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KUWAIT QUARTERLY NEWSLETTER

Economy & projects update – Issue 19

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MACROECONOMIC UPDATE

The inflation levels measured by consumer price index (CPI) stood at 3.2% YoY in February 2017 as compared to 3.4% YoY in November 2016, as mentioned in our previous edition – Issue 18.

- ❖ Food and beverages prices declined by 0.3% YoY in February 2017 as compared to 0.2% YoY increase in November 2016. The major components that declined in this group were fish and seafood prices as well as fresh, chilled & frozen vegetables and fruits prices.
- ❖ The transport inflation increased to reach 10.7% YoY in February 2017. The increase resulted from the 50–60% hike in fuel prices during the period, which increased transport service costs.
- ❖ The furnishing, equipment & household maintenance inflation increased to 4.1% YoY in February 2017 as compared to 2.1% YoY in November 2016. In addition, tobacco & narcotics and restaurant & hotels components increased by 0.4% and 3.4% YoY respectively in February 2017 as compared to 0.2% and 2.9% YoY in November 2016. However, inflation in housing services and recreation & culture remained unchanged at 6.4% and 0.2% YoY respectively during the same period.
- ❖ The prices of health and education decreased by 1.5% and 1.2% YoY respectively in February 2017 as compared to 1.9% and 2.7% YoY respectively in November 2016. Further, prices of miscellaneous goods & services maintained its descent, mainly on the back of a slowdown in gold prices. Components such as clothing & footwear and communication also declined in February 2017 compared to November 2016.

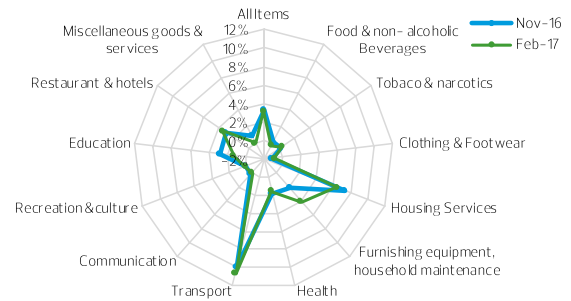
Money supply (M2) growth reduced by 1.4% in February 2017 compared with November 2016

- ❖ Kuwait's broad measure of money supply (M2) reduced by KD 0.11 billion from November 2016 to reach KD 35.58 billion in February 2017, but had a YoY growth of 1.4%. The reduction in M2 is mainly attributed to the reduction in quasi money by KD 0.25 billion from November 2016 to reach KD 25.94 billion in February 2016. The narrower measure (M1) increased by KD 0.13 billion during the same period.
- ❖ Credit facilities extended by local banks to residents increased by KD 0.38 billion from November 2016 to reach KD 34.40 billion in February 2017. The personal facilities were up by KD 0.19 billion during the same period mainly due to increase in installment loans by KD 0.18 billion. Credit to oil & gas industry also formed major source of growth with an increase by KD 0.26 billion in February 2017 from November 2016.
- ❖ Bank deposits at local banks increased from November 2016 by 3.0% to reach KD 40.7 billion in February 2017.

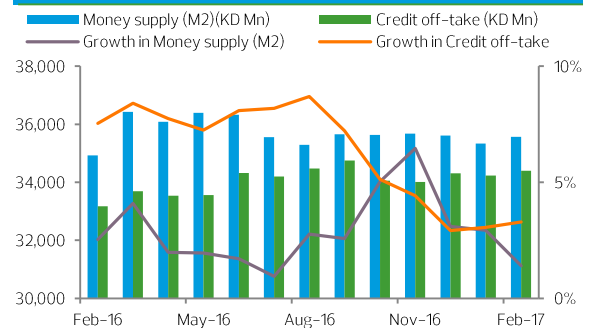
Kuwait export oil price declined in this quarter

- ❖ The average price of Kuwait crude oil for March 2017 realized about USD 49.87 per barrel (p/b), below December 2016 average price of USD 50.93 p/b, due to OPEC and non-OPEC members agreement to cut back on production as a means to boost the stability of oil prices but negated by the increase of US oil production and drilling rigs.
- ❖ Total Kuwait's crude oil production averaged 2.702 million barrels per day (mb/d) in March 2017, a reduction from 2.812 million mb/d in December 2016.

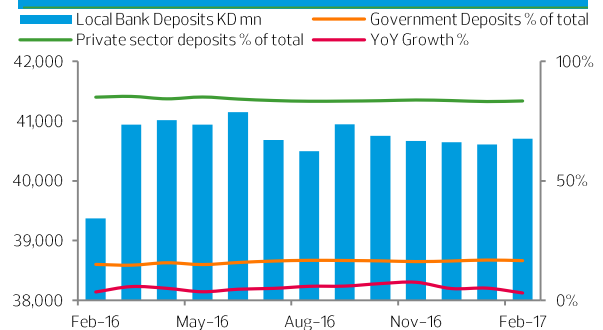
Inflation



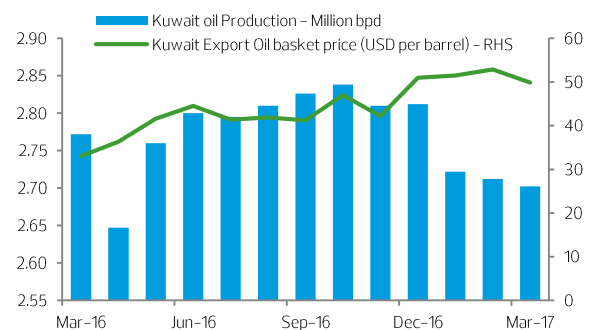
Growth in Money supply and credit off-take



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
Project updates in 1st quarter 2017			
1 Kuwait National Rail Road (KNRR)	Transportation	10,000	Issue of EoI postponed to Q2-2017 from Q1 2017
2 Al-Zour North Independent Water and Power Project (IWPP) – Phase 2	Power	2,700	Remaining 2 bidders asked to postpone bid bond until October 2017
3 Umm Al-Hayman Waste Water Treatment Plant (WWTP)	Water & Wastewater Management	1,190	KAPP received lowest bids. Financial bids opened on 16 th March 2017
4 Al-Abdaliyah Integrated Solar Combined Cycle (ISCC)	Power	720	Bids submission date for EPC contract further extended to 2 nd April 2017
5 South Al-Jahra Labour City	Real Estate Development	500	Invited bids to submit EoI
6 Municipal Solid Waste Treatment Facility – Kabd	Solid Waste Management	215	KAPP received lowest bidders
7 Al-Khairan Independent Water and Power Project (IWPP)	Power	200	RFP submission delayed
Other projects as mentioned in our previous edition			
8 Kuwait Metropolitan Rapid Transit System (KMRT)	Transportation	7,000	Review of FS completed
9 Kuwait Failaka Island Development	Real Estate Development	3,300	Consultancy Bids under Evaluation
10 Al-Zour North Independent Water and Power Project (IWPP) – Phase 1	Power	1,700	Construction works completed, commercial operation started
11 Rest Houses And Doha Chalet's Service Centers	Real Estate Development	50	RFQ and RFP
12 Service and Entertainment Center–Egaila	Real Estate	N/A	Prequalified 7 Consortiums
13 Kuwait Schools Development Program	Education	N/A	Evaluation of the financial bids
14 Commercial, Educational, Cultural and Entertainment Center in Abdulla Al Ahmad Street	Real Estate Development	N/A	Pre-tendering

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 to reschedule issue of Eol for National Rail Road scheme

KAPP is expected to reschedule the release of an Expression of Interest (Eol) for the Kuwait National Rail Road (KNRR) project from Q1 2017 to Q2 2017. In November 2016, as mentioned in our previous edition – Issue 18, KAPP had approved feasibility study and was already in the process of hiring transaction, financial, legal and technical advisers and also intended to issue Eol for the KNRR by Q1 2017.

Kuwait to extend bonds for Al-Zour North 2 IWPP

KAPP has asked the 2 remaining bidders vying for the Al-Zour North 2 Independent Water and Power (IWPP) project to postpone bids bond by 6 months (October 2017), which was initially due on 19th March 2017 as evaluation of proposals continue. In February, KAPP had asked the 2 consortiums to submit final clarifications on their technical proposals, which included requesting a removal of all deviations and mark-ups from proposals. In October 2016, as mentioned in our previous edition – Issue 18, KAPP had invited 2 of the 3 bidders for clarification meetings for the Al-Zour North 2 IWPP. The scheme will have a power generation capacity of 1,500MW and a desalination component of at least 102 million imperial gallons a day (MIGD).

Kuwait receives bids for Umm al-Hayman Wastewater project

A consortium led by Germany's Wassertechnik and Kuwait's International Financial Advisers (IFA) has submitted the lowest bid for the Umm al-Hayman Wastewater Treatment Plant (WTP) project. KAPP opened the financial bids on 16th March 2017, after having received technical and financial proposals from 2 groups in September 2016, as mentioned in one of our previous edition – Issue 17. The scope of work involves design, financing, building, operation and maintenance of a new WTP with an initial treatment capacity of 500,000 cubic metres a day (cm³/d), which can be expanded to 700,000 cm³/d.

Kuwait delays bid deadline for the 7th time for Al-Abdaliyah ISCC plant

KAPP has again extended the bid deadline for the Al-Abdaliyah Integrated Solar Combined-Cycle (ISCC) plant to 2nd April 2017 from 5th February 2017. The deadline has been extended several times, initially due on 4th January 2017 as mentioned in our previous edition – Issue 18. 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.

Request for Eol investment opportunity for South Jahra Labour City project

KAPP, in collaboration with the Kuwait Municipality (KM), has invited companies to submit an Expression of Interest (Eol) for the Transaction Advisory Services related to the development of South Jahra Labour City project. The Eol for the project was to be submitted by 16th March 2017. The scope of work involves design, financing, construction, operation, maintenance and transfer of a 1,015,000 m² labor city, which aims to provide adequate and affordable housing for 20,000 male bachelor laborers. The term of the PPP agreement with the KM will be 40 years including a 3-year construction period.

Kuwait to delay RFPs for Al-Khiran-1 IWPP

KAPP is planning to postpone the Request for Proposals (RFPs) for the development of Al-Khiran Independent Water & Power (IWPP) project until after the conclusion of negotiations for the Al-Zour North 2 IWPP. In January 2017, as mentioned in our previous edition – Issue 18, prequalified developers were still waiting for the client to commence the procurement process.

KAPP receives bid for Kabd Municipal Solid Waste project

Austria's EVN Umweltholding and Betriebs had submitted the lowest bid of KD 242.75 million (USD 796 million) for the development of Kabd Municipal Solid Waste project, which is being developed under Public-Private Partnership (PPP) model. KAPP had opened the financial bids on 19th March 2017. The consortium which also includes Kuwait's International Financial Advisers (IFA), KCC Engineering & Contracting Company and Germany's Steinmuller Babcock had submitted the lowest bid for the scheme in September 2016, as mentioned in an earlier edition – Issue 17.

Request for Eol investment for Kuwait's PPP real estate scheme

KAPP, in collaboration with the Public Authority for Housing Welfare (PAHW) has invited firms to submit Expression of Interest (Eol) for 5 real estate developments located in the Jaber al-Ahmad and Sabah al-Ahmad areas. The Eol for the project was to be submitted by 30th March 2017. The project includes Jaber Al-Ahmad Residential City (a mixed-use residential and retail area with a business centre, a mixed-use residential area and a mall) and Sabah Al-Ahmad Residential City (a mixed-use residential area with a commercial centre and an industrial and storage development).

B. Infrastructure and development projects

MPW awards major infrastructure projects in Kuwait

The Kuwait's Ministry of Public Works (MPW) has awarded the contracts for several infrastructure and construction projects in Kuwait which includes:

- 1) MPW awarded a KD 167.43 million contract to Kuwait's Bukhamseen International Group for Contracting (BIG Contracting) to build the Ministry's Juvenile Housing Care Complex, located near the central prison area in Sulaibiya, Kuwait. The deal signed on 21st March 2017, is expected to be completed by 2020. The project consists of 9 buildings with a total plot area of 35,000 m² and a total built-up area of 57,500 m².
- 2) In March 2017, MPW awarded a KD 170 million (USD 560 million) contract to Egypt's Arab Contractors to build the Al-Nuwiseeb road project in Kuwait. The project entails the construction of a 6-lane, 37-kilometre road featuring multi-level intersections and detour bridge. It also entails the supply of traffic control and signaling systems as well as associated facilities. The project is expected to be completed within 3 years.
- 3) In collaboration with MOH, MPW awarded a KD 220 million (USD 727 million) contract to a joint venture of Kuwait's SSH and Italy's Studio Altieri for the main design consultancy contract of Kuwait New Maternity Hospital (KNMH) located in west of Kuwait City within the Al Sabah Specialty Medical area. Once completed, KNMH will have 18 storeys building featuring 27 operating rooms that will accommodate 780 inpatients and a multi-storey car park with a capacity of 1,300 vehicles.
- 4) MPW has also selected UK-based Mott MacDonald to study, design and supervise of the 4th Ring Road improvement, construction and maintenance project. As mentioned in an earlier editions – Issue 17, MPW had invited 8 consultants including Mott MacDonald to submit bids for the contract. In September 2016, Mott MacDonald offered KD 17.8 million (USD 58.3 million) for the scheme.

Kuwait awards a KD 149.8 million contract for Kuwait airport runway project

Kuwait's Directorate General for Civil Aviation (DGCA) has awarded a KD 149.8 million (USD 492 million) contract to a joint venture of China's Avic International Holding Corporation and Kuwait's Al-Dar (HOT) Engineering & Construction for the construction of a new runway and extension of the existing runway at the Kuwait International Airport (KIA). The consortium had submitted the lowest bid for the scheme 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.

In February 2017, DGCA had agreed to reduce the construction timeline for the KD 52.8 million (USD 174 million) contract on the temporary gateway passenger terminal at the KIA airport from 6 to 4 years. As mentioned in our previous edition – Issue 18, the construction phase for the scheme had started and it is now expected to be completed by 2020. 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.

Request for EoI in Kuwait Sea City projects

MPW, in collaboration with La'ala al-Kuwait Real Estate Company – a Kuwait developer, has invited firms to submit Expression of Interest (EoI) for 2 contracts on Sewage Treatment Plants (STP) for the Sabah al-Ahmad Sea City project. The 1st contract involve the extension of the existing A1 sewage treatment plant (STP), which will increase the peak flow by a rate of 1,178 cubic metres per hour. The 2nd contract, involves the A5 STP, which will have a peak flow rate of 1,930 cubic metres per hour. Once completed, the Sea City development plans to house 250,000 people. MPW had set 7th February 2017 for the submission of EoI.

Kuwait extends bid deadline for road consultancy

MPW has extended the bid deadline for the contract to study, design and supervise the rehabilitation, construction and maintenance of the 2nd and 3rd Ring roads and Damascus Street to 12th March 2017 from 12th February. Earlier in December 2016, MPW had set a pre-tender meeting for the scheme and had also invited 8 firms to submit bids for the contract, as mentioned in our previous edition – Issue 18.

B. Infrastructure and development projects ...cont'd.

MPW invites tenders for major infrastructure project in Kuwait

The Kuwait's Ministry of Public Works (MPW) has invited bids for the construction of its major road and infrastructure projects across the country.

- 1) MPW invites 8 firms to submit bid for the construction of a road segment on the Northern Regional Road extending from the Abdaly Expressway to future crossroads that link with the Subiya Expressway. The bid deadline was set as 12th March 2017.

Earlier in March, MPW had postponed tender for a road project that will link Kuwait City with the passenger terminal under construction at the Kuwait International Airport (KIA) to Q3 2017, which was initially expected to be released in Q1 2017.

- 2) MPW invites bids for the construction of USD 500 million contract of the new Palace of Justice being developed in Kuwait City. The deadline for bid submission was set on 28th February 2017.

The scope of work includes the construction of 2 towers, which are expected to be the world's tallest judicial buildings once completed by the end of 2019.

Invited firms for Northern Region Road scheme

- ❖ Ahmadiyah Contracting & Trading
- ❖ Alghanim International Trading & Contracting
- ❖ Combined Group Contracting
- ❖ Consolidated Contractors Company
- ❖ Copri Construction
- ❖ Galfar Engineering & Contracting
- ❖ Kuwait Arab Contractors
- ❖ Mohammed Abdulmohsin al-Kharafi & Sons
- ❖ United Gulf Construction

Invited firms for Palace of Justice project

- ❖ Al- Ahmadiyah Contracting & Trading
- ❖ Al-Hani Construction & Trading
- ❖ Alghanim International Trading & Contracting
- ❖ Bayan National Construction Contracting
- ❖ Combined Group Contracting
- ❖ Sayed Hameed Behbehani & Sons

C. Oil & Gas sector projects

Kuwait Oil Company (KOC) awarded contracts worth KD 329.56 million during the 1st quarter of 2017

State upstream operator, Kuwait Oil Company (KOC) awarded contracts worth KD 329.56 million in total during the 1st quarter of 2017 over 31 different work requests, which is lower than the KD 502.21 million award during the month of October and November 2016.

Major KOC contracts awarded in 1st Quarter 2017

Contractor	Description	Contract Value (KD Million)
Alghanim International Gen Trading & Contracting Co. W.L.L.	Water Management at GCs 3, 4, 7 and 21 in South Kuwait areas	73.70
Mechanical Engineering & Contracting Co WLL	Water Management at GCs 9, 10, 20 and 22 in East Kuwait areas	59.40
Diyar United Trading & Contracting Co.	IT Helpdesk, desktop leasing and support services	42.00
Kuwait Resources House for Human Resources Management & Svcs Co. KSC	Provision of healthcare support manpower to Ahmadi Hospital	23.33
Diyar United Trading & Contracting Co.	Microsoft Enterprise Agreement for supply, licensing and maintenance	20.44
Halliburton Overseas Ltd	Provision of Halliburton Service Engineer and Rental Tools for Installation of Equipments	19.30
Eastern United Petroleum Services	Back to back contract against contract:12050908 for Cased Hole L & P Services	11.61
KGL Car Rental Co	Hire of Big Jeep Vehicles	11.32
S.C. API Sorelia S.R.L.	Waste Management Services within North Kuwait operational areas of the Company (2 contracts)	8.89
Equipment Co.	Hire of Heavy Equipment and Labor	8.31
Automak Automotive Co.	Hire of Big Sundry Vehicles and Provision of Drivers	6.32
Faddan General Trading & Contracting Co. W.L.L.	Maintenance for Mechanical and A/C repairing services at New Ahmadi Hospital	5.89
Finesco International General Trading & Contracting Co	Construction of 36 strategic crude supply line from KNPC manifold up to MAB Refinery fence and modification to existing Crude Feed lines to MAB & Shuiaba refineries.	4.64
Turki Al-Dabbous & Sons Co.	Maintenance services for vacant house operation	4.20
KCC Engineering & Contracting Co	Building maintenance and civil works at Ahmadi Hospital	4.10
Finesco International General Trading & Contracting Co.	Installation of Effluent Water Disposal System at GC-23 (North Kuwait) areas	3.78
Combined Group Contracting Co	Pipeline repair, replacement, modification & construction works in West Kuwait & export operation areas	3.56
Trio Arab Co. for General Building Contracting W.L.L.	Maintenance services for company premises – Part II	3.35
Holman Fenwick Willan LLP	Provision of legal services for London office matters	3.00
Al-Kout Industrial Projects Co	Supply of Hydrochloric Acid (HCL) and Associated Chemicals	2.60
KGL Car Rental Co	Hire of Big Sedan Vehicles	2.59
Siemens Electrical and Electronic Services KSCC	Maintenance Services – Siemens VFD	1.91
Scientific Drilling Controls Limited	Gyroscopic and magnetic survey services for drilling & workover operations	0.99
Trio Arab Co. for General Building Contracting W.L.L	Furniture repair and maintenance Services	0.92
Heavy Engineering Industries & Shipbuilding Co. K.S.C.	Rehabilitation of plate type heat exchangers in South and East Kuwait areas	0.83
Khorafi Business Machines W.L.L.	Network for New Al-Tameer Building	0.82
DHS Oil International FZE	Gyroscopic and magnetic survey services for drilling & workover operations	0.66
Al-Muhlab Contracting & Trading. Co. W.L.L.	Lighting decoration for Ahmadi Township	0.64

Source: Kuwait Oil Company (KOC)

C. Oil & Gas sector projects ...cont'd.

Kuwait awards USD 1.3 billion Gathering Centre (GC-32)

KOC has awarded KD 408 million (USD 1.3 billion) worth contract to UK-based Petrofac for the main construction of Gathering Centre (GC-32) located in Southern Burgan field. UK's Petrofac has emerged as frontrunner after submitting the lowest bid for the scheme in January 2017. The company was one of the 18 prequalified firms submitted last year, as mentioned in one of 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. The project is expected to be completed by March 2020.

Kuwait extends deadline for Jurassic oil manifold deal

KOC had postponed the bid deadline for the construction of new mixing manifold for Jurassic Light oil in Mina al-Ahmadi located in South areas of Kuwait to 17th January 2017 from its initial due on 3rd January 2017. The scope of work includes manifold, pipeline, valves, conductors and associated facilities.

17 prequalified firms for Jurassic oil manifold

❖ KCC Engineering & Contracting (Kuwait)	❖ Alghanim International General Trading & Contracting (Kuwait)
❖ Sayed Hamid Behbehani & Sons (Kuwait)	❖ Mushrif Trading & Contracting Company (Kuwait)
❖ Combined Group Contracting (Kuwait)	❖ Gulf Spic General Trading & Contracting Company (Kuwait)
❖ HOT E&C (Kuwait)	❖ Heavy Engineering Industries & Shipbuilding Company (Kuwait)
❖ Khalifa al-Daij Al Dabbous & Brothers Company Limited (Kuwait)	❖ Arabi Enertech (Kuwait)
❖ Integral Services Company (Kuwait)	❖ Nasser Mohammed al-Baddah & Partner Company (Kuwait)
❖ Consolidated Contractors Company (Lebanon)	❖ Finesco International General Trading & Contracting (Kuwait)
❖ Almeer Technical Services Company (Kuwait)	❖ Mechanical Engineering & Contracting Company (Kuwait)
❖ O&G Engineering (Kuwait)	

Amec wins Kuwait refinery design deal

UK's engineering firm Amec Foster Wheeler was awarded a USD 300 million worth front-end engineering and design (FEED) contract by KOC, for integrating Petrochemical Industries Company's (PIC) Olefins III, Aromatics II and Al-Zour refinery.

As mentioned in our previous edition – Issue 18, PIC expected to award the design contract on its 3rd mixed-feed cracker by February 2017. The estimated cost of the project is between USD 7 to 10 billion, with the aromatics complex alone expected to cost USD 5 billion and will be integrated with the USD 14 billion Al-Zour refinery project. The project is expected to be operational by Q2 2020.

Gulf Spic wins a KD 29.6 million contract for Kuwait Sulphur facilities deal

KNPC has awarded a KD 29.6 million (USD 97 million) contract to Gulf Spic General Trading and Contracting Company to construct Sulphur Treatment Facilities at the Mina al-Ahmadi refinery in Kuwait. Gulf Spic revealed to be the 2nd lowest bids submitted in October 2016 on the EPC tender for the scheme, as mentioned in our previous edition – Issue 18. China's Sinopec had submitted a much lower bid of USD 59 million.

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.

Chinese firm bids low for Wara injection project

China-based Petroleum Engineering & Construction Corporation submitted the lowest bid of KD 57 million (USD 187 million) for KOC Train 3 of Wara Pressure Maintenance project (WPMP). The scheme will support the Wara formation in Burgan oil field production. The scope of work includes construction of a pressure maintenance plant, 2 effluent waste disposal plants as well as manifolds, pipelines and flow lines.

C. Oil & Gas sector projects ...cont'd.

Kuwait invites bid to modernise gas and condensate network contract

KOC has invited prequalified firms to submit bid for the modernisation and development of gas and condensate network located in southern Kuwait. The deadline for bid submission is 13th June 2017 and a pre-bid meeting was set on 2nd April 2017.

The project scope of work includes :

- ❖ The upgrade of LP rich gas, HP rich gas, fuel gas and condensate network
- ❖ New pipelines and new pig traps/manifolds in the area between Gathering Centres (GC)-04 & BS-150/160
- ❖ Demolition and safe disposal of redundant parts of existing pipelines
- ❖ Demolition and safe disposal of redundant parts of existing pig traps/manifolds
- ❖ Installation/replacement/re-routing of gas and condensate lines
- ❖ Installation of pigging facilities
- ❖ F&G detection system at manifolds
- ❖ Replacement of pipelines
- ❖ Site survey
- ❖ Fabrication works
- ❖ Tie-in works
- ❖ Associated facilities

Invited firms

- ❖ KCC Engineering & Contracting (Kuwait)
- ❖ Combined Group Contracting (Kuwait)
- ❖ HOT Engineering & Contracting (Kuwait)
- ❖ Integral Services Company (Kuwait)
- ❖ Consolidated Contractors Company (Lebanon)
- ❖ Mohammed Abdulmohsin Al Kharafi & Sons (Kuwait)
- ❖ O&G Engineering (Kuwait)
- ❖ Alghanim International General Trading & Contracting (Kuwait)
- ❖ Gulf International General Trading & Contracting Company (Kuwait)
- ❖ Mushrif Trading & Contracting Company (Kuwait)
- ❖ Al Mulla Group (Kuwait)
- ❖ Gulf Spic General Trading & Contracting Company (Kuwait)
- ❖ Heavy Engineering Industries & Shipbuilding Company (Kuwait)
- ❖ Arabi Enertech (Kuwait)
- ❖ Nasser Mohammed al-Baddah & Partner Company (Kuwait)
- ❖ Mechanical Engineering & Contracting Company (Kuwait)

Kuwait invites bid for Northern crude pipeline deal

KOC has invited prequalified firms to submit bids for the turnover of a new 48-inch oil transit line from North of Kuwait to the Central Mixing Manifold. The parallel pipeline will transfer 1 million barrels a day (b/d) of North and South Tank Farms for export purposes. The deadline of bid submission is 4th June 2017.

The project scope of work includes execution of a new TL-5 pipeline, all associated works, tie-ins, pig traps, sectionalizing valves, control and instrumentation, control building at point A, Stations and equipment and modifications and upgrade of existing TL-3 facilities.

17 prequalified firms for Northern crude pipeline

- | | |
|--|---|
| ❖ Petrofac (UK) | ❖ Samsung SDS (South Korea) |
| ❖ Lurgi Oel Gas Chemie (Germany) | ❖ GS Engineering & Construction (South Korea) |
| ❖ Saipem (Italy) | ❖ SNC Lavalin (Canada) |
| ❖ Chiyoda Corporation (Japan) | ❖ Hyundai Heavy Industries (South Korea) |
| ❖ JGC Corporation (Japan) | ❖ SK Engineering & Construction (South Korea) |
| ❖ KBR (USA) | ❖ Larsen & Toubro (India) |
| ❖ Aker Kvaerner (Norway) | ❖ Daewoo Engineering & Construction (South Korea) |
| ❖ Technicas Reunidas (Spain) | ❖ China Petroleum Jilin Chemical Engineering & Construction (China) |
| ❖ Consolidated Contractors Company (Lebanon) | |

UAE's Dodsai wins a KD 265 million contract for Kuwait New Refinery Project deal

UAE-based Dodsai was awarded KD 265 million (USD 868 million) contract to construct feed pipelines at KOC's New Refinery Project (NRP). The deal had been tendered in 2014 and was approved for retendering by KOC in 2015, as mentioned in one of our previous edition – Issue 13. The retender has seen several delays due to disagreements over which companies should be eligible to bid. The scope of works involves the construction of about 250 kilometres of crude oil feedstock pipelines that will serve the planned 615,000 b/d greenfield refinery at Al- Zour in Southern Kuwait.

C. Oil & Gas sector projects ...cont'd.

Kuwait invites bid for Minagish water injection facility project

KOC has invited prequalified firms to submit bid for the contract to carry out the Minagish Marrat water injection facility located in West areas of Kuwait. KOC has set a bid deadline on 9th April 2017. Australian firm Worley Parsons is the FEED consultant for the project.

The scope of work includes construction of water injection facility with 40,000 barrel per day (bp/d) through 16 injection wells, mobile pig launcher/receiver (2 sets), guard filters, evaporation lined pit at satellite manifolds and at water injection wells for draining of pipelines during pigging process, piping tie-in works, tie-in to existing flare system, field manifolds, utility systems, buildings and shelters, infrastructure works, electrical systems, communication, safety & security systems, control systems and associated facilities.

30 prequalified firms for Minagish Marrat water facility

❖ China Petroleum Engineering & Construction Corporation (China)	❖ KBR (US)
❖ Hyundai Heavy Industries (South Korea)	❖ Parsons Corporation (US)
❖ Saipem (Italy)	❖ Technip (France)
❖ SK E&C (South Korea)	❖ Entrepouse Contracting (France)
❖ ABB (Switzerland)	❖ Larsen & Toubro (India)
❖ Amec Foster Wheeler (UK)	❖ JGC Corporation (Japan)
❖ Daelim Industrial (South Korea)	❖ SNC Lavalin (Canada)
❖ Consolidated Contractors Company (Lebanon)	❖ GS Engineering & Construction (South Korea)
❖ Engineers India Limited (India)	❖ Washington Group (US)
❖ Daewoo Engineering & Construction (South Korea)	❖ Air Liquide (France)
❖ Chiyoda Corporation (Japan)	❖ National Petroleum Construction Company (UAE)
❖ Joannou & Paraskevaides (Cyprus)	❖ Samsung Engineering (South Korea)
❖ Tecnicas Reunidas (Spain)	❖ Tekfen Construction (Turkey)
❖ Techint (Italy)	❖ Aker Kvaerner (Norway)
❖ Petrofac (UK)	❖ Lurgi Oel Gas Chemie (Germany)

Request for Letter of Interest (LoI) for Kuwait's 1GW solar energy plant

KNPC has invited firms to submit Letter of Interest (LoI) for the development of planned 1GW Al-Dibdibah Photovoltaic (PV) solar energy development at the Shagaya renewable energy complex. KNPC expects to begin the tendering process for the scheme by July 2017. The Al-Dibdibah plant will be one of the largest PV solar facilities in Kuwait, with a planned generation capacity of 2,500MW/h of electricity per year.

The project is developed by Kuwait Institute for Scientific Research (KISR), in collaboration with Kuwait's Ministry of Electricity and Water (MEW). Germany's Fichtner prepared the masterplan for development and assisted KISR and MEW with the tendering process for the first 3 pilot projects.

Kuwait awards a KD 59.4 million contract for Gathering Centres (GC-9,10,22 and 22)

KOC has awarded a KD 59.4 million (USD 195 million) contract to Kuwait's Mechanical Engineering and Contracting Company (MECC) for the main contract to execute engineering procurement and construction facilities at Gathering Centres (GD-9, 10, 20 and 22) located in Northeastern Kuwait.

In November 2016, as mentioned in our previous edition – Issue 18, MECC had submitted the lowest bid for the schemes (GC- 9, 10, 20 and 22). Also, MECC had 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 Kuwait.

D. Other sector projects

Kuwait to build more than 171,000 units under housing scheme

As part of Kuwait's housing programme, Public Authority for Housing Welfare (PAHW) has a new plan for distribution of 171,130 housing units for citizens, which will soon be tabled by the board of the authority. If endorsed, it will be presented to the parliament's Housing Committee for review. The projects includes the construction of:

- ❖ 53,530 houses in the Southern Khiran town
- ❖ 30,000 houses in South Al-Mutla area west of the capital
- ❖ 25,000 houses in South Saad Al-Abdullah town in the Northern Jahra province
- ❖ 25,000 houses in Sabah Al-Ahmed town in the South
- ❖ 3,600 houses in South Abdullah Al-Mubarak town, South of the capital Kuwait City
- ❖ 1,200 houses in Khaitan, a suburb of Kuwait City, and
- ❖ The rest in Al-Sabirya area in the South.

Hence, the total number of residential housing units will cover the number of housing welfare applications, which recently reached about 103,217 applications.

Kuwait UGCC bids lowest for Al-Jahra Ministerial Complex deal

Kuwait's United Gulf Contracting Company (UGCC) has submitted the lowest bid of KD 329 million (USD 1.1 billion) for the construction contract to build the Al-Jahra Ministerial complex, being developed by the MPW.

The project is estimated to cost USD 1.2 billion. The scope of work involves the construction of 4 buildings, a theatre, a training hall, a number of retail units as well all associated infrastructure and road works.

Lowest bidders for Al-Jahra Ministerial Complex deal

- ❖ United Gulf Contracting Company
- ❖ Alghanim International Trading & Contracting
- ❖ Combined Group Contracting
- ❖ Al-Hani Construction
- ❖ Al-Ahmadia Contracting & Trading
- ❖ Sayed Hameed Behbehani & Sons
- ❖ Bukhamseen Group Contracting Company
- ❖ Joint Mozn General Trading & Contracting

CGG wins Kuwait's multi-year geoscience study deal

Kuwait's Gulf Oil Company (KGO) awarded a multi-year integrated geoscience study to CGG Geo Consulting to identify resource growth potential in the onshore Partitioned Zone (PZ) area between Kuwait and Saudi Arabia, wherein the 2 countries have common ownership of the Zone's natural resources. The geoscience study will involve KGO geoscience experts and the combined team will work together to integrate recently acquired and processed 3D seismic data covering the entire PZ together with multiple geological, petrophysical and production data sets in order to deliver a robust portfolio of exploration prospects and asset development infill opportunities.

Kuwait to issue tender for USD 1 billion Olympic Village project

PAHW was expected to issue the main construction tender for a KD 306 million (USD 1 billion) worth contract for the construction of Olympic Village project by March 2017. The main contract is expected to be awarded by Q2 2017 with project handover scheduled by 2020. The project scope of work includes a 25,000 seat stadium, swimming pool complex and a residential block for athletes and will also cover a total built-up area of 2.67 million square feet to be built in Jaber Al-Ahmad City area.

Kuwait invites bid for intake substations deal

KOC has invited 11 firms to submit bid for the construction of main intake substations located in the South and Eastern areas of Kuwait.

The deadline of bid submission was 28th February 2017.

The scope of work includes construction of 11 kilovolt elevated main intake substations B4, B5, and MG2.

11 invited firms for intake substations

- ❖ Bader al-Mulla & Bros. Company
- ❖ Arabi Energetech Company
- ❖ Al-Meer Technical Services Company
- ❖ Al-Ahlea Switchgear Company
- ❖ Al-Ghanim International General Trading & Contracting Company
- ❖ KCC Engineering & Contracting Company Kuwait
- ❖ IMCO Construction & Engineering Company
- ❖ Heavy Engineering Industries & Shipbuilding Company
- ❖ Naser M al-Baddah & Part GT & Contracting Company
- ❖ ABB Engineering Technologies Company
- ❖ O&G Engineering & Contracting for General Trading & Company

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