



Kuwait Quarterly Newsletter

Issue 10/2023 – Economy & Projects update

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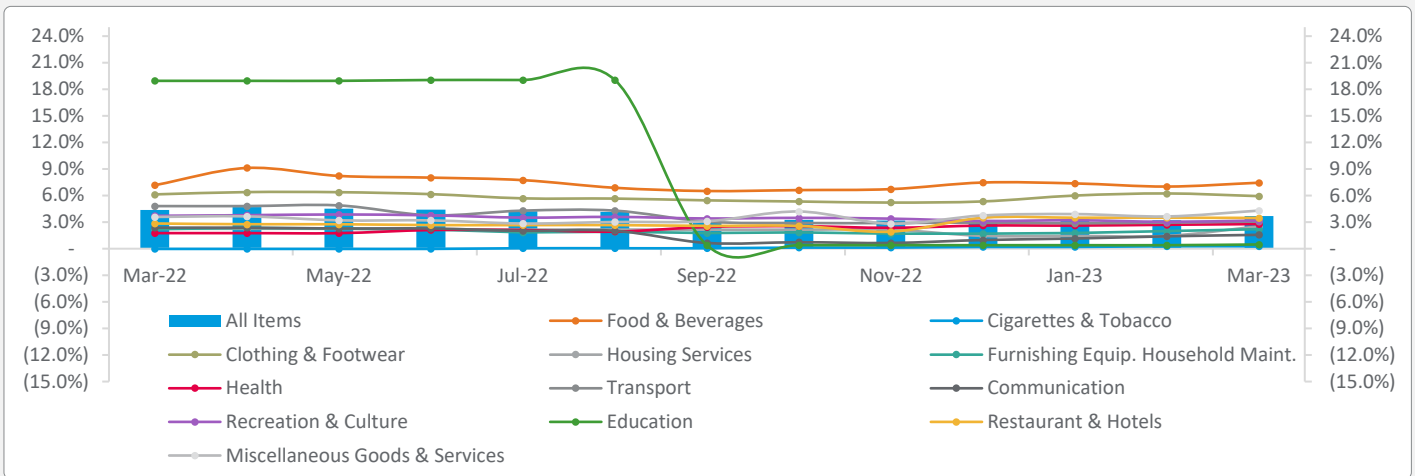
1. MACROECONOMIC UPDATE

Consumer Price Inflation (CPI)

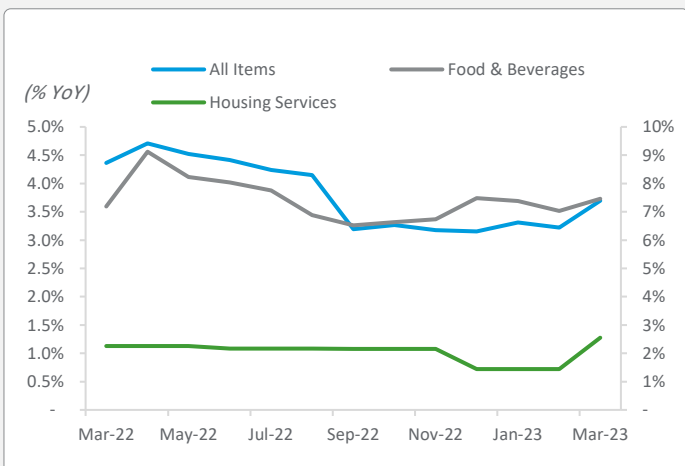
In March 2023, the inflation levels in Kuwait, as measured by the Consumer Price Index (CPI), decreased to 3.7% YoY compared to the same month in the previous year when it had grown by 4.4% YoY.

- The food and beverage category, an important component in the CPI, experienced a slight decrease in inflation of 7.46% YoY in March 2023, compared to 7.48% YoY in December 2022. This slight decrease is mainly due to a decrease in the prices of cereals & bread, meat & poultry, milk, and other fresh produce, while the prices of fish and seafood decreased, and the prices of beverages remained stable
- The inflation levels in clothing & footwear, cigarettes & tobacco, and furnishing equipment & household maintenance increased in March 2023, with a YoY rise of 5.9%, 0.3%, and 2.2%, respectively, compared to 5.4%, 0.2%, and 1.7% YoY in December 2022. Similarly, the inflation in health, transport, communication, and recreation & culture continued to rise in March 2023 at 2.8%, 3.1%, 1.6%, and 3.2% YoY, respectively
- Meanwhile, prices in the housing services (mainly rents) rose to 2.5% YoY in March 2023 from 1.4% YoY in December 2022, while the inflation in restaurant & hotels, and education remained stable and unchanged at 3.5% and 0.5% YoY, respectively over the last three months. Nevertheless, the components in miscellaneous goods & services increased to 4.3% in March 2023.

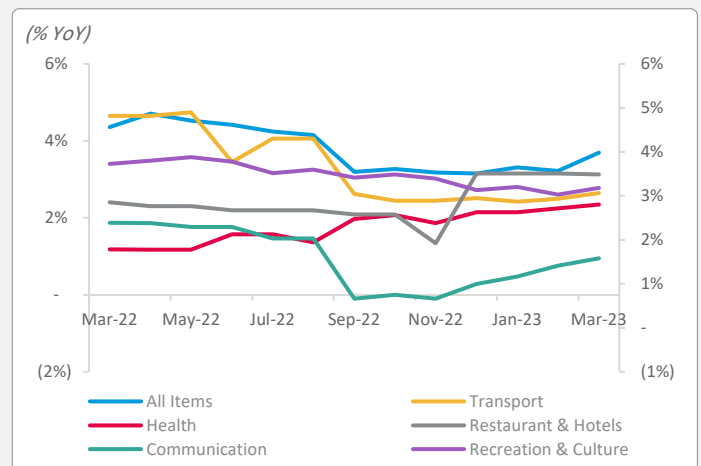
Consumer Price Inflation and Key Components (%YoY)



Inflation in F&B, and Housing Services



Inflation in Other Components



Source: Central Statistical Bureau (CSB), Note: CSB has changed the base year for CPI to 2013 from 2007, starting with June 2017 data.

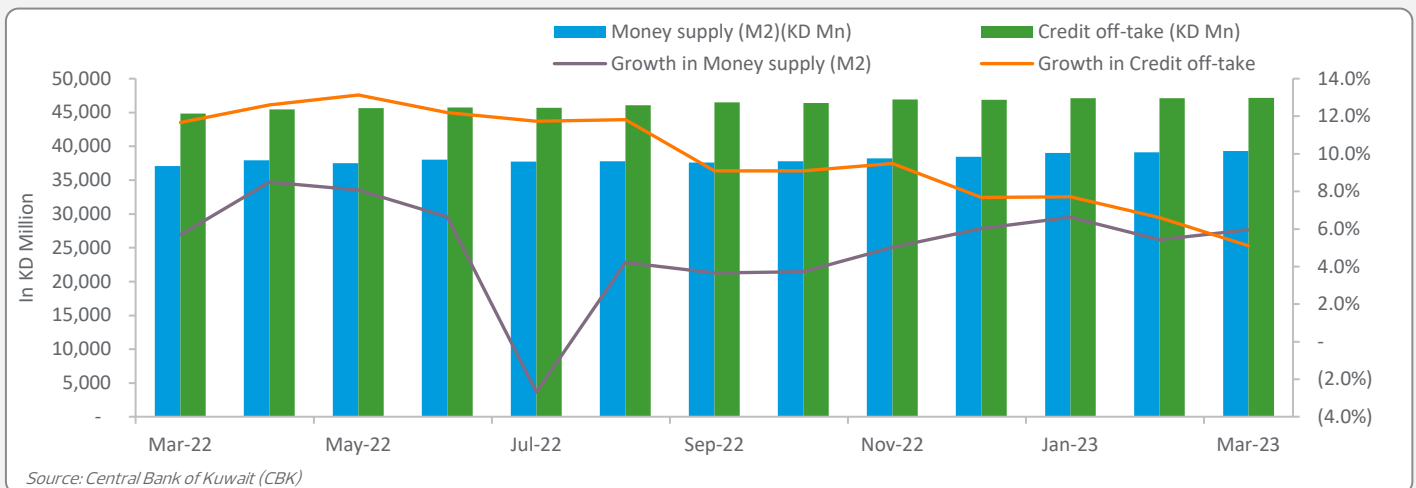
1. MACROECONOMIC UPDATE (Contd.)

Money Supply and Local Bank Deposits

During Q1 2023, the Money Supply (M2) in Kuwait experienced a healthy growth.

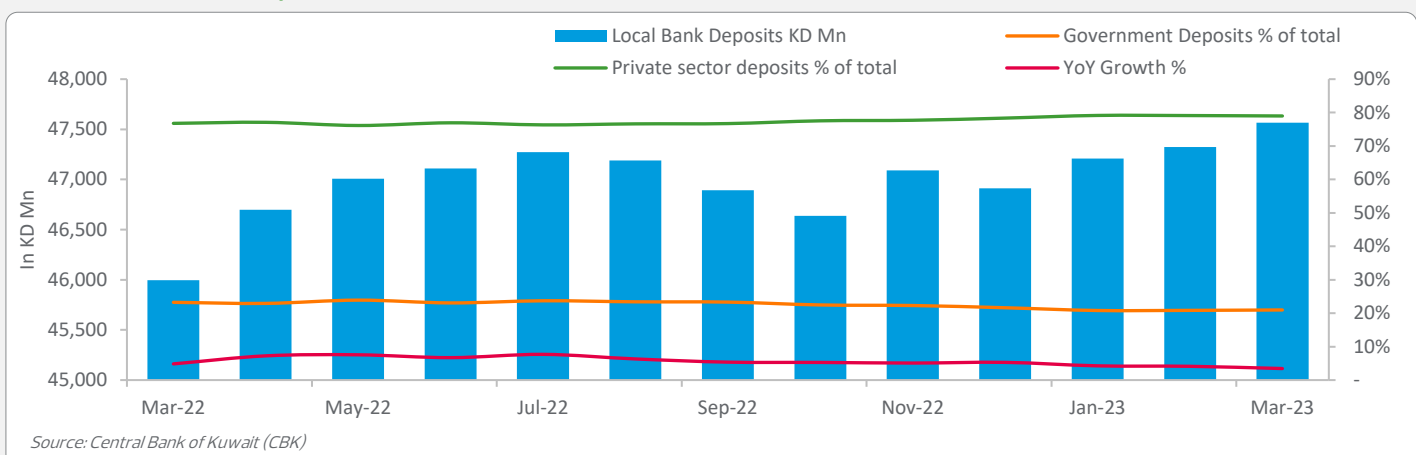
- Kuwait's broad measure of money supply (M2) increased by KD 0.86 billion from December 2022, reaching KD 39.29 billion in March 2023, representing a YoY growth of 6.0%. The main drivers behind this increase in M2 were quasi-money and sight deposits, which grew by KD 0.68 billion and KD 0.15 billion, respectively, reaching KD 27.55 billion and KD 10.04 billion in March 2023. The growth in M2 is a positive sign for the Kuwaiti economy, indicating an increase in liquidity and potential for investment and economic growth..
- Furthermore, credit facilities extended by local banks in Kuwait continued to increase during Q1 2023. It gained KD 0.26 billion from December 2022 to reach KD 47.15 billion in March 2023, reflecting a 5.1% YoY increase. However, there was a decrease in personal facilities, which fell by KD 0.02 billion from December 2022 to reach KD 18.46 billion in March 2023. The decline was primarily due to a decrease in consumer loans and private residential loans, which fell by KD 14.8 billion and KD 3.50 billion, respectively, during the same period.

Growth in Money Supply and Credit Off-Take



- In March 2023, bank deposits at local banks in Kuwait rose by 3.4% YoY, reaching KD 47.57 billion. The increase was mainly driven by the continuing growth in private sector deposits in local currency. Private sector deposits made up 79.0% of the total bank deposit base, reaching KD 37.58 billion in March 2023..

Local Bank Deposits



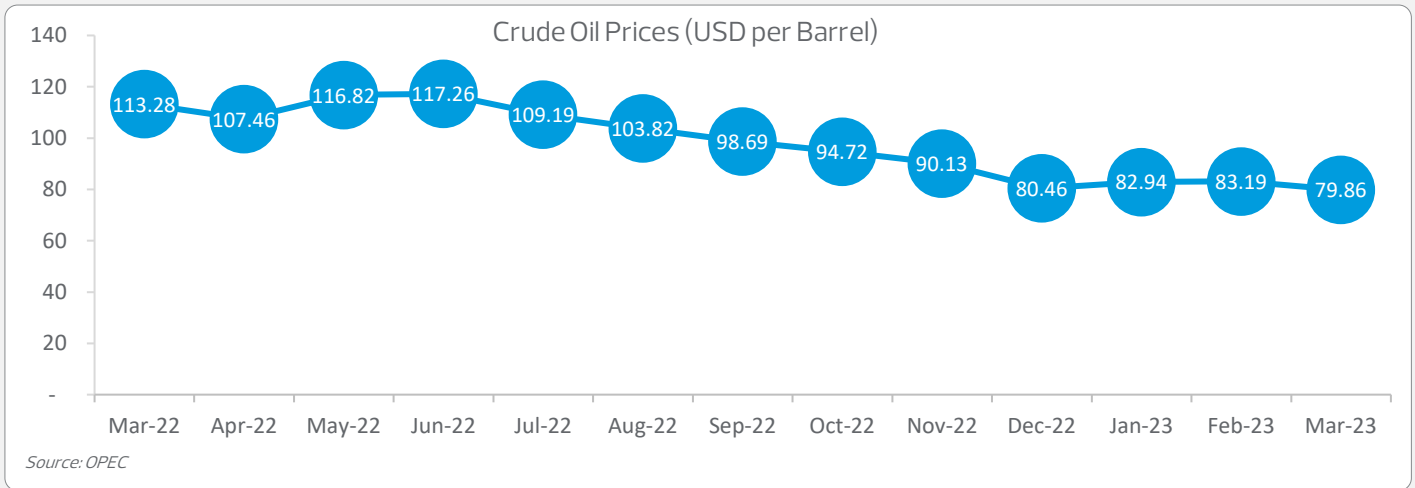
1. MACROECONOMIC UPDATE (Contd.)

Monthly Oil Production and Oil Price

Kuwait's crude oil sentiment was affected by concerns about a potential contagion from the US banking crisis.

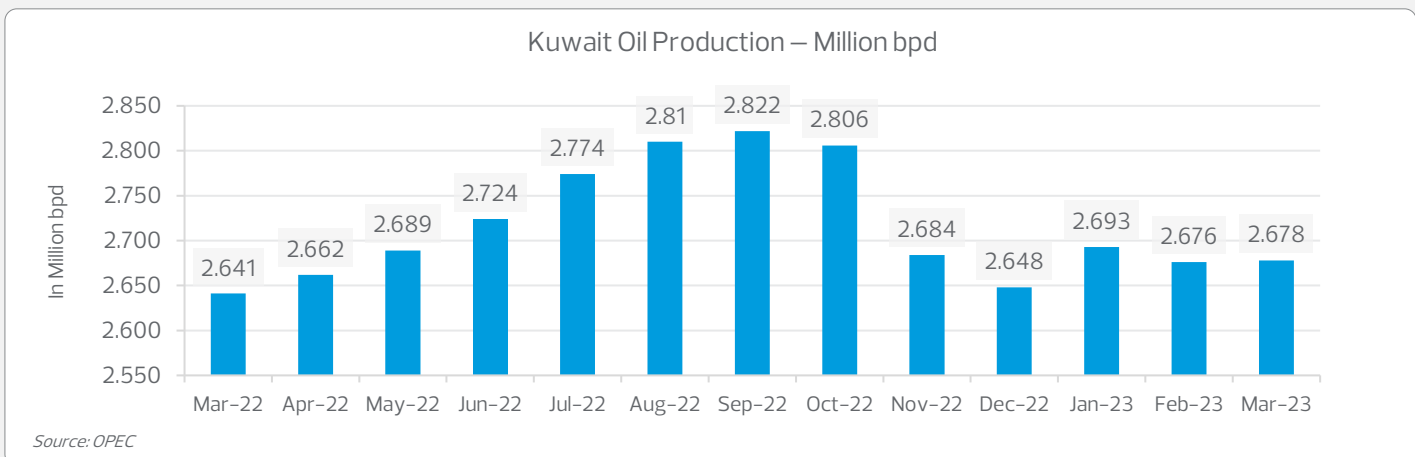
- The average price of Kuwait crude oil fell in March 2023, dropping by USD 0.60 per barrel (p/b), to stand at USD 79.86 per barrel (p/b) compared to USD 80.46 per barrel (p/b) in December 2022. This drop was caused by fears of potential financial contagion from bank failures in the US and Europe, which raised risk-off sentiment in financial markets during the first half of the month.
- However, there was a slight gain in prices during February 2023, by around 25.0% month-on-month trends, due to a revival of hope in the China demand story.

Growth in Kuwait Oil Basket Prices



- Kuwait's crude oil production remained unchanged at 2.678 million b/d in March 2023, which is only a slight increase of 0.030 mb/d compared to 2.648 million b/d in December 2022. According to news report, Kuwait has voluntarily cut oil production by 128,000 barrels per day, starting May until the end of 2023. This voluntary cut is a precautionary measure in addition to the reduction in production agreed at the 33rd OPEC and non-OPEC ministerial meeting on 5th October 2022.

Movement of Kuwait Oil Production

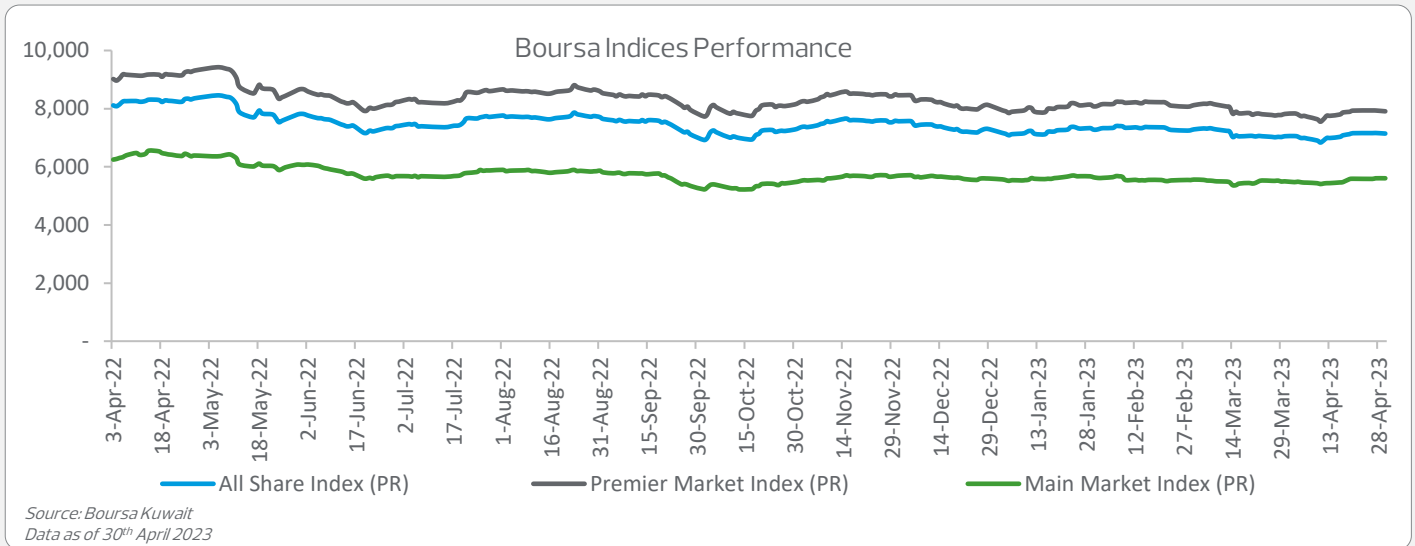


2. BOURSA FINANCIAL MARKET PERFORMANCE

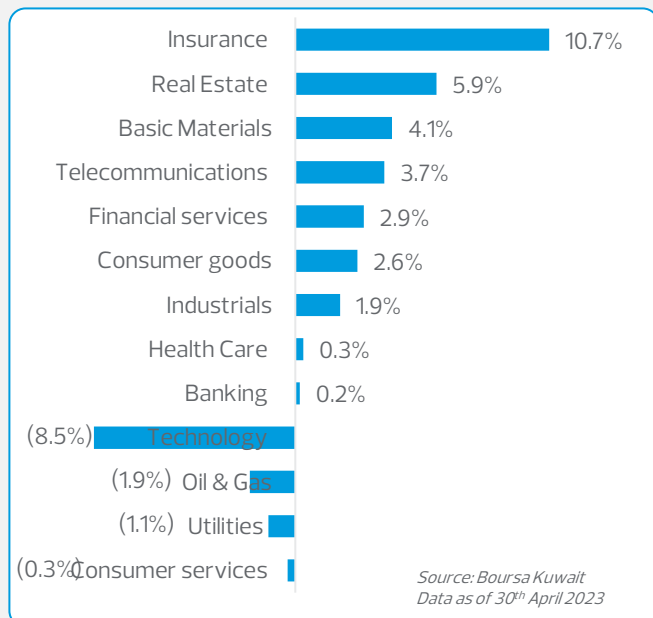
Kuwait Boursa – Key Index Performance (Q1 2023)

- The average daily trading value in April was higher than that of March, with positive performances across all indices.
- In April 2023, Kuwait's All Share Index increased by 1.3%. Among Bursa Kuwait's sectoral indices, the Insurance, Real Estate, Basic Materials, and Telecommunications sectors gained the most, at 10.7%, 5.9%, 4.1%, and 3.7%, respectively. However, the Consumer Services, Utilities, Technology, and Oil & Gas sectors suffered losses of 0.3%, 1.1%, 8.5%, and 1.9%, respectively.
- The Premier Market Index increased by 1.2% month-on-month (MoM) in April 2023, closing at 7,912.53 points compared to 7,821.74 points in March 2023. Meanwhile, the Main Markets also rose by 1.9% MoM, closing at 5,606.42 points in April 2023.

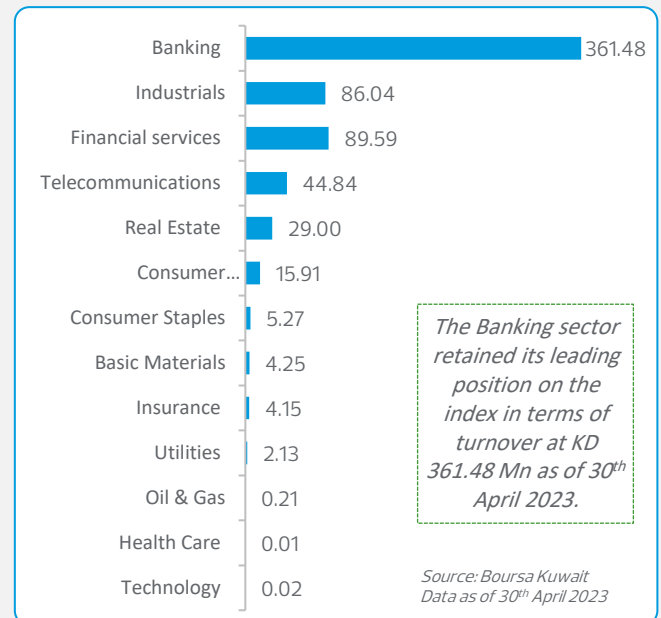
Boursa Indices Performance



Monthly Sector Index Returns (%)



Monthly Value Traded (KD Mn)

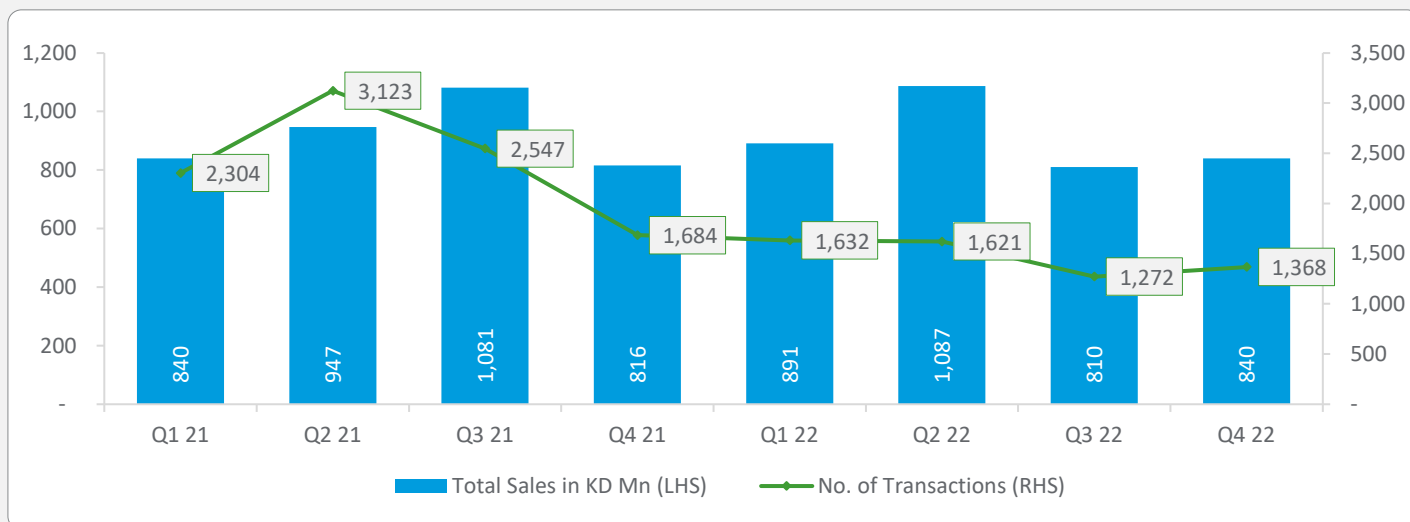


The Banking sector retained its leading position on the index in terms of turnover at KD 361.48 Mn as of 30th April 2023.

3. KUWAIT REAL ESTATE MARKET

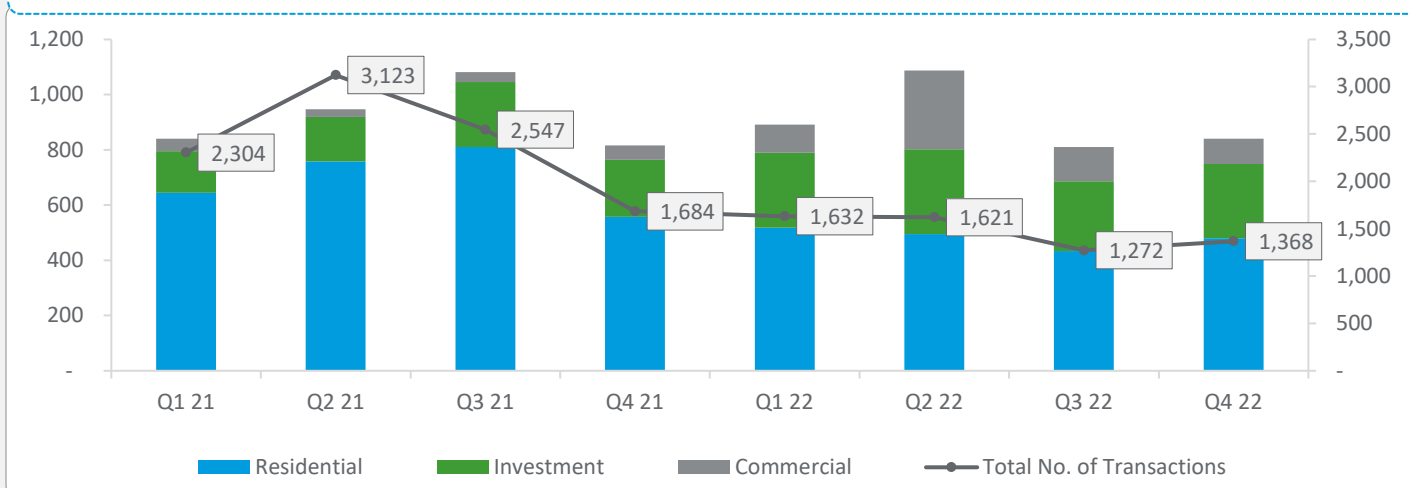
Overall Real Estate Sales (Q1 2021 – Q4 2022)

- Kuwait’s real estate sector has rebounded from the pandemic-induced slump. In Q4 2022, overall real estate sales increased by 2.9%, reaching KD 840 million. However, full-year activity was slower by 1.5% compared to 2021.
- Total traded transactions decreased to 1,368 in Q4 2022, which is an 18.8% decrease on a quarterly basis. Additionally, it is lower by 39.0% on an annual basis. This decline was driven by a significant drop in the number of private housing deals.
- The residential sector, which is the predominant driver of headline real estate activity, showed an improvement in sales, reaching KD 480 million in Q4 2022, an increase of 10.6% compared to Q3 2022. However, this is still lower by 30.4% on an annual basis.
- On the other hand, sales in the investment and commercial sectors increased significantly by 30.0% YoY and 75.0% YoY, respectively. However, the latter witnessed a quarterly decline, possibly due to higher construction costs linked to rising raw material prices and labor shortages.



Real Estate Segments Sales (in KD Mn)

- The investment sector sales rebounded, reaching KD 269 million in Q4 2022. This marks an increase of 6.7% on a quarterly basis and 30.0% YoY.
- Commercial property sales surged by 75.0% YoY to reach KD 91 million in Q4 2022, although there was a decline of 26.6% on a quarterly basis. The average transaction size nearly doubled, indicating increasing business demand from corporate segments.

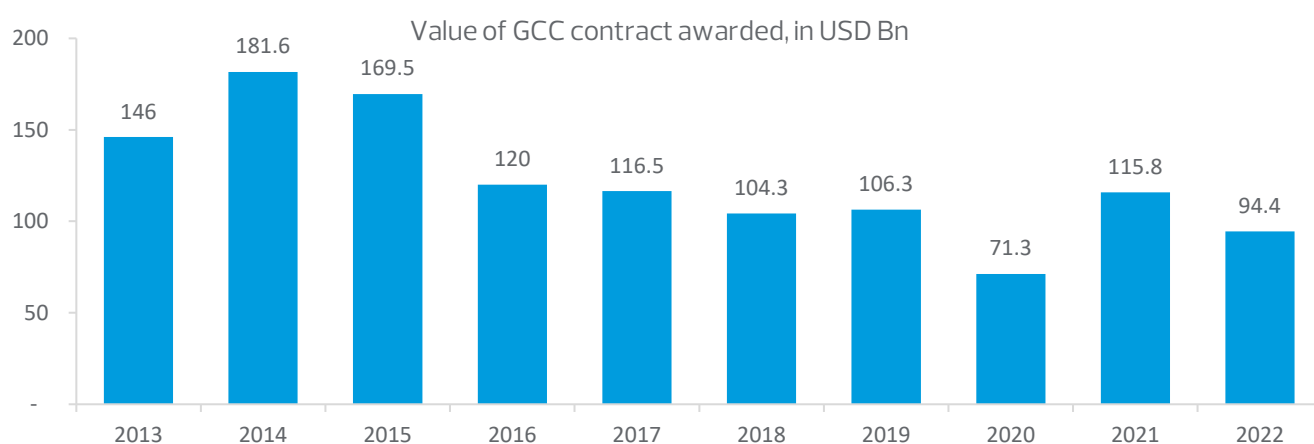


Source: RSM Kuwait, NBK Capital

4. MARKET SNAPSHOT OF GCC'S 2023 PLANNED PROJECTS AWARD

Value of GCC contract awarded (2013 – 2022, in USD Bn)

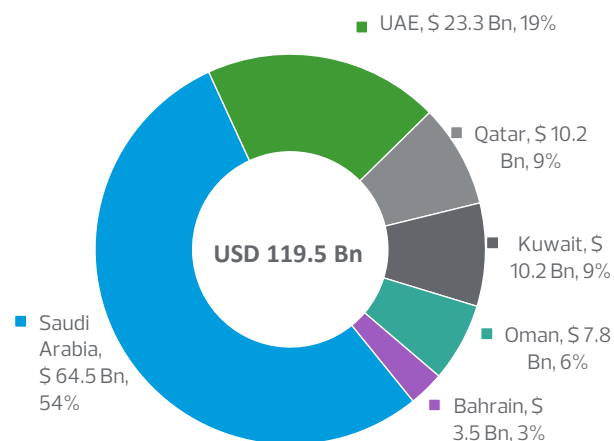
- Despite the recovery in 2021 and higher oil prices, 2022 was a frustrating year for the overall GCC contracts award with only USD 94.4 billion awarded, compared to USD 115.8 billion in 2021.
- The market was in bad shape during 2020, as many projects were partly put on hold or canceled due to the disruption caused by the COVID-19 pandemic.



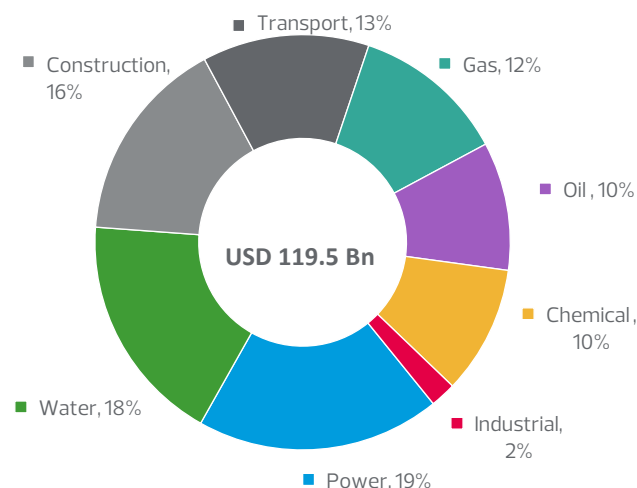
GCC Project contracts Outlook for 2023

- It is estimated that more than USD 119.5 billion worth of contracts will be tendered and awarded in 2023.
- Saudi Arabia and UAE are anticipated to grow by 20%, with even sharper increases in Kuwait, Oman, and Bahrain. However, Qatar could experience a decline for the year.
- In terms of sectoral segments, power, petrochemical, and water projects are expected to perform exceptionally well.

Value of GCC contract in Tender or Bid Evaluation (in USD Bn)



Value of GCC contracts in Tender or Bid Evaluation (%)



Source: RSM Kuwait, MEED Research

4. MARKET SNAPSHOT OF GCC's 2023 PLANNED PROJECTS AWARD (Contd.)

Top 2023 Planned Contract in GCC

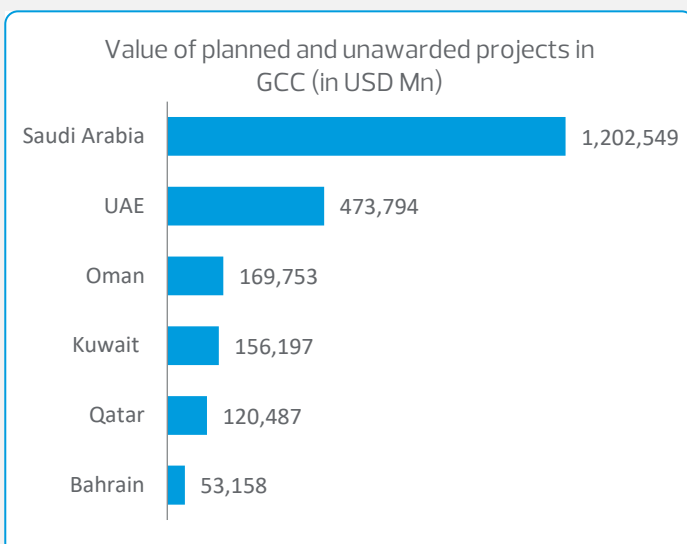
- Saudi Arabia dominates in terms of contracts likely scheduled to be awarded in 2023.

Project Name	Country	Estimated Value (in USD Mn)
North Filed South Development: two LNG trains	Qatar	6,000
Al-Marjan Multipurpose Integrated Resort	UAE	2,500
Mirfa Seawater Treatment Plant	UAE	2,500
Upgrade of Sewage Treatment Plants: 5 packages	Saudi Arabia	2,150
1,800MW Qassim IPP	Saudi Arabia	2,000
1,800MW Taiba IPP	Saudi Arabia	2,000
Tall Gas Treatment Desulphurization Project	Saudi Arabia	2,000
Amiral Complex: Derivatives unit: package 2	Saudi Arabia	1,900
Waad Al-Shamal Phosphate City: DAP Package 1	Saudi Arabia	1,500
Umm Shalf Gas Cap Condensate Development: Phase 1	UAE	1,500
1,100MW Al-Hinakiyah Hybrid CSP/Solar Project	Saudi Arabia	1,500
Amiral Complex: Mixed-feed Cracker: Package 1	Saudi Arabia	1,400
Zuluf Oil field: Upgrade of Infrastructure works	Saudi Arabia	1,200
Amaala: Utilities Package	Saudi Arabia	1,200
Al-Ajban Solar PV IPP	UAE	1,125
Neom: Trojena: Trojena Valley Cluster: dams	Saudi Arabia	1,000
North & South Kuwait revegetation Project	Kuwait	1,000

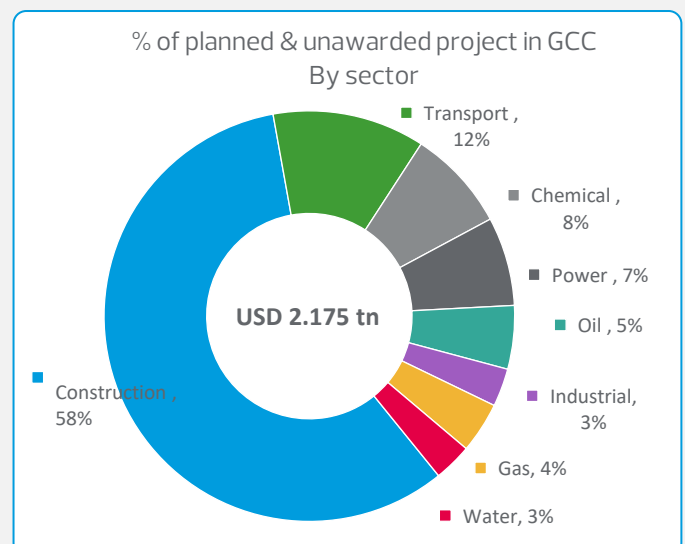
Source: RSM Kuwait, MEED Research

GCC Projects Pipeline

- There is an estimated value of USD 2.175 trillion for planned and unawarded projects in the GCC, with Saudi Arabia dominating in terms of the largest projects pipeline with more than USD 1.2 trillion of unawarded projects.
- The construction continues to dominate with more than half of known future projects by sector.



Source: RSM Kuwait, MEED Research





5. MAJOR PROJECTS UPDATE

- A. Kuwait Authority For Partnership Projects (KAPP)
- B. Infrastructure And Development Projects
- C. Oil & Gas Sector Projects
- D. Other Sector Projects

A. KUWAIT AUTHORITY FOR PARTNERSHIP PROJECTS (KAPP)

Kuwait floats consultancy tenders for Phase-1 of rail project

Kuwait's Public Authority for Roads and Land Transport (PART) has issued tenders for the detailed study and design work for the 1st Phase of the railway project network, following approval from the Central Agency for Public Tenders (CAPT). According to news report, the consultancy project is estimated to cost KD 1 million and is expected to be completed in 2 to 3 years.

The deadline for bid submission is on 21st February 2023 with tender likely to be awarded within 90 days. The scheme features a 110 km- long railway line extending from the Kuwait's southern border to the Shaddiyah region. The project is expected to be completed in 2 to 3 years.

Kuwaiti considers reissuing the two IWPP projects

The Kuwait Authority for Partnership Project (KAPP), in collaboration with Kuwait's Ministry of Electricity, Water & Renewable Energy (MEWRE), is considering reissuing the request for qualifications for the contract to develop the planned Kuwait's Al-Zour North 2&3 and Al-Khiran 1

Independent Water and Power Producer (IWPP) projects in Kuwait. The tender for projects is expected to be issued by mid-2023.

As of September 2022, at least six firms have submitted a Statement of Qualifications (SOQ) to KAPP for the contracts to develop Kuwait's next two IWPP projects. The Al-Zour Phase 2&3 IWPP will merge the previously planned phase 2&3 and will have a generation capacity of 2,700MW and a desalination capacity of 165 million imperial gallons a day (MIGD). Meanwhile, the Al-Khiran 1 IWPP will have a power capacity of 1,800MW and a desalination capacity of up to 125 MIGD.

Firms submitted SOQ for the 2 IWPP Project

- Abu Dhabi National Energy – Taqa, United Arab Emirates
- Acwa Power – Saudi Arabia
- Jera – Japan
- Kepco – South Korea
- Mitsui – Japan
- Nebras Power – Qatar

B. INFRASTRUCTURE AND DEVELOPMENT PROJECTS

Deloitte wins Kuwait's Shuaiba North Power Plant deal

Kuwait's Central Agency for Public Tenders (CAPT) has agreed to award the transaction advisory contract in line with the planned privatization of worth USD 1.26 billion North Shuaiba power and water plant (NSPP) to a team led by the UK-headquartered Deloitte, which had submitted the lowest bid at KD 1.2 million (USD 3.9 million), as per news report.

The NSPP is a dual-fuel combined-cycle plant with a power capacity of 778MW, and also contains a multi-stage flash (MSF) desalination plant with a capacity of 45 million imperial gallons a day (MIGD).

Five firms submitted for the NSPP scheme

- Deloitte (UK) – KD 1.2 million (USD 3.9 million)
- KPMG (Netherlands) – n/a
- PwC (UK) – KD 2.4 million
- Ernst & Young (EY,UK) – KD 1.36 million
- Engineering Systems Group (Kuwait) – n/a

Kuwait signs contract for Sabah al-Ahmad Project

The Kuwait Public Authority for Housing Welfare (PAHW) has signed a public-private partnership agreement with Kuwait-based Mabanee Company for the development of the Sabah al-Ahmad Project (S3), a mixed-use development covering a 40,121 sqm area.

The project is estimated to cost KD 26.0 million (USD 84.99 million), which includes the design, construction, finance, operation, maintenance and transfer of the project. The project agreement involves a construction period of 3 years and an operating concession period of 32-years.

Kuwait awards PMC contract for mega mixed-use project

Kuwait's Public Authority for Housing Welfare (PAHW) has awarded Egis, a Kuwait-based company, a project management consultancy (PMC) contract for the Al Mutala City Development (MCD) project. The MCD project is located 38.3 km northwest of the Kuwait Metropolitan area and covers an area of approximately 104km². It is expected to house up to 400,000 people and will consist of a mixed-use

development, including residential, social, commercial and light industrial areas.

As per the agreement, Egis will provide programme-level service management, construction logistics and interface management, cost management, as well as digital programme management system and project management information system (PMIS) services for the MCD project.

Kuwait to award EPC contract for Sewer Project

Kuwait's Ministry of Public Works (MPW) has earmarked the award of the Engineering, Procurement and Construction (EPC) contract for the construction, completion and maintenance of a sewer that will drain rainwater lines in Abdullah Al Mubarak area in South Kuwait by Q1 of 2023. The overall project completion and commissioning are scheduled for Q1 2025.

The EPC tender was issued on 27th June 2022 with a bid submission deadline is on 18th October 2022, according to news report.

List of bidders for the EPC contract

- KCC Engineering and Contracting
- United Gulf Construction Company
- Al-Ghanim International General Trading and Contracting Company
- Al-Sayer Construction General Trading & Contracting Company
- Al-Kharafi Construction Company
- Golden Engineering Group for General Trading and Contracting
- Green Tide General Trading and Contracting Company
- Kobri Construction Projects
- Sahara Rolla General Trading and Contracting Company
- The Contractor General Trading and Contracting
- First Group General Trading Contracting Company

B. INFRASTRUCTURE AND DEVELOPMENT PROJECTS (Contd.)

Kuwait approves plans to develop 22 intersections in Kuwait

The Kuwait Municipality, in collaboration with the Public Authority for Roads and Land Transport (PART) has approved the Fahaheel Expressway 30 development project, which involves the development and transformation of 22 existing intersections to into multi-intersections.

The project is estimated to cost KD 1.335 billion and will be implemented in multiple stages over a period of 14 years.

First: The study includes the development work of 21 major intersections as follows:

- Developing the intersection of Fahaheel Highway with the 1st Ring Road and Al-Soor Street (Intersection No. 1) to become 3 levels (tunnel + floor at the ground level with the intersection of Al-Soor Street + viaduct + ramp bridges).
- Developing the intersection of Fahaheel Expressway with the 2nd Ring Road (Intersection No. 5) to become 4 levels (tunnel + roundabout at ground level + existing bridge + overpass (viaduct).
- Developing the intersection of Cairo Road with Fahaheel Expressway (Intersection No. 15) (under implementation).
- Developing the intersection of Fahaheel Expressway with the 4th Ring Road (Intersection No. 16) to become 3 levels (ground level + existing bridge + overpass (viaduct) + in addition to constructing a bypass tunnel from the 4th Ring Road to Fahaheel Expressway), in addition to (A detour bridge from Fahaheel Road to the Fourth Ring Road).
- Developing the intersection of Fahaheel Expressway with the 4th Ring Road (Intersection No. 36) to become 3 levels (ground level + existing bridge + overpass (viaduct) + in addition to constructing a bypass tunnel from the 4th Ring Road to Fahaheel Expressway) in addition to (a bridge A detour from Fahaheel Road to the Fourth Ring Road).
- Developing the intersection of Fahaheel Expressway with the 4th Ring Road (Intersection No. 36) to become 3 levels (ground level + existing bridge + overpass (viaduct) + in addition to constructing an overpass bridge from Fahaheel Expressway to the 5th Ring Road) in addition to (flyover from 5th Ring Road to Fahaheel Expressway).
- Developing the intersection of Fahaheel Highway with Al-Aqsa Mosque Street (Road 302) (Intersection No. 36A) to become 4 levels (tunnel + roundabout at ground level + existing bridge + viaduct).
- Developing the Fahaheel Highway intersection with Road 210 / Salwa Road (Intersection No. 43) to become 4 levels (tunnel + ground level + bridge + flyover + in addition to constructing a bypass tunnel from Fahaheel Highway to Road 210) in addition to (a tunnel from Road 210 to Fahaheel Expressway).
- Developing the intersection of Fahaheel Expressway with the 6th Ring Road (Intersection No. 50) to become 4 levels (tunnel + roundabout at ground level + existing bridge + viaduct) in addition to constructing an overpass bridge from Fahaheel Expressway to the 6th Ring Road.
- Developing the intersection of Fahaheel Highway with South Messila Road (207) (Intersection No. 65A) to become a 3-level (ground-level roundabout + existing bridge + viaduct).
- Developing the intersection of Fahaheel Expressway with Road 208 (Intersection No. 69) to become a 3 level (ground-level roundabout + existing bridge + viaduct).
- Intersection of Fahaheel Expressway with 7th Ring Road (Intersection No. 71) (under implementation).
- Intersection of Street 101 with Fahaheel Expressway (Intersection No. 71A) – No development has been done on it.
- Intersection of Fahaheel Highway with Road 103 (Intersection No. 73) – to become 3 levels (roundabout at ground level + existing bridge + viaduct).
- Intersection of Fahaheel Highway with Road 210 (Intersection No. 73A) – to become 3 levels (roundabout at ground level + existing bridge + viaduct).
- Intersection of Fahaheel Highway with Road 211 (Intersection No. 76) – to become 4 levels (tunnel + roundabout at ground level + existing bridge + viaduct).
- Intersection of Fahaheel Highway with Mohammed Bin Ghassab Street / Abdul Hameed Al Hashemi Street (Intersection No. 76A) – to become four levels (tunnel + roundabout at ground level + existing bridge + viaduct).
- Intersection of Fahaheel Expressway with Rashid Bin Shaaban Al-Hajri Street / Hamid Nayef Al-Dabbous Street (Intersection No. 76B) – to become 3 levels (roundabout at ground level + existing bridge + viaduct), in addition to (constructing a ramp from Fahaheel Road to Street Humaid Al-Dabbous).
- Intersection of Fahaheel Highway with Road 212 / Al-Ahmadi Road (Intersection No. 78) – to become 4 levels (tunnel + roundabout at ground level + existing bridge + viaduct).
- Intersection of Fahaheel Highway with Road 313 (Intersection No. 78A) – to become 3 levels (tunnel + existing bridge + flyover).
- Intersection of Fahaheel Highway with Mina Al-Ahmadi Road (Intersection No. 80) – to become 3 levels (tunnel + ground level + existing bridge).

B. INFRASTRUCTURE AND DEVELOPMENT PROJECTS (Contd.)

Second: The study include constructing a viaduct overpass that starts from Kuwait City to the southern Sabahiya area, with a length of 36 km, and consists of three lanes in each direction, in addition to the presence of 20 ramps to connect the bridge to the Fahaheel Expressway.

Third: The study include establishing entrances and exits for some areas along the Fahaheel Road and north of the following areas: (Abu Hasaniya, Fintas, Abu Halifa, Mangaf, Mahboula, Bayan, Sabah Al-Salem, an exit from the Hawalli area to the Fahaheel Expressway).

Fourth: In addition to the existing pedestrian bridges, 7 other pedestrian bridges have been added, and bus stops have been established at each pedestrian bridge.

Fifth: Expansion of the existing Fahaheel road along the ground level, with a length of 39 km.

Tender launched for Kuwait's construction and maintenance of road works

The Kuwaiti government has announced the launch of a tender for the construction, completion and maintenance of road works and main infrastructure project for the south of Saad Al Abdullah Residential City on 23rd February 2023.

The project was approved by the Corporation's Tenders Committee and aims to implement the main roads and infrastructure works for the project, with an implementation period of 48 months.

Kuwait awards Power Plant Rehabilitation Projects

The Ministry of Electricity, Water and Renewable Energy of Kuwait (MEWRE) has awarded two Power Plant rehabilitation in Kuwait, which includes:

1. Ministry of Electricity, Water and Renewable Energy of Kuwait (MEWRE) has awarded a contract worth KD 90.9 million (USD 298.3 million) to a joint venture of Kuwait-based Heavy Engineering Industries & Shipbuilding (HEISCO) and Mitsubishi Power for the rehabilitation of 2.4GW Sabiya power plant. According to news report, the consortium submitted the lowest bid during April 2022. The scope of work includes the modernization of steam turbines and electric generators for 8 steam units at the power plant.
2. MEWRE also received bids for a Rehabilitation Project at Az-Zour South Power & Water Distillation Station. Kuwait-based Heavy Engineering Industries & Shipbuilding Co. K.S.C. (HEISCO) submitted the lowest bid of KD 136.75 million (USD 445.5 million) for the contract.

The project scope of work includes Boiler Rehabilitation and Lifetime Extension And Replacement of Control System For Boiler, Steam Turbine And Auxiliaries for (8) Units At Az-Zour South Power and Water Distillation Station.

C. OIL & GAS SECTOR PROJECTS

Kuwait awards contract for oil flowlines projects

Kuwait Oil Company (KOC) has awarded two contracts worth a combined value of KD 92.0 million (USD 300.2 million), which both covers the construction of flowlines and associated work in Kuwait's Umm Niqa and South Ratqa area.

The first contract worth KD 68.5 million (USD 223.7 million) was awarded to Kuwait-based Heavy Engineering Industries and Shipbuilding Company (Heisco). While the second contract worth KD 23.5 million (USD 76.5 million) was awarded to Kuwait-based Combined Group Contracting (CGC).

The project is expected to be completed within 5 years.

70% completed on Jurassic upstream projects

As of 29th March 2023, Kuwait Oil Company (KOC) affirmed that the two strategic oil and gas projects known as Jurassic Production Facilities – JPF 4 and JPF 5 have reached 70% completion and are on track to start operation as early as 2024.

In February 2023, the mechanical works has started for the JPF 4 project worth USD 398 million. KOC had awarded the main contract for the contract to Kuwait-based Spetco International Petroleum Company, while the worth 426 million JPF 5 project was awarded to China's Jereh Oil and Gas Engineering Corp in December 2021.

The recent news report states that France's Axens has been selected to provide technology for the two upstream projects. Axens will license the technology for two acid gas removal units, two acid gas removal units, two sulfur recovery units, and two triethylene glycol (TEG) units for gas drying.

Both projects are onshore surface production facilities and will be implemented on a build-own operate basis by a contractor, with an option for KOC to extend their contract at a future date.

Kuwait awards contract for oil maintenance deals

Kuwait Oil Company (KOC) has awarded a contract worth a combined KD 53.4 million (USD 176.2 million) to two local firms, Bader Almulla and Brothers Company and HOT Engineering and Construction Company, for providing maintenance services to key oil facilities in South and East Kuwait.

The contract for Bader Almulla and Brothers Company is valued at KD 22.6 million (USD 74.6 million), while the contract for HOT Engineering and Construction Company is valued at KD 30.8 million (USD 101.6 million).

KOC has informed the Central Agency for Public Tenders of its decision to award the contracts to the two companies after they submitted the lowest bids.

Kuwait invites bids for oil facilities with renewable energy

Kuwait Oil Company (KOC) has prequalified 5 bidders to submit bids for a consultancy services involving pre-feasibility studies and other services for opportunities to study the usage of renewable energy operated by Kuwait Integrated Petroleum Industries Company and Kuwait National Petroleum Company.

Invited firms to submit consultancy bids

- Amec Foster Wheeler (UK)
- Technip (France)
- Dornier Suntrace (Germany)
- Worley Engineering (Australia)
- NexanteCA (London)

Kuwait reschedules effluent water disposal plants

The tender for the expansion of two effluent water disposal plants for the oil and gas sector in Kuwait, which was expected to be issued by Kuwait Oil Company (KOC) has been postponed until late 2023 or early 2024. The estimated cost of the project is KD 200 million (USD 650 million).

The scope of the project includes expanding the existing facilities known as EWDP-1 and EWDP-2. The EWDP-1 is located approximately 20 km south of Kuwait City, while EWDP-2 is about 40km south of the capital. The delay in issuing the tender is likely due to the political instability that has significantly impacted most project timelines.

C. OIL & GAS SECTOR PROJECTS (Contd.)

Kuwait schedules revegetation contract awards

Kuwait Oil Company (KOC) is expected to award the four revegetation contracts, which are being tendered to four separate packages with a combined value of around USD 675 million, at the end of July 2023.

The four contracts will include a wide range of work activities, divided into enabling works and revegetation works.

The required enabling works include:

- Health, safety and environment studies
- Topographical surveys
- Constructing roads
- Installing temporary site offices
- Assessing risks posed by unexploded ordnance
- Carrying out geophysical surveys for unexploded ordnance and unexploded ordnance clearance
- Installing fencing
- Groundwater monitoring well installation
- Designing, constructing, operating and maintaining an on-site seeding nursery
- Designing and constructing permanent offices
- Designing, constructing and commissioning a water pipeline and associated tankage
- Designing, constructing and commissioning a permanent water treatment system and accessories
- Water well infrastructure and connection

The required revegetation works include:

- Plant procurement and delivery
- Planting procedures and layout
- Irrigation
- Aftercare and maintenance

According to the project schedule, the plant installation is expected to be completed by the end of March 2027, and the entire project is scheduled to be finished by the end of July 2029.

Accordingly, the contractor will be allowed to plant seasonally from 1st September to 31st March only. Each contractor will be required to plant several million plants as part of their contract over a period of 3 years.

The project is the last to be tendered as part of the multibillion-dollar oil clean-up project known as the Kuwait Environmental Remediation Programme (KERP).

Kuwait rejects new consortium for chemical facility

Kuwait's Central Agency for Public Tenders (CAPT) has rejected Kuwait Integrated Petroleum Industries Company (KIPIC) request to reconfigure the consortiums bidding for the planned USD 10 billion Al-Zour petrochemicals complex project.

KIPIC have requested to approve an amended list of qualified contractors for the project after a change of alliances between some contractors. However, CAPT decided not to approve the request without giving any reason for withholding approval, and also did not reveal how the amended list of qualified contractors for the project differed from the original list.

Delays in CAPT's decision to withhold approval will likely increase concerns about this project experiencing major delays.

D. OTHER SECTOR PROJECTS

32% completed on Al-Shadadia Industrial City

As of March 2023, Kuwaiti Government revealed that the construction of an A-Shaddadiya Industrial Zone projects is approximately 32% completed. The project is estimated to cost KD 97.0 million (USD 316.0 million) and is expected to be completed by December 2023.

The industrial development includes the construction of more than 1,000 factories featuring three main industries: chemicals, foodstuffs and a variety of light products. United Gulf Construction (UGC) is responsible for the construction of the factories.

Kuwait awards port redevelopment projects

Kuwait Ports Authority (KPA) has awarded a contract worth KD 48.7 million (USD 160 million) to South Korean company Hyundai E&C and Gulf Construction and Marine Works Company for the main contract of the Shuwaikh Port Redevelopment Project. The project is expected to be completed within the next three years.

The scope of work includes the redevelopment and rehabilitation of the 1.3 km long docks of Shuwaikh port, as well as maintenance work for the western dock of the port and the suspended part of dock 8. The project is one of the main initiatives under the development plan for New Kuwait 2035.

Kuwait intends to develop two major tourism projects

Kuwait-based Touristic Enterprises Company (TEC) is planning to develop two tourism projects on the Kuwaiti island of Failaka and the site of the entertainment city in the Doha area, west of the capital.

The estimated cost of the project is KD 500 million (USD 1.64 billion), with the island project covering an area of two square kilometers and entertainment city covering 2.6 square km.

Kuwait to award consultancy contract for fishery complex

The Kuwait Institute for Scientific Research (KISR) is expected to award the feasibility study and design consultancy contract for its fish and shrimp production complex project by Q2 2023. The project is estimated to cost USD 30 million and is slated to for completion in Q4 2026.

A tender for the study and design consultancy services was issued on 23rd October 2022, with bids due on 5th March 2023, and the contract award is expected by May 2023.

The scope includes feasibility study for the project, detailed design plan for buildings in the complex, infrastructure design and preparation of tender documents.

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