ Orascom (Egypt) – USD 709 mn
- ❖ China State Construction Engineering Corporation (Kuwait) – USD 747 mn

Invited 8 firms for road consultancy

- ❖ Ineco (Spain)
- ❖ SMEC (Australia)
- ❖ Salfo & Associates (Greece)
- ❖ Parsons Brinckerhoff / WSP (US)
- ❖ CDM Smith (US / Germany)
- ❖ Engineering Consultants Group (ECG; Egypt)
- ❖ Proyapi (Turkey)
- ❖ Obermeyer (Germany)

B. INFRASTRUCTURE AND DEVELOPMENT PROJECTS ...Cont'd.

Kuwait awards KD 94.8 million investment opportunities deal

Kuwait's Public Authority for Housing Welfare (PAHW) has awarded a KD 94.8 million (USD 333 million) contract to UK-based PwC for the investment opportunities transaction advisory of the mixed-use real estate development at Jaber Al-Ahmed and Sabah Al-Ahmed cities in Kuwait. The scope of works includes structuring 5- packages for private sector investments, as mentioned in one of our previous edition (Issue 16) includes:

- ❖ 98 residential plots in Jaber Al-Ahmed City
- ❖ Commercial and retail malls in Jaber Al-Ahmed City
- ❖ Commercial centre and retail space in Jaber Al-Ahmed City
- ❖ A souk area in Sabah Al-Ahmed City
- ❖ Offices, banks and food & beverage space in Sabah Al-Ahmed City

Kuwait invites bids for infrastructure package for South Al-Mutlaa City

In October 2016, PAHW had invited international firms to submit bids for a contract to build roads and infrastructure networks for the residential plots and electrical substations for the northern section of South Al-Mutlaa City by 8th December 2016.

International firms (bidders) must have a local agent or partner during bid submission.

South Al-Mutlaa City will be located in Kuwait's Jahra governorate, to the west of the capital Kuwait City.

The development will have 30,000 housing units with its population projected to reach 400,000 by 2019. This would comprise about 9% of the Kuwait's projected population of nearly 4.6 million by 2019, as per the Washington-based IMF's population forecast data.

Prequalified bidders for South Al-Mutlaa City

- ❖ Sinohydro Corporation (China)
- ❖ China State Construction Engineering Corporation (China)
- ❖ China Railway 18th Bureau Group Company Ltd. (China)
- ❖ China Civil Engineering Construction Corporation (China)
- ❖ China Railway International Group (China)
- ❖ China Camc Engineering Company (China)
- ❖ China Gezhouba Group (China)
- ❖ Cengiz Insaat Sanayi Ve Ticaret (Turkey)
- ❖ Cooperativa Muratori & Cementisti CMC Ravenna (Italy)
- ❖ Daewoo Engineering & Construction (South Korea)
- ❖ El-Seif Engineering Contracting Company (Saudi Arabia)
- ❖ Ghantoot Transport and General Contracting (UAE)
- ❖ Hanwha Engineering & Construction Corporation (South Korea)
- ❖ Itinera SPA (Italy)
- ❖ Larsen & Toubro (India)
- ❖ Polat Yol Yapi Sanayi ve Ticaret (Turkey)
- ❖ Sacyr Construction (Spain)
- ❖ Societa Italiana per Condotte d'Acqua (Italy)
- ❖ Strabag International (Austria)

Kuwait awards KD 162 million for 2 new hospital projects

Kuwait's Health Assurance Company (Dhaman) has awarded a KD 162 million (USD 535 million) contract to China's Metallurgical Group Corporation (MCC) for the construction of 2 new 600-beds hospitals in Kuwait. The project involves design, construction, equipping and maintenance work for the 2 hospitals, which will be built in Al-Ahmadi and Al-Jahra area. Both the projects are expected to be operational by the end of 2019.

Earlier in July 2016, as mentioned in our previous edition (Issue 17), Dhaman had also awarded KD 3.9 million (USD 13.1 million) worth contract to US-based Hill International for a 3-year contract to provide project and construction management services in connection with the construction of 2 new hospitals. The project entails the construction of two 300-beds secondary care hospitals, staff accommodation buildings and parking facilities.

C. OIL & GAS SECTOR PROJECTS

Kuwait Oil Company (KOC) awarded contracts worth KD 502.21 million during the 4th quarter of 2016

State upstream operator, Kuwait Oil Company (KOC) awarded contracts worth KD 502.21 million in total during the month of October and November 2016 over 11 different work requests, which is lower than the KD 581.51 million award in 3rd quarter of 2016.

Major KOC contracts awarded in 4th quarter 2016

| Contractor | Description | Contract Value (KD Million) |
|---|---|-----------------------------|
| Weatherford Oil Tool M.E. Ltd | Provision of Logging & Perforation Services | 120.62 |
| Halliburton Overseas Ltd | Provision of Logging & Perforation Services | 105.24 |
| Schlumberger Oilfield Eastern Ltd | Provision of Logging & Perforation Services | 103.73 |
| Western Atlas Intl Inc. | Provision of Logging & Perforation Services | 102.83 |
| Arabi Enertech K.S.C. | Construction of flow lines and associated works in North Kuwait Area including GC-29, 30 & 31 | 53.44 |
| Open ware Information Systems Consulting Co | Geographic Information System (GIS) ESRI Software Supply & Maintenance Support Services | 6.94 |
| Honeywell Kuwait | Provision of Maintenance and Engineering Services | 3.54 |
| National Technology Enterprise Co "NTEC" | Development & Implementation of Curriculum for KPC & Subsidiaries Leaders | 3.42 |
| Kuwait Process for Petroleum Equipment & Facilities Co W.L.L. | Operations of Early Production Facility for Ratqa and Abdali – North Kuwait | 1.47 |
| T.D. Williamson Middle East FZE | In-Line Inspection Services For Pipelines | 0.86 |
| PetroSkills LLC | PetroSkills Alliance Membership Agreement | 0.11 |

Source: Kuwait Oil Company (KOC)

Kuwait received bids for Sulphur treatment facilities

KNPC has announced lowest bidders for the contract to construct Sulphur treatment facilities at the Mina al-Ahmadi refinery after extending the bid deadline 4 times, as mentioned in our previous edition (Issue 17). China's Sinopec submitted the lowest bid of USD 59 million to build Sulphur treatment facilities scheme ahead of 3 other bidders.

The scope of works includes construction of facilities such as liquid Sulphur storage tanks, liquid Sulphur feed pumps, granulator units, belt conveyor system, longitudinal stockyard for solid Sulphur, stacking machine, reclaiming machine, ship loader and associated facilities.

Lowest bidders for Sulphur treatment facilities

- ❖ Sinopec (China) – USD 59 mn
- ❖ Gulf Spic General Trading & Contracting Company (Kuwait) – USD 98 mn
- ❖ Saipem (Italy) – USD 108 mn
- ❖ Heisco (Kuwait) – USD 110 mn

Kuwait extended deadline for water injection project

KOC has extended the bid deadline for Train 3 of Wara Pressure Maintenance project (WPMP) to 10th January 2017 from 13th December 2016. As mentioned in our previous edition (Issue 17), KOC had prequalified 18 firms to submit bids for the EPC contract. The scheme will support Burgan oil field production, which will increase the capacity of water injection by 333,000 barrels a day (b/d) of water to 1 million b/d and includes work at the existing WPMP plant site, 2 effluent waste disposal plants as well as new manifolds, pipeline and flow lines.

Kuwait extended deadline for Gathering Centre (GC-32)

KOC has extended the bid deadline of KD 607 million worth contract to build oil gathering centre known as Gathering Centre (GC-32) located in Southeastern Burgan field to 20th December 2016, from 29th November 2016. Bids were initially due on 1st November 2016 (as mentioned in our previous edition – Issue 17). The scope of work involves the construction of a gathering center with a capacity of 120,000 barrels of crude with related facilities.

C. OIL & GAS SECTOR PROJECTS ...Cont'd.

CGC bids low for Jurassic production facilities deal

Combined Group Contracting submitted the lowest bid of USD 239 million for the Jurassic gas production facilities off-plot works contract at North areas of Kuwait to carry out engineering, procurement and construction (EPC) works.

KOC had announced the full list of bids and invited them to submit EPC bids for the scheme in August 2016, as mentioned in our previous edition (Issue 17). Also, KOC had extended to 6th December from a previous cut-off date of 23rd October. The project scope of works includes flow lines, wellhead hook-ups, gas and crude tie-ins and a crude export pipeline in addition to other associated facilities.

5 lowest bidders for Jurassic production facilities deal

- ❖ Combined Group Contracting Company – USD 239 mn
- ❖ Mechanical Engineering & Contracting Co – USD 285 mn
- ❖ Heavy Engineering Industries & Shipbuilding Co – USD 350 mn
- ❖ Arabi Enertech – USD 375 mn
- ❖ Al-Dar Engineering & Construction Company (Subsidiary of O&G Engineering) – USD 414 mn

KOC awards contract to support Jurassic Gas Facility 1

US's Black & Veatch, an international infrastructure engineering company has been awarded the licensing technology and related services for Sulfur Recovery Units (SRU) and Acid Gas Removal Units (AGRU) to support natural gas processing at Jurassic Gas Facility 1, which is set for completion by 2021. The project is designed to produce 590 million cubic feet (mcf) of gas per day.

MECC bids low for Gathering Centres (GC-3,4,7 and 21)

Kuwait's Mechanical Engineering and Contracting Company (MECC) submitted the lowest bid, USD 200 million contract, for the water management facility project at Gathering Centres (GC- 3, 4, 7 and 21) located in Southern of Kuwait.

In November 2016, MECC had also submitted the lowest bid of USD 195 million for KOC main contract to execute water management facility projects at Gathering Centres (GC- 9, 10, 20 and 22) located in Northeastern of Kuwait.

Lowest bidders for Gathering Centre (GC-3,4,7 and 21)

- ❖ Mechanical Engineering and Contracting Company (Kuwait) – USD 200 mn
- ❖ Alghanim International General Trading & Contracting Company (Kuwait) – USD 242 mn
- ❖ Heavy Engineering Industries & Shipbuilding Company (Kuwait) – USD 245 mn
- ❖ Arabi Enertech (Kuwait) – USD 246 mn
- ❖ Almeer Technical Services Company (Kuwait) – USD 262 mn
- ❖ IMCO (US) – USD 271 mn
- ❖ Gulf Spic (Kuwait) – USD 274 mn
- ❖ Integral Services Company (Kuwait) – USD 279 mn

Lowest bidders for Gathering Centre (GC-9,10,20 and 22)

- ❖ Mechanical Engineering and Contracting Company (Kuwait) – USD 195 mn
- ❖ Heavy Engineering Industries & Shipbuilding Company (Kuwait) – USD 238 mn
- ❖ Arabi Enertech (Kuwait) – USD 242 mn
- ❖ Alghanim International General Trading & Contracting Company (Kuwait) – USD 243 mn
- ❖ Integral Services Company (Kuwait) – USD 247 mn
- ❖ IMCO (US) – USD 265 mn
- ❖ Gulf Spic (Kuwait) – USD 265 mn

Kuwait tendered oil field substations

KOC has tendered the contract to upgrade its existing substations in the Minagish and Umm Ghudair oil fields located in West of Kuwait. The deadline for bid submission is 27th December 2016. As mentioned in one of our previous edition (Issue 11), KOC had awarded USD 30.5 million worth contract to Kuwait's Mushrif Trading & Contracting Company for the construction of flowlines and a source well in the Minagish oil fields in West of Kuwait. KOC prequalified 29 firms to submit bids for the scheme.

Kuwait invites shipyard firms to submit bids

As part of Kuwait plans to boost oil production output to 4 million barrels a day by 2020, Kuwait Oil Tanker Company (KOTC) has invited shipyard firms to submit bid for the construction of very large carriers and tanks. The shipyard firms with 10 years of experience in oil tanker and gas carrier shipbuilding were invited to submit bids by 20th December 2016. KOTC has opened the prequalification process for design, construction and delivery of 3 very large gas carriers (VLGC), 1 very large crude carrier (VLCC) and 4 medium range (MR) tanks with different specifications.

C. OIL & GAS SECTOR PROJECTS ...Cont'd.

French group wins Kuwait refinery contract

KNPC has awarded 5-year contract to France's SPIE Oil & Gas Services to provide commissioning management and support services at both Mina Al-Ahmaadi (MAA) and Mina Abdullah (MAB) refineries under Clean Fuels Project (CFP) scope of work. As mentioned in one of our previous edition (Issue 14), KNPC had issued an invitation to bid on a contract worth an estimated USD 50 to 100 million contract to provide commissioning services as part of the Kuwait's CFP scheme.

KNPC aims for USD 5 billion export credit

In October 2016, KNPC intends to secure a USD 5 billion plus Export Credit Agency (ECA) loan from Asia and Europe for the 2nd tranche of a USD 10 billion financing deal for the Clean Fuels Project (CFP). KNPC has signed the 1st tranche worth KD 1.2 billion (USD 4 billion) on April 2016, as mentioned in one of our previous edition (Issue 16) with Kuwaiti lenders led by National Bank of Kuwait (NBK) and Kuwait Finance House (KFH). The loan has 10-year tenor with repayment structure after a 1 year grace period.

KNPC invites bids for debottleneck Mina Abdullah Refinery coker unit

KNPC has invited the 25 prequalified engineering firms to submit bids for an EPC contract on a new project for debottlenecking a coker unit located in Mina Abdullah refinery. KNPC has set a bid deadline of 12th December 2016. The contract includes an undertaking to install new equipment and facilities for 2 identical trains for 4 drum delayed coker at the existing unit.

Kuwait to award design contract for Olefin 3

Kuwait's Petrochemical Industries Company (PIC) is set to award front end engineering and design (FEED) contract on its 3rd mix-feed cracker by February 2017. The plant will be merging the 2 mega oil projects, petrochemical plant with the USD 14 billion Al-Zour New Refinery project (NRP), after which it will produce a million tonnes a year (t/y) of polyethylene and 400,000 to 600,000 t/y of polypropylene. The development of the plant was revived in 2015 after years of delay due to feedstock issues, as mentioned in one of our previous edition (Issue 10).

D. OTHER SECTOR PROJECTS

Kuwait launches USD 775 million Cultural Centre

Kuwait has officially opened the USD 775 million Sheikh Jaber Al Ahmad Cultural Centre (SJAAC) project, developed by Al-Hani Construction and Trading Company in October 2016. The 4 jewel-style buildings complex was completed in a record time of 22 months. The facility covering 214,000 sqm has been designed by Kuwait's SSH, a architecture and engineering consultant.

Kuwait's Tamdeen Group and US Grand Hyatt signs agreement

US hotel operator, Hyatt Hotels and Resorts has signed an agreement with Kuwait's Tamdeen Group for the planned construction of a Grand Hyatt Hotel located in Kuwait City. The project entails the construction of a 261-hotel rooms which will be designed by the UK's RTKL Architects, who also designed the existing 360 Mall in Kuwait. The project is expected to be completed by 2020.

Kuwait signs Master Plan 2040 agreement

Kuwait Municipality has appointed a global consortium comprising Lebanon's Dar Al-Handasah and Chicago's Perkins+Will to devise the Kuwait's 4th Structural Plan 2040, a national master plan that aims to transform Kuwait into a powerful commercial and financial hub by the year 2040. The deals were signed in the presence of HH the Prime Minister and Principal at Perkins + Will, a architecture and design consultancy firm, and the director of operations of Dar AlHandasah for design and consultancy.

Kuwait wins USD 46.4 million US defense contracts

US Department of Defense has awarded USD 46.3 million worth contracts to Kuwait's Wara Construction Company for the construction of 2 air defense sites and an information coordination central building located near the Kuwait Air Defense headquarters of Kuwait. Wara Construction is based in Kuwait with a branch office located in the US state of Michigan. The project is expected to be completed by 3rd December 2018.

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RSM Albazie Consulting W.L.L.

Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O.Box 2115, Safat 13022, State of Kuwait

T: +965 22961000

F: +965 22412761

E: cf@rsm.com.kw

     RSMKUWAIT
www.rsm.global/kuwait

Corporate Finance & Transaction Services Team

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- Valuation advisory
- Restructuring support
- Financial advisory
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