

Kuwait Quarterly Newsletter

Issue 14/2024 – Economy & Projects update



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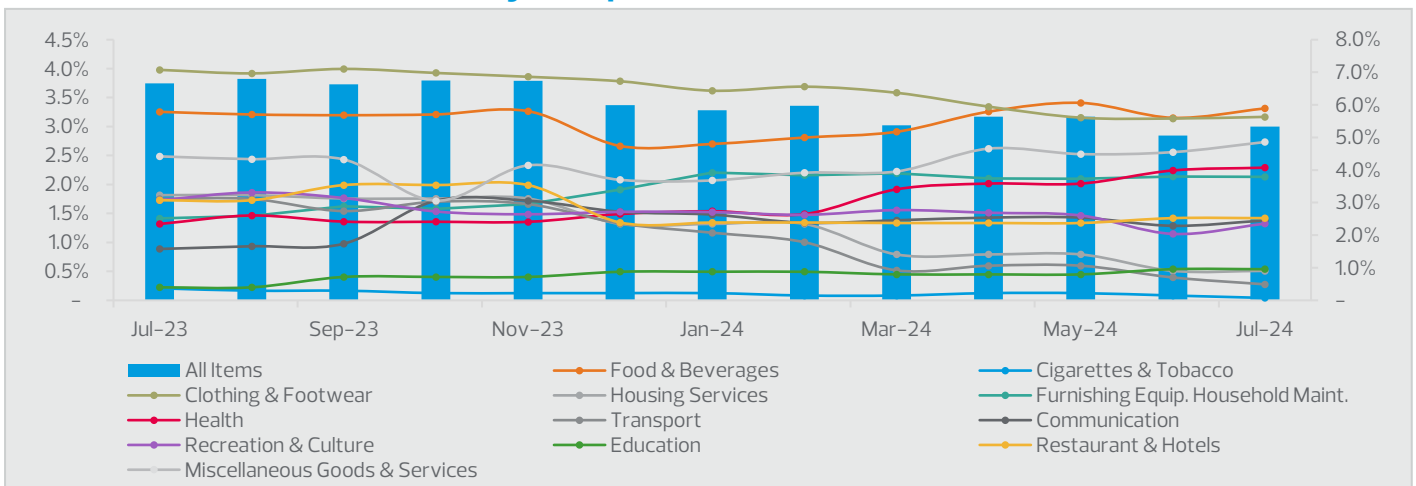
1. Macroeconomic update

Consumer Price Inflation (CPI)

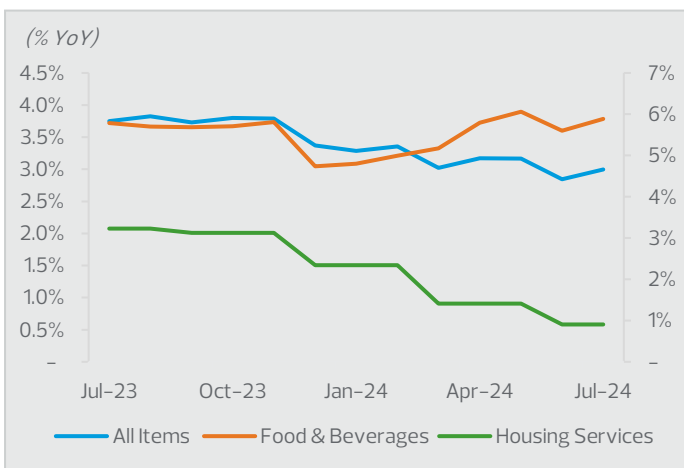
Kuwait's annual inflation, as measured by the Consumer Price Index (CPI), increased by 3.0% year-on-year (YoY) in July 2024, compared to 2.84% YoY rise in the previous month.

- Food and beverages, an important component in CPI, saw the most significant price increase, rising by 5.89% YoY in July 2024 compared to 5.60% YoY in the previous month. This increase was primarily driven by higher prices for cereals, bread, meat, poultry, oils and fats, and other food items. The clothing and footwear sector followed closely with 5.63% YoY growth.
- Inflation in cigarettes and tobacco saw a slight uptick of 0.07% YoY in July 2024 compared to 0.15% YoY increase in the previous month. Housing services increased by 0.91%, while furnishing equipment and household maintenance remained relatively stable at 3.79%.
- Inflation in the health, transportation, and communication sectors remained relatively stable, with increases of 4.07%, 0.49% and 2.45% year-on-year, respectively, in July 2024 compared to a 3.99%, 0.70% and 2.29% YoY increase, respectively in the previous month.
- Other sectors also saw prices increases. Inflation for recreation and culture rose by 2.35%, education by 0.96%, restaurant and hotels by 2.52% and miscellaneous goods services by 4.86% YoY in July 2024.

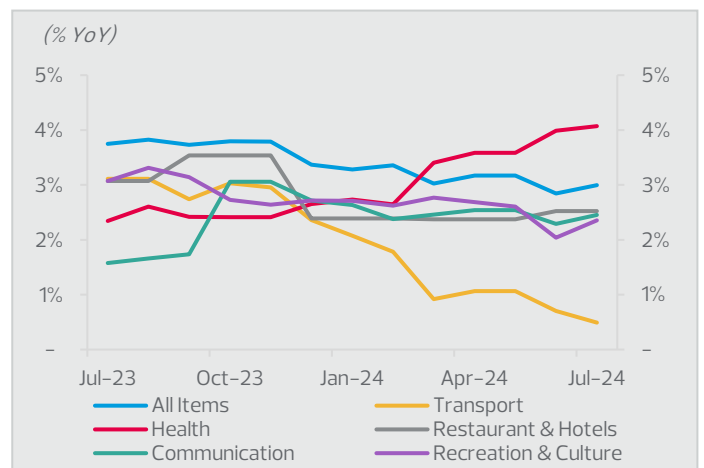
Consumer Price Inflation and Key Components (% YoY)



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.

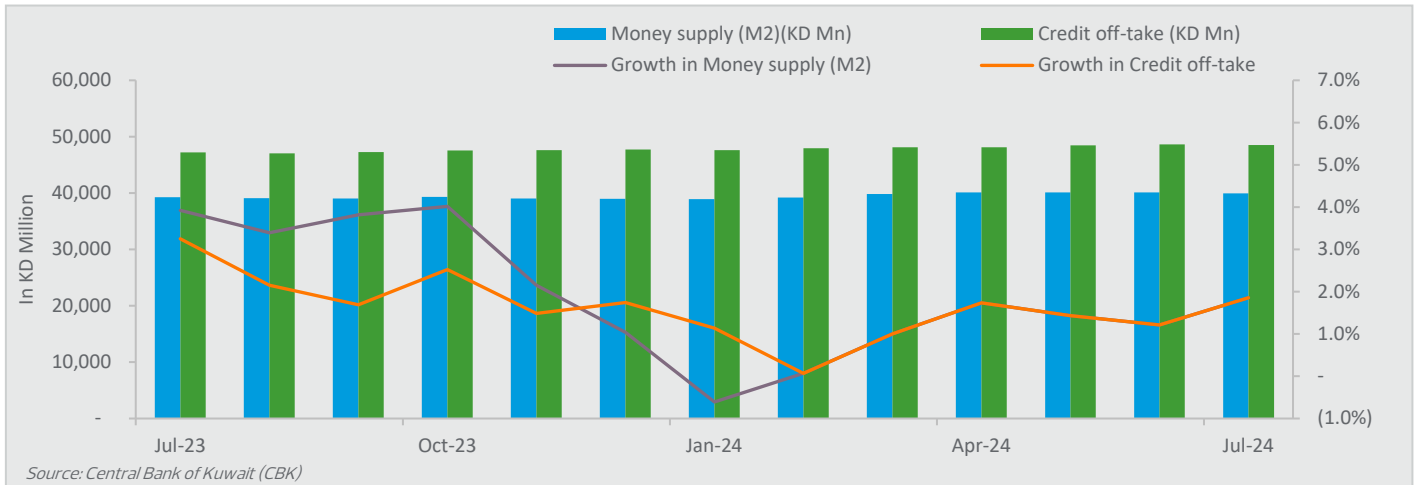
1. Macroeconomic update (Contd.)

Money Supply and Local Bank Deposits

Money Supply (M2) drop in month-on-month performance while credit facilities remained healthy growth in July 2024.

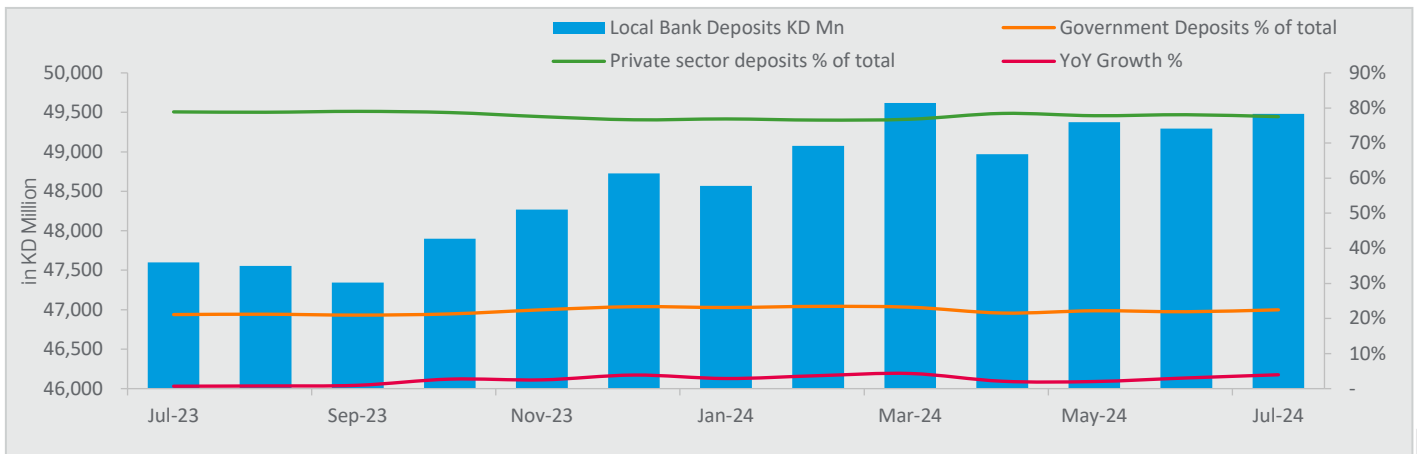
- Kuwait's broad measure of money supply (M2) increased by 1.9% YoY in July 2024, compared to 1.2% YoY rise in the previous month. However, on a quarterly basis, money supply (M2) fell by KD 0.21 billion from April 2024, reaching KD 39.92 billion in July 2024. This reduction in M2 is primarily due to a decrease in sight deposits by KD 0.87 billion from April 2024 to reach KD 8.61 billion in July 2024. While the narrower measure (M1) (which includes cash and checking accounts), also decreased by KD 1.03 billion from April 2024 to reach KD 10.17 billion in July 2024.
- Credit facilities extended by local banks in Kuwait remained stable in July 2024. These facilities increased by KD 0.38 billion from April 2024, reaching a total of KD 48.52 billion, which represents a YoY growth of 2.8%. Personal credit facilities also saw modest growth, increasing by KD 0.18 billion in July 2024 to reach KD 19.02 billion. This growth was driven primarily by rises in installment loans and consumer loans, which increased by KD 0.18 billion and KD 0.02 billion, respectively, during the same period.

Growth in Money Supply and Credit Off-Take



- Bank deposits at local banks witnessed a growth of KD 0.51 billion between April and July 2024, reaching KD 49.48 billion at the end of July 2024. This increase was primarily driven by growth in both government and private sector deposits. Government deposits increased by KD 0.51 billion, while private sector deposits in local currency increased by KD 0.02 billion during the same period. Notably, private sector deposits made up a significant portion of the total bank deposit base, representing 73.8% or KD 36.53 billion in July 2024.

Local Bank Deposits



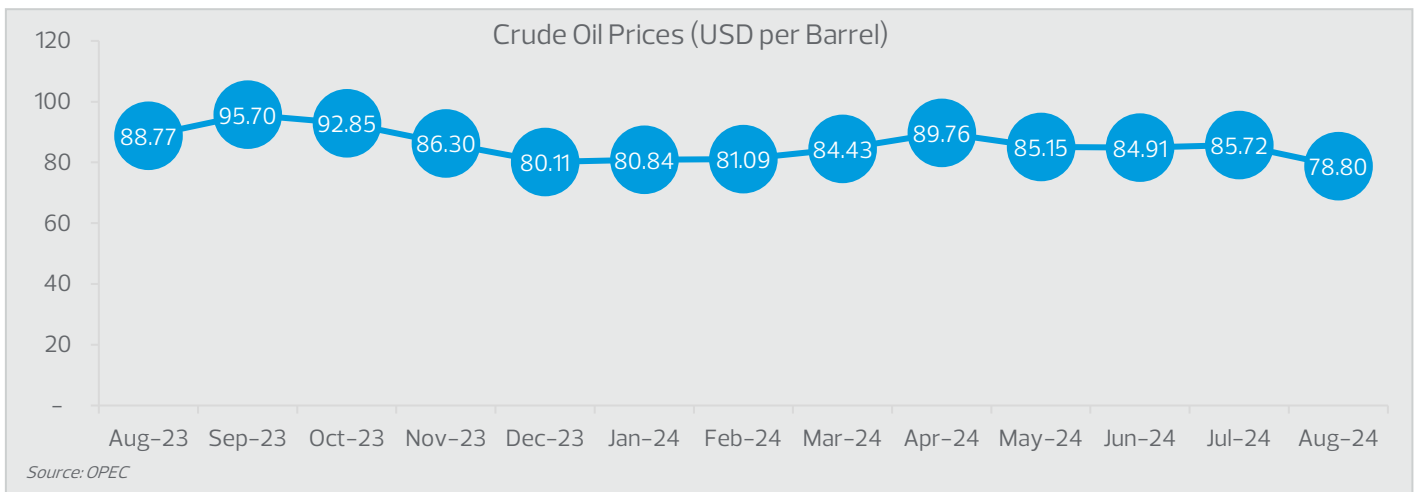
1. Macroeconomic update (Contd.)

Monthly Oil Production and Oil Price

Kuwait's crude oil prices sees sharp decline in August 2024

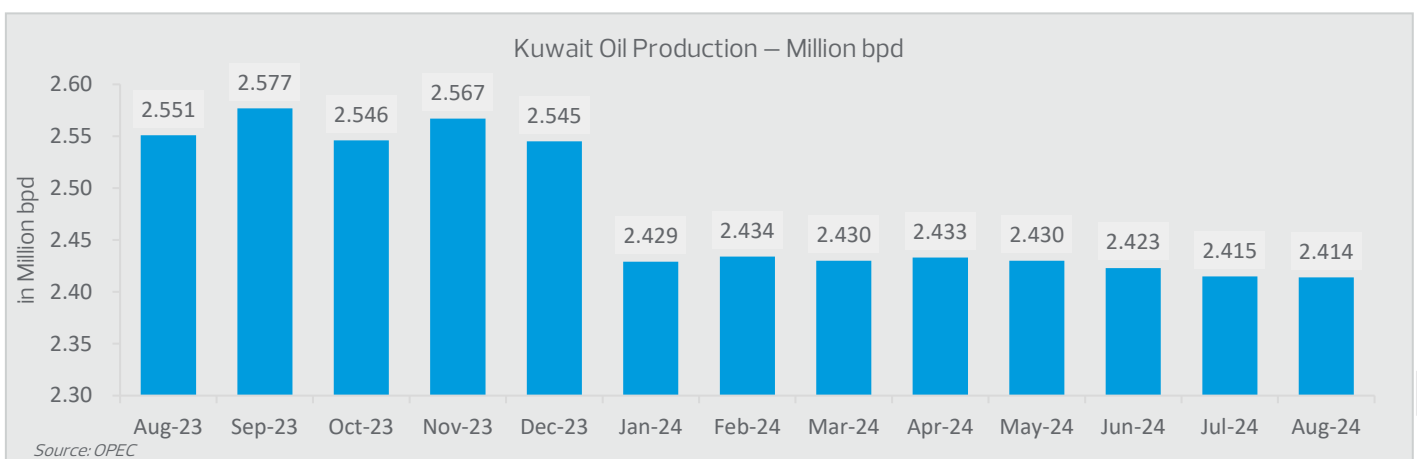
- Kuwait's oil market witnessed a steeper decline of 8.1% in August 2024, averaging USD 78.80 billion compared to USD 85.72 billion in July 2024. This decline was primarily attributed to growing concerns about a global economic slowdown. The decrease in oil prices benefited fuel retailers, particularly state-owned companies, which hold a dominant 90% market share.
- In recent news, Kuwait discovered a large offshore oil and gas reserve in the Al-Noukhitha field, estimated at 3.2 billion barrels of oil equivalent. The reserve includes 2.1 billion barrels of light oil and 5.1 trillion standard cubic feet of natural gas. The initial estimated area of the discovery is around 96 square kilometers. Kuwait aims to boost its oil production capacity to 4 million barrels per day by 2035. Currently producing 2.4 million barrels per day, the country is capping output with OPEC+ partners.

Growth in Kuwait Oil Basket Prices



- Kuwait's crude oil production declined by 1.0 million barrels per day (mb/d) in August 2024, following six consecutive months of growth. Total production averaged slightly lower at 2.414 mb/d in August 2024 compared to 2.415 mb/d in July 2024. According to news reports, the decline was primarily due to a drop in output from Libya, while most other OPEC countries saw only minor changes in their production levels.
- Meanwhile, ***Kuwait's short-term oil production forecast has been revised downward due to OPEC+'s decisions to extend its production cuts from October.*** This extension, should see the gradual return of 135,000 barrels a day (b/d) of Kuwaiti crude, bringing output backup to 2.55 million b/d by the end of next year and lifting oil GDP growth to 4% in 2025, as per news report.

Movement of Kuwait Oil Production

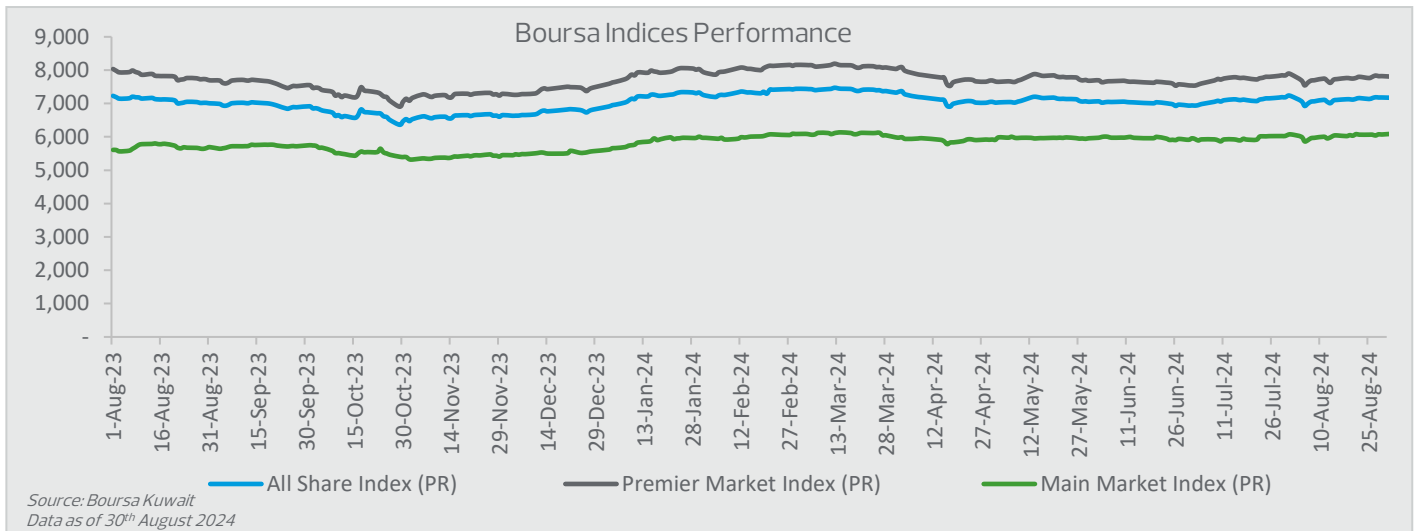


2. Boursa Financial Market Performance

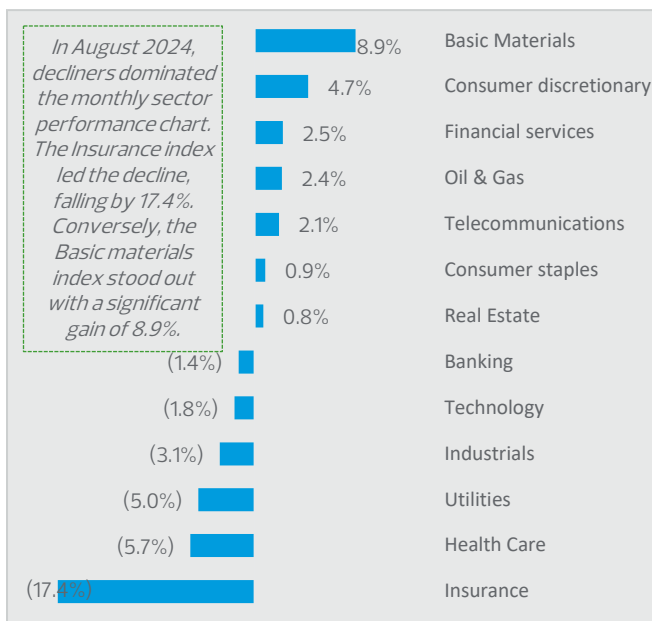
Kuwait Boursa – Key Index Performance (Q2 2024)

- Boursa Kuwait experienced a mixed performance in August 2024. After an initial decline, a slight recovery failed to fully offset losses. The Main Market continued to outperform the Premier Market stocks. The Main Market Index saw a marginal gain of 0.03%, closing at 6,070.67 points. In contrast, the Premier Market Index fell by 1.0%, leading to a 0.81% decline in the All-Share Market Index, closing at 7,180.92 points compared to its previous level.
- Sector performance was largely positive during the month of August 2024. Basic materials and consumer discretionary led the way with gains of 8.9% and 4.7%, respectively. Financial services and oil and gas also posted solid returns of 2.5% and 2.4%, respectively. Telecommunications, consumer staples and real estate sectors experienced more modest gains, increasing by 2.1%, 0.9% and 0.8%, respectively.
- On the downside, the insurance sector suffered the largest decline, falling by 17.4% followed by healthcare and utilities with declines of 5.7% and 5.0%, respectively. Industrials, technology and banking sectors also declined compared to the previous month.

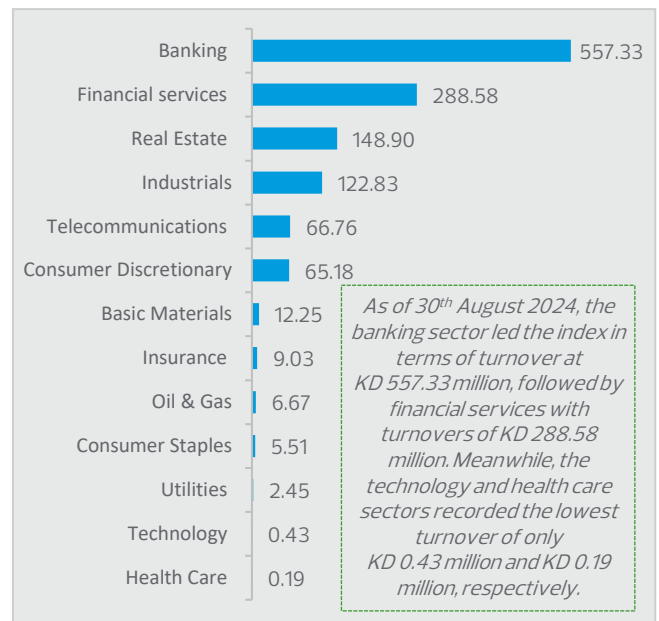
Boursa Indices Performance



Monthly Sector Performance (%)



Monthly Value Traded (KD Mn)

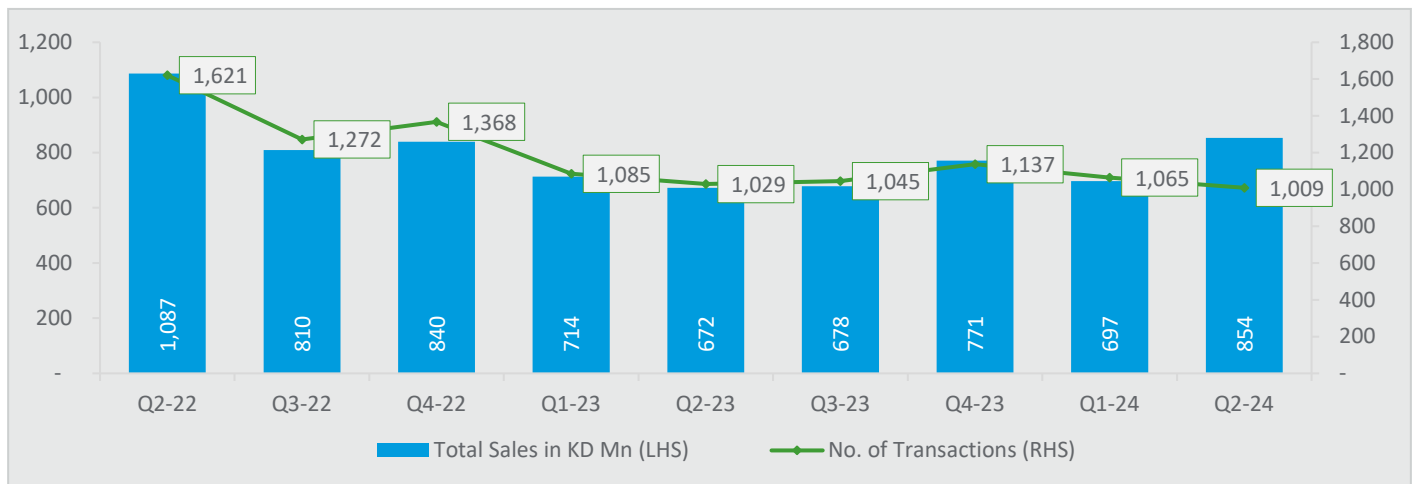


3. Kuwait Real Estate Market

Overall Real Estate Sales (Q2 2022 to Q2 2024)

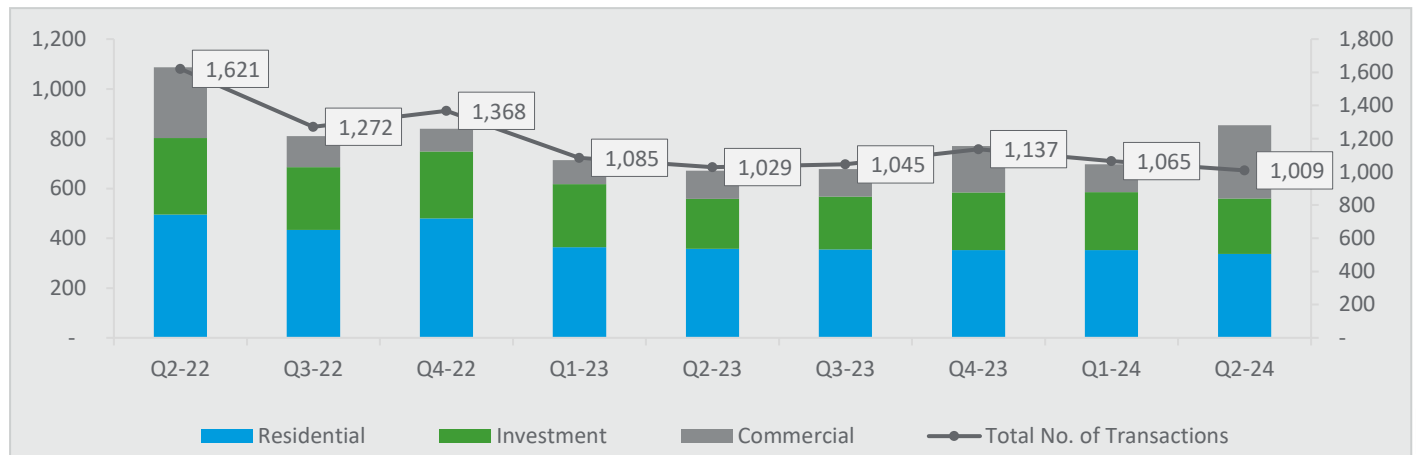
Kuwait's real estate sales rebounded in Q2 2024 due to large, one-time transactions.

- Kuwait's real estate market experienced a significant rebound in Q2-2024, with total sales surging to KD 854 million. This marked a 22.5% q/q and 27.1% YoY increase, following a slower Q1. A large, one-time commercial transaction primarily fueled this rebound.
- Despite the improved overall sales figures, underlying market conditions remain relatively weak. The residential sector, in particular, continues to struggle with declining prices and sluggish sales activity. While the government's housing program has made progress, with over 5,000 plots distributed in the first half of 2024, the backlog of applications persists. Addressing the housing shortage remains a key priority for the government.



Real Estate Segments Sales (in KD Mn)

- Residential sales declined by 4.5% q/q to KD 337 million in Q2-2024. This marks a continuation of the sluggish growth observed in Q1 and falls slightly below the 2023 quarterly average of KD 358 million. High financing costs and affordability concerns are hindering demand in this segment.
- The investment segment also saw a decline in Q2-2024, marking its first quarterly drop since Q2-2023. Despite a large building sale in Al-Salmiya, overall investment sales fell by 3.9% q/q to KD 223 million. The number of transactions in this segment remained historically low at 250 compared to 280 in Q2-2023.
- However, sales in the commercial sector surged to a record high of KD 294 million in Q2-2024 with 47 transactions compared to 22 transactions in the previous quarter. This increase was driven by large transactions, with nearly half (46%) occurring in Al-Salmiya area (four building sales worth KD 71 million) and the Sabah Al-Ahmad coastal area (ten plot sales worth KD 64 million).



Source: RSM Kuwait, NBK Capital, Note: YoY – year-on-year, q/q – quarter-on-quarter

4. Kuwait Projects at a glance

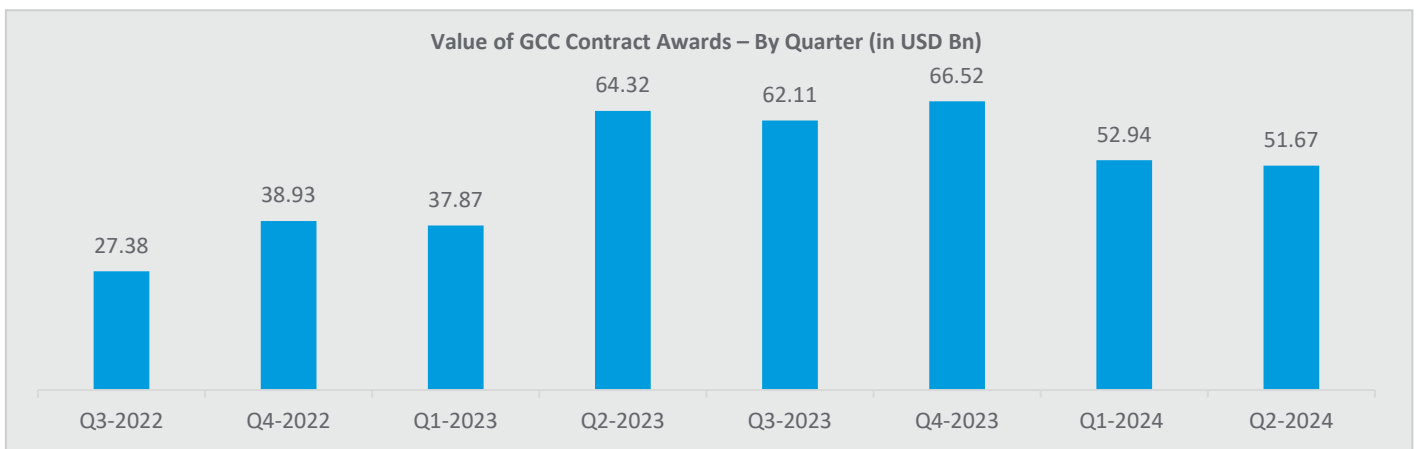
Project Owner	Project Name	Current Status	Value (USD Mn)	Start Date	End Date
Al Khafji Joint Operations (KJO)	Al Khafji Joint Operations (KJO) – Dorra Gas Field Development	Design	3,000	2019-Q4	2034-Q1
Amiri Diwan	Amiri Diwan – Palace of Justice	Construction	1,000	2015-Q1	2024-Q1
	Entertainment City Project	Feasibility Study	650	2015-Q4	2025-Q1
Directorate General of Civil Aviation (DGCA)	Kuwait International Airport Expansion – Overview	Construction	7,000	2007-Q2	2027-Q1
	Kuwait International Airport Expansion – Package 1 Main Terminal Building (Terminal 2)	Construction	4,500	2007-Q2	2024-Q3
	Kuwait International Airport Expansion – Package 3	E&P	764.5	2019-Q1	2024-Q1
	Kuwait International Airport Expansion – Package 2	Construction	552.6	2007-Q2	2024-Q1
Kuwait Authority for Partnership Projects (KAPP)	Al Khiran Independent Water and Power Project (IWPP)	EPC ITB	4,100	2011-Q1	2028-Q1
	Al-Dibdibah Power & Shagaya Renewable Energy Phase 3 Project – 2000 MW	Project Announced	3,600	2021-Q1	2028-Q1
	Umm Al Hayman Wastewater Treatment Plant (WWTP)	Construction	1,760	2007-Q2	2025-Q1
	Al Zour North Independent Water and Power Project (IWPP) – Phase 2/3 (2700 MW)	EPC ITB	1,500	2017-Q3	2028-Q1
	Kuwait National Railroad (KNRR)	Feasibility Study	980	2008-Q3	2028-Q4
Kuwait Oil Company (KOC)	North Kuwait Effluent Water Treatment and Injection Plant	Commissioning	1,000	2012-Q1	2024-Q1
	Kuwait Bay Exploration	E&P	904.5	2014-Q1	2026-Q1
	Expansion of Effluent Waste Disposal Plant – 2	FEED	700	2021-Q1	2025-Q1
	Expansion of Effluent Waste Disposal Plant – 1	FEED	650	2021-Q1	2025-Q1
Kuwait Direct Investment Promotion Authority (KDIPA)	Al Abdali Economic Zone	Feasibility Study	1,600	2014-Q3	2030-Q1
Kuwait Municipality	Al Jahra Waterfront (Al Corniche) Project	Design	1,250	2017-Q4	2024-Q1
Kuwait University	Sabah Al Salem University – College of Social Sciences, Law, Sharia & Islamic Studies	Construction	550	2012-Q1	2024-Q1
MEW Kuwait	Nuwiseeb IWPP – Phase 1 – 3600 MW	Feasibility Study	2,500	2012-Q1	2029-Q1
	Subiya Power Plant – Phase 4 – 900 MW Expansion	E&P	840	2022-Q1	2025-Q1
Ministry of Health	Kuwait City Cancer Centre	Construction	650	2010-Q4	2024-Q2
Ministry of Public Works (MPW)	Bubiyan Seaport Project (Mubarak Al Kabeer)	Construction	6,500	2006-Q1	2024-Q4
	Shuwaikh Children's Hospital	Design	1,440	2016-Q1	2025-Q4
	Special Needs School Complex	FEED	1,226	2012-Q1	2024-Q1
	Al Adan Hospital Expansion	Commissioning	772	2013-Q1	2024-Q1
	Al Sabah Hospital Expansion	Construction	700	2013-Q1	2024-Q3
	Rehabilitation of Al Ghouse Road – Overview	Construction	775	2015-Q2	2024-Q4
	South Al Mutlaa City – Infrastructure Package – Wastewater Treatment Plant	E&P	582	2020-Q2	2025-Q4
Public Authority for Housing Welfare (PAHW)	The Silk City Project (Madinat Al-Hareer)	Design	82,200	2011-Q1	2036-Q1
	South Al Mutlaa City – Overview	Construction	20,000	2010-Q1	2025-Q1
	South Saad Al Abdullah City (Nawaf Al Ahmad City)	Construction	6,800	2014-Q3	2029-Q2
	South Al Mutlaa City – Infrastructure Package	Construction	2,300	2010-Q1	2025-Q1
	South Sabah Al Ahmad Residential City	Construction	2,300	2006-Q1	2029-Q3
	South Al Mutlaa City – Housing Package	Construction	1,200	2010-Q3	2024-Q1
Tamdeen Real Estate	Al Khiran Real Estate Development	Construction	831	2014-Q4	2024-Q2

Source: RSM Research, KAPP, Gulf Construction (updated as of April 2024) Note: * E&P = Engineering and procurement; EPC ITB = Engineering, procurement and construction invitation to bid; FEED = Front-end engineering and design. ** List includes projects worth over \$550 million only

5. Market Snapshot of GCC's 2024 Projects Award

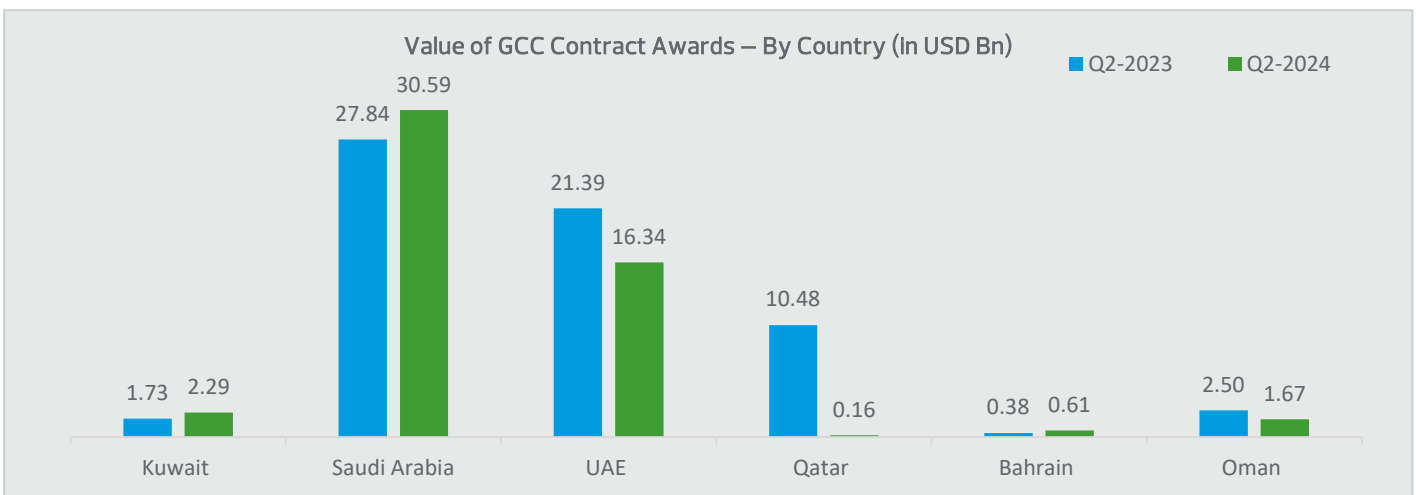
Value of GCC contract awarded – By Quarter (in USD Bn)

- The total value of project awards in the Gulf Cooperation Council (GCC) region declined significantly in Q2 2024, falling 19.7% YoY to USD 51.67 billion. This decrease was primarily driven by reductions in Qatar and the United Arab Emirates. While Kuwait, Saudi Arabia, and Bahrain recorded YoY increases in project awards, UAE, Qatar, and Oman experienced declines during the quarter.
- Despite the overall decline, the gas, power and transport sectors experienced a notable surge in project awards during Q2 2024. Contracts in the gas sector jumped 18.3% YoY to USD 14.0 billion from USD 11.87 billion in Q2 2023. Additionally, power and transport sectors saw contract awards reaching USD 9.80 billion and 9.76 billion, respectively



Value of GCC Contract Awarded – By Country (Q2-2023 Vs Q2-2024)

- Saudi Arabia maintained its dominant position, with a 9.9% YoY increase in project awards to USD 30.59 billion in Q2 2024. This growth was fueled by the acceleration of Vision 2030 projects and a significant boost in gas and water sector contracts.
- The UAE faced a steep 23.6% YoY decline in project awards, falling to USD 16.34 billion from USD 21.39 billion in Q2 2023.
- Qatar experienced a dramatic 98.5% YoY decrease to USD 0.16 billion from USD 10.48 billion, significantly impacting the overall GCC performance. It is worth noting that Qatar had an exceptional year in 2023 due to the USD 10 billion LNG project for the North Field South development.
- Kuwait bucked the trend with a 33.0% YoY increase in project awards to USD 2.29 billion. This growth was driven by a surge in the construction and transport sectors, including notable projects like the Kuwait Medical City infrastructure project and the Shuwaikh Port Expansion project.



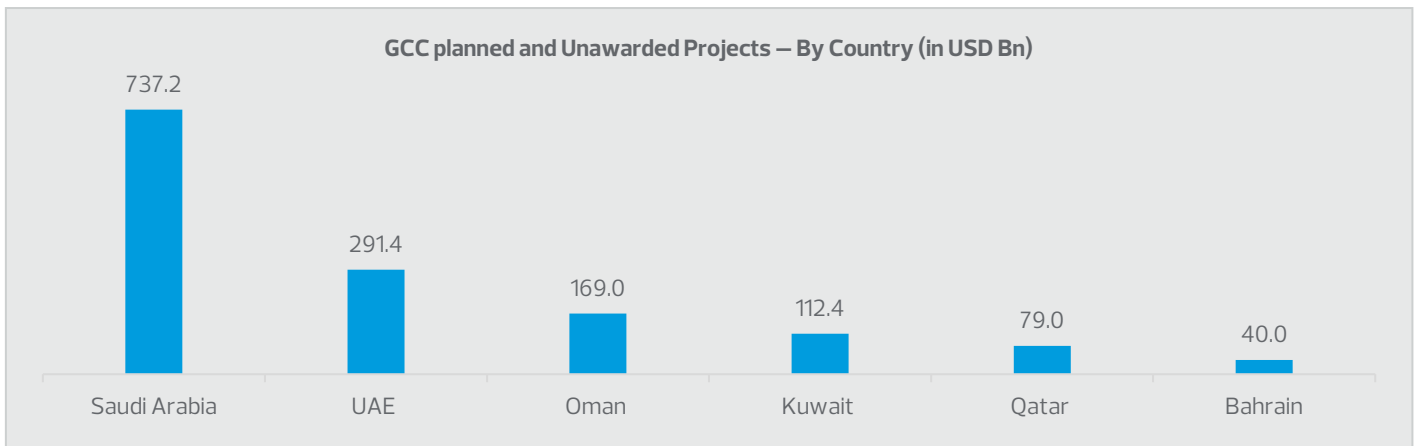
Source: RSM Kuwait, KAMCO Research

5. Market Snapshot of GCC's 2024 Projects Award (Contd.)

GCC Project Market Outlook

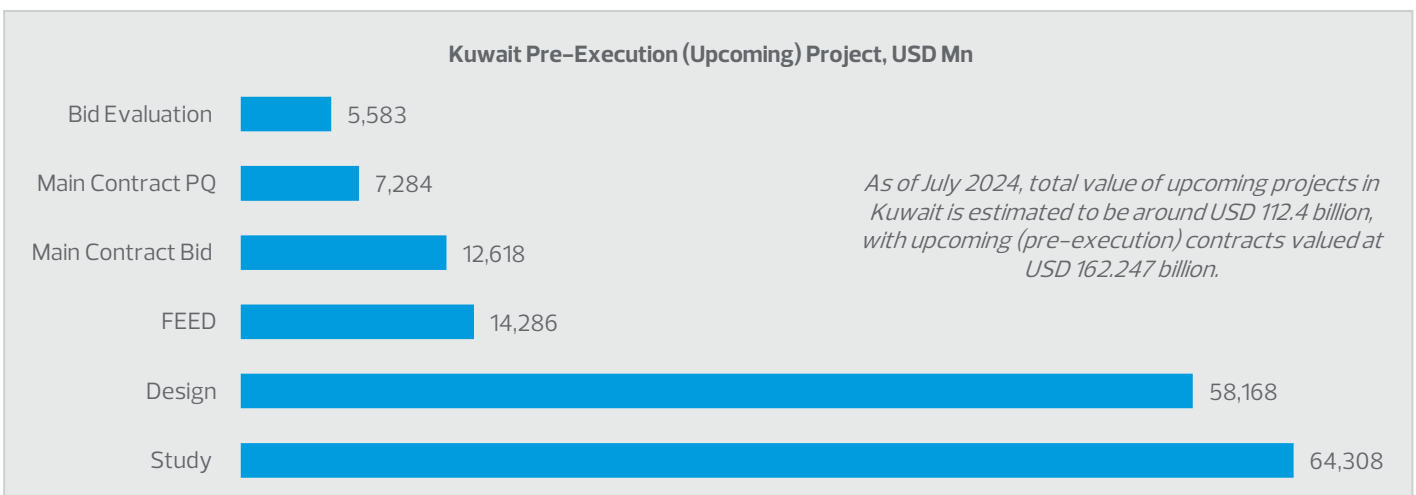
GCC projects pipeline remains robust in July 2024.

- As of July 2024, the GCC boasted USD 3.5 trillion worth in planned or ongoing projects, with Saudi Arabia leading the way at 54.0% of the total value with USD 1.87 trillion in projects. The UAE followed with USD 856.9 billion, and Oman with USD 245.5 billion.
- For upcoming projects alone, the total value in the GCC region was estimated at USD 1.43 trillion. Saudi Arabia again led the way with 51.6% or USD 737.2 billion. The UAE followed with USD 291.4 billion or 20.4%. Kuwait had USD 112.4 billion in upcoming projects, representing 7.9% of the total.
- In terms of sector, the construction sector emerged as the largest segment, comprising 29.8% or USD 426.4 billion of the upcoming projects. The transport sector followed closely, representing 20.8% or USD 297.9 billion. These sectors demonstrate significant growth potential in the GCC region.



Kuwait Upcoming (Pre-Execution) Projects, (in USD Mn)

- As of July 2024, Kuwait possessed a project pipeline value at USD 162.25 billion in the pre-execution phase.
- Of this total, around USD 64.31 billion (39.6%) was allocated for study stage, followed by USD 58.17 billion (35.9%) for design and 8.8% or USD 14.29 billion for the front-end engineering design (FEED). The remaining USD 25.49 billion was distributed as follows: USD 12.62 billion (8.8%) for main contract bidding, USD 7.28 billion (4.5%) for main contract prequalification, and USD 5.58 billion (3.4%) for bid evaluation.



Source: RSM Kuwait, KAMCO Research

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 extends bid deadline for IWPP project

The Ministry of Electricity, Water & Renewable Energy (MEWRE), in collaboration with the Kuwait Authority for Partnership Projects (KAPP), has extended the deadline for prequalified bidders to submit proposals for a contract to develop and operate the Al-Zour North 2 and 3 IWPP project.

The Al-Zour North 2 and 3 IWPP will have a generation capacity of 2,700MW and a desalination capacity of 120 million imperial gallons per day (MIGD). The new bid deadline has been extended to 30th December from the previous deadline of 30th September 2024.

The project is located near the existing Al-Zour North facility. Several international and local firms have been qualified to bid, (as mentioned in our previous edition – issue 13).

Kuwait prequalifies bidders for 1.1GW Solar IPP project

The Kuwait Authority for Partnership Projects (KAPP) in partnership with Ministry of Electricity, Water & Renewable Energy (MEWRE), has prequalified six consortiums and firms to bid for a contract to develop and operate for the first phase of Kuwait's Shagaya Renewable Energy Project (SREP).

The Al-Dibdibah power and Al-Shagaya renewable energy phase three zone, one project has a capacity of 1,100MW solar photovoltaic (PV) and is located in the Jahra governorate.

KAPP issued the request for qualification for the contract in January 2024, (as mentioned in our previous edition – Issue 12). This project is a significant step towards Kuwait's goal of increasing its renewable energy capacity and reducing its carbon footprint.

Pre-qualified bidders for 1.1GW Solar IPP

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

Kuwait, Saudi Arabia advance railway project

Kuwait and Saudi Arabia have made significant progress on a railway project that will connect the two countries. The 700-kilometer railway project will connect Southern Kuwait to Riyadh, Saudi Arabia's capital.

The two countries have approved the results of feasibility studies for the project and are now preparing to launch the initial designs. This milestone marks a significant step forward in the development of the railway link. In April, (as mentioned in our previous edition – Issue 13), the authorities announced that 80% of the studies had been completed, and that the two countries had approved the final results of the planned railway project's technical, financial, and economic studies.

The project will be rolled out in three phases.

Phase 1 (3 Months): This initial phase focuses on studying and finalizing the route, starting from Al Shaddadiya in Kuwait and pass through Riyadh, Saudi Arabia's capital city.

Phase 2 (1 Year): The second phase will focus on designing the railway network.

Phase 3 (3 Years): The final phase will involve constructing the rail network itself.

Kuwait announces bidders for fibers network project

The Kuwait Authority for Partnership Projects (KAPP), in collaboration with and the Ministry of Communications (MOC) have announced the shortlist of qualified companies and consortiums for a major project to upgrade Kuwait's fixed telecommunications network.

The project aims to establish a public-private partnership (PPP) to design, finance, build, operate, maintain, and transfer a nationwide, high-speed fiber broadband network. The selected firms will be responsible for upgrading the existing MOC network and expanding fiber coverage to underserved areas.

The project will be procured under a design, finance, build, operate, maintain, and transfer (DFBOT) model. The PPP agreement with the MOC will have a term of 50 years, including a maximum of 5 years for design, financing, and construction.

Pre-qualified bidders for the contract

- Gulf Investment Corporation / E& International holding Limited
- Alghanim Interantional General Trading & Conrtacting Company/ TIM S.p.A.
- Brookfield Corporation
- Bahrain Telecommunication Company B.S.C. BEYON

B. Infrastructure and Development Project

Kuwait's PAHW receives bids for four major housing projects

Kuwait Public Authority for Housing Welfare (PAHW) has received bids for four housing and infrastructure network projects. These projects are part of a broader effort to increase construction activity in Kuwait.

The **first tender** includes the construction of 1,608 housing units and associated infrastructure. The **second tender** covers the construction of 1,985 houses, buildings, and associated infrastructure at sector BP4 and BP7. The **third tender** covers the construction of 1,700 houses and infrastructure works at BP5 and BP8. The **fourth tender** includes the construction of 1,162 housing units and associated infrastructure works at BP2.

Bidders for 1st tender 1,608 housing units

- Real Estate Construction & Fabrication Company (Kuwait) – USD 355.6 million
- First Group General Trading & Contracting Company (Kuwait) – USD 375.9 million
- Khaled Ali Al-Kharafi & Brothers Construction Contracting Company (Kuwait) – USD 385.4 million
- Sinohydro Corporation (China) – USD 400 million
- United Buildings Company (China) – USD 402 million
- China Gezhouba Group (China) – USD 407 million
- Kuzu Grup (Turkey) – USD 423.7 million
- United Gulf Construction Company (Kuwait) – USD 424 million
- Alghanim International (Kuwait) – USD 473.8 million
- Combined Group Contracting Company (Kuwait) – USD 480 million

Bidders for 2nd tender BP4 and BP7 works

- Al-Dar Engineering and Construction Company (Kuwait) – USD 527 million
- Khalid Ali Al-Kharafi and Brothers Construction Contracting Company (Kuwait) – USD 534.6 million
- China First Highway Engineering (China) – USD 545 million
- Kuzu Group (China): USD 547.9 million
- United Gulf Construction Company (China) – USD 577.9 million
- Combined Group Contracting Company (Kuwait) – USD 588 million
- Alghanim International (Kuwait) – USD 633.6 million

Bidders for 3rd tender BP5 and BP8 works

- Mohammed Abdul Mohsen Al-Kharafi & Sons (Kuwait) – USD 473.7 million
- Khalid Ali Al-Kharafi & Brothers Construction Contracting Company (Kuwait) – USD 518.3 million
- Canar Trading & Contracting Company (Kuwait) – USD 520.3 million
- Sinohydro Corporation (China) – USD 540.7 million
- Kuzu Group (Turkey) – USD 551.8 million
- United Gulf Construction Company (Kuwait) – USD 563.8 million
- Combined Group Contracting Company (Kuwait) – USD 630.6 million
- Alghanim International (Kuwait) – USD 636.7 million

Bidders for 4th tender BP2 works

- First Group General Trading & Contracting Company (Kuwait) – USD 366.5 million
- Real Estate Construction & Fabrication Company (Kuwait) – USD 373.7 million
- Khaled Ali Al-Kharafi & Brothers Construction Contracting Company (Kuwait) – USD 391.8 million
- United Gulf Construction Company (Kuwait) – USD 416.1 million
- Kuwait Factories Building & Contracting Company (Kuwait) – USD 429.1 million
- Kuzu Group (Turkey) USD 450 million
- Alghanim International (Kuwait) – USD 473 million
- Combined Group Contracting Company (Kuwait) – USD 480.2 million

Kuwait invites prequalification for Mubarak Al-Kabeer port scheme

Kuwait's Mubarak Al-Kabeer port project has faced significant delays due to leadership changes and bureaucratic hurdles. The Ministry of Public Works (MPW), the project client, is now inviting contractors to prequalify for the second phase.

The project, is estimated to be worth USD 5 billion, has a second phase anticipated to cost between KD 120 million to KD 130 million (USD 390 million and USD 425 million). This phase will focus on installing essential equipment, such as cranes, to enable the port's operations.

The first phase of the project, completed in 2014 at a cost of USD 1.2 billion, included site levelling and the development of a marina, quay walls, berths, a navigational terminal and port buildings.

B. Infrastructure and Development Project (Contd.)

Kuwait receives bids for housing substation contracts

Kuwait's Public Authority for Housing Welfare (PAHW) has received bids for two 400/132/11-kilovolt (kV) substation packages catering to Nawaf Al-Ahmad City, previously known as the South Saad Al-Abdullah housing project located in Jahra governorate.

The Kuwait-based Al-Ahleia Switchboard Company submitted the lowest bid of KD 29.22 million (USD 95.7 million) for both packages. The work scope for the projects, SSAB 1Z, includes constructing transmission cables, installing a switchgear, control panel, fire protection system, and other facilities.

The same contractors also submitted bids for a similar 400/1232/11kV project called SSAB 2Z, also catering to the housing development.

Lowest bidders for SSAB 1Z

- Al-Ahleia Switchboard Company (Kuwait) – KD 29.22 million (USD 95.7 million)
- Larsen & Toubro (L&T) (India) – KD 29.9 million
- National Contracting Company (Saudi Arabia) – KD 30.4 million

Lowest bidders for SSAB 2Z

- Larsen & Toubro (L&T) (India) – KD 29.6 million
- Al-Ahleia Switchboard Company (Kuwait) – KD 29.9 million
- National Contracting Company (Saudi Arabia) – KD 30.81 million

Kuwait's road project to KIA Terminal building faces delays

The long-awaited project to construct roads connecting to Kuwait's new International Airport (KIA) terminal building has been delayed due to political instability. The Ministry of Public Works (MPW), the project client, issued the tender for the project in 2019, and despite bids being submitted and evaluated, the contract award remains stalled.

The project, identified by the code RA-268, is valued at KD 73 million (USD 240 million), which will involve the construction of roads and interchanges linking to the southern part of KIA's Terminal 2. Design work for the road project was completed by the Japan firm Oriental Consultants in 2016. However, political uncertainty has hindered progress.

Kuwait awards KD 90.1 million contract for South Sabah Al Ahmad City

Kuwait's Public Authority for Housing Welfare (PAHW) has awarded a worth KD 90.1 million (USD 294 million) contract to Chinese firm, Avic International Holding Corporation for infrastructure development works at its South Sabah Al Ahmad City project.

The project is expected to be completed at the end of 2026. The scope of work includes roads, sewage systems, irrigation, and other essential infrastructure for 6,568 residential units in the project's N1, N2, N3, and N11 neighborhoods. The tender was issued on 31st March and the bids were submitted on 10th June.

The South Sabah Al-Ahmad City project covers an area of 6,150 hectares and is located 70 kilometers South of Kuwait City.

Bidders for South Sabah Al-Ahmed City

- Avic International Holding Corporation (China) – USD 293 million
- Sinohydro Corporation (China) – USD 317.4 million
- Mohammed Abdul Mohsen Al-Kharafi and Sons (Kuwait) – USD 329 million
- Kuwait Factories Construction & Contracting Company (Kuwait) – USD 363.4 million
- China State Construction Engineering Corporation (China) – USD 373.9 million
- Combined Group Contracting Company (Kuwait) – USD 385.1 million
- Al-Ghanim International (Kuwait) – USD 415.1 million
- United Gulf Construction Company (Kuwait) – USD 460.4 million
- Bayan National Construction Contracting Company (Kuwait) (undisclosed)

Kuwait awards KD 44 million contract for Sabah Al-Ahmed substation

Kuwait's Public Authority for Housing Welfare (PAHW) has awarded a contract for the supply, installation, implementation, and maintenance of 10 main power conversion stations in the South Sabah Al-Ahmed residential city project. The stations will operate at 132/11kV and supply electricity to several residential areas.

The contract, valued at KD 44 million, was awarded to a Kuwait-based company, National Electricity Panels. The implementation period is 730 days. The stations will be located in the N5, N6, N8, and N10 suburbs.

Lowest bidders for this contract

- National Electricity Panels (Kuwait) – KD 44 million
- Larsen & Toubro (India) – KD 44.9 million
- National Contracting Company (Kuwait) – KD 44.7 million

B. Infrastructure and Development Project (Contd.)

Kuwait-Based Contractor Secures Major Contract for Medical City Development

Kuwait-based Combined Group Contracting Company (CGCC) has been awarded a significant contract to develop the infrastructure for the planned Kuwait Medical City.

The project, valued at roughly KD 104 million (USD 343 million), has a duration of 24 months. The project is being developed by Wafra Real Estate Company through Kuwait Medical City Company.

Kuwait approves Jahra Waterfront development

The Kuwaiti government has approved a major development project, known as the Jahra Waterfront Project. This ambitious undertaking will transform a vast expanse near the Jahra nature reserve into a thriving hub of residential, commercial, and recreational facilities.

The detailed projects plans, outlining specific components, uses, and construction areas, have received government approval. This revitalization project will replace existing chalets with a modern waterfront destination.

Key features of the project:

- 1) Site Allocation and Development: Approximately 5,794,715 square meters of land have been allocated for the project.
- 2) Project Planning Approval: The detailed general plan, including components, uses, building areas, and rental spaces across three zones (A, B, and C) has been approved.
- 3) Chalet removal and additional space: Existing chalets will be removed, and 15,000 square meters will be allocated for future activities. This area will be dedicated to green spaces and parking, excluding commercial use.
- 4) Regulatory compliance: The project will proceed in coordination with relevant government agencies to ensure environmental compliance and traffic regulations.

The Jahra Waterfront Project is expected to revitalize the area and contribute to Kuwait's overall development.

SSH completes Al Adan Hospital extension

Kuwait-based SSH has successfully completed the construction of the Al Adan Hospital extension, a new facility dedicated to women and children. The extension adds 637 beds to the existing medical district, marking a significant step in Kuwait's healthcare expansion.

Spanning over 554,000 square meters, the project features 28 operating rooms and integrates seamlessly with the existing

medical facilities. SSH provided comprehensive construction supervision services, ensuring adherence to the highest quality and efficiency standards throughout the construction process.

The successful completion of the Al Adan Hospital extension further solidifies SSH's reputation as a leading engineering consultancy firm in Kuwait.

Kuwait awards contract for airport expansion design

Kuwait's Directorate General for Civil Aviation (DGCA) has awarded a contract to a Lebanese firm, Dar Al-Handasah to provide design and construction supervision services for a significant expansion project at Kuwait International Airport (KIA).

The five-year contract includes a 1.5-year design phase and 3.5 years of construction supervision. The project includes a new 1.5 square-kilometer cargo platform capable of accommodating 77 aircraft and upgrading the central runway and taxiways to a length of 4.3 kilometers.

The project is part of Kuwait's ongoing efforts to modernize its aviation infrastructure. It is expected to contribute to the growth of the country's aviation sector and enhance its global connectivity.

C. Oil & Gas Sector Projects

Kuwait receives bids for refinery project

Kuwait Integrated Petroleum Industries Company (Kipic) has received bids for a contract to deliver alternative feed systems for the hydrogen production unit at its Al-Zour refinery. Bids were submitted ahead of the deadline of 27th August 2024.

The project has an estimated budget of USD 150 million and is expected to take 36 months to complete. The scope of the EPC work on the project includes construction of several new facilities and modifications to existing units.

Firms submitted bids for the project

- China Tianchen Engineering (China)
- Gulf Spic General Trading & Contracting (Kuwait)
- Jereh Oil & Gas Engineering Corporation (China)
- Heisco (Kuwait)

Kuwait tenders four oil projects

Kuwait Oil Company (KOC) has tendered four oil projects as part of its efforts to boost oil and gas project activity in the country.

Three of the tendered contracts involve the construction of area substations to supply power for artificial lift pumps and remote manifolds in southeast Kuwait. These projects have the tender Nos. RFP-2103782, RFP-2103787, and RFP-2103788.

The fourth tendered contract, RFP-2107459, focuses on developing a five-well pattern hook-up and associated works.

The bid submission deadline for all four tenders is 24th November 2024. Documents were released on 25th August, and a pre-tender meeting for the three substation packages is schedule for 22nd September 2024.

Kuwait tenders oil pump contracts

Kuwait Oil Company (KOC) is seeking bids for contract to supply reinjection pumps for a project in the North Kuwait region. The estimated budget for the project is roughly KD 11 million (USD 36 million).

Tender documents were released on 18th August, and the bid submission deadline is 19th November 2024. The contract involves supplying reinjection pumps for the North Kuwait region.

KOC also plans to tender contracts for electrical submersible pumping services, progressive cavity pumping services, and sucker rod pumping services with an estimated budget of USD 400 million in the coming years. The invitation to bid for the first of these contracts is expected to be issued in 2025.

Kuwait launches tender for consultancy services for refinery project

Kuwait National Petroleum Company (KNPC) has tendered a contract for consultancy services for a front-end engineering and design (FEED) study for coke handling facilities at its Mina Abdullah refinery.

A pre-tender meeting is due to take place on 9th September, and bids are due to be submitted on 10th October 2024.

Six companies have prequalified to bid on the project. The tender is part of a broader effort to streamline operations in Kuwait's downstream oil sector.

Prequalified firms to bid on the scheme

- Toyo Engineering Corporation (Japan)
- Technip Energies (France)
- Worley Engineering (Australia)
- KBR (US)
- Wood (UK)
- Engineers India (India)

Kuwait USD 850 million fuel depot project faces delays

The Kuwait National Petroleum Company (KNPC)'s project to develop a new fuel depot in Al-Mutlaa has faced significant delays due to ongoing studies and negotiations. The project, estimated to be worth USD 850 million, is expected to be tendered in December 2024.

The depot will store fuels for distribution within Kuwait, and there are ongoing discussions about the types of fuel that will be transported to the facility.

The project scope is expected to include:

- Development of new pumping facilities at the Mina Al-Ahmadi and Shuaiba refineries
- Laying of cross-country pipelines from the Mina Al-Ahmadi and Shuaiba refineries
- Construction of a local market depot
- Installation of safety systems
- Installation of fire-fighting systems
- Construction of storage tanks

C. Oil & Gas Sector Projects (Contd.)

Kuwait seeks more bidders for oil project

Kuwait Oil Company (KOC) is considering inviting more bidders to participate in a planned oil project in Kuwait. At least three firms attended a pre-tender meeting and are expected to submit bids for the project, which is estimated to be worth approximately KD 207 million (USD 673 million).

The project, identified by contract number EF-2059, involves the installation of a separation gathering centre (SGC-II) in the eastern region of Kuwait (EK-II) and includes crude debottlenecking work.

The bid submission deadline is 29th September 2024, and a pre-tender meeting was held on 30th July.

Three firms attended the pre-meeting

- Larsen & Toubro (India)
- Samsung Engineering (South Korea)
- GS Engineering & Construction (South Korea)

List of prequalified bidders for the contract

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

Kuwait extends bid deadline for gas project

Kuwait Oil Company (KOC) has extended the bid deadline for its project to install depletion compression systems and sulfur recovery units (SRUs) at two key facilities in North Kuwait: Early Production Facility 50 (EPF-50) and Jurassic Production Facility 3 (JPF-3).

The project is expected to increase the capacity of both facilities to process gas, oil, and sulfur. This will involve installing compression systems and sulfur recovery units at EPF-50 and JPF-3, two facilities that process sour hydrocarbons.

The estimated cost of the project has increased from USD 380 million to USD 460 million. The new bid deadline is 1st October 2024, previously set for 10th September 2024.

Kuwait sets new deadline for gas export pipeline projects

Kuwait Oil Company (KOC) has extended the deadline for bids on a gas export pipeline project to 8th October 2024 previously set 17th September and 8th July 2024. The estimated value of the contract is USD 200 million.

The pipeline will connect the Wafra Joint Operations area to the BS-171 booster station. The project is part of Kuwait's efforts to modernize its energy infrastructure and increase its oil and gas production capacity.

Kuwait to tender Jurassic Light Oil project

Kuwait Oil Company (KOC) is planning to tender a contract for a project to develop Jurassic Light Oil (JLO) export facilities and upgrade the existing export network. The project has a budget of KD 175 million (USD 569 million).

KOC has previously announced the project ([as mentioned in our previous edition – Issue 13](#)) and has now released an updated list of prequalified bidders.

Prequalified firms for Oil exports facilities

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

Kuwait's Petrochemical project faces delays

The Kuwait Integrated Petroleum Industries Company (Kipic)'s planned Al-Zour Integrated Complex Upgrade Program (ZICUP), also known as the Al-Zour petrochemicals project, or the Petrochemical Refinery Integration Al-Zour Project (Prize) has been indefinitely postponed.

Estimated to be worth around USD 10 billion, the project has faced significant delays and uncertainty. Kipic has not yet made a final investment decision or revealed a schedule for the project's approval and tendering. The company has also faced challenges in securing financing for the project. Several contractors, including Fluor and SK Engineering & Construction, have withdrawn from the bidding process.

C. Oil & Gas Sector Projects (Contd.)

Kuwait limits bidders for flowline projects

Kuwait Oil Company (KOC) has announced that only 12 firms will be allowed to bid for three strategic oil flowline projects in Kuwait's southern and southern regions.

The three contracts cover producer wells, injection wells, and disposal wells. The bidding reference numbers are:

- RFP-2133746
- RFP-2133747
- RFP-2133748

These companies have been pre-approved by KOC for flowline work. The flowline projects are expected to be valuable contracts for the firms involved.

List of 12 prequalified firms

- Almeer Technical Services (Kuwait)
- Cat International (Luxembourg)
- Combined Group Contracting Company (Kuwait)
- Galfar Al-Misnad Engineering & Contracting (Qatar)
- Gulf Spic (Kuwait)
- Heisco (Kuwait)
- HOT Engineering & Construction (Kuwait)
- KDDDB General Trading & Contracting (Kuwait)
- Mechanical Engineering & Contracting (Kuwait)
- NBTC (Kuwait)
- SHBC (Kuwait)
- Petrojet (Egypt)

Kuwait's gas flowline project making progress

Kuwait's USD 223 million gas flowline network project in West Kuwait is progressing according to schedule, with the installation of valves and piping currently underway.

Kuwait Oil Company (KOC) the project client, awarded the contract to Heavy Engineering Industries & Shipbuilding Company (Heisco) in December 2022, [\(as mentioned in our previous edition – Issue 10\)](#).

The project is being executed using the engineering, procurement, and construction (EPC) model. The scope includes the construction of gas flowlines, installation of valves and safety equipment, civil works, and other related activities. The project is expected to be completed by the third quarter of 2028. The goal is to enhance gas flow efficiency and reliability in the West Kuwait region.

Kuwait retenders worth USD 2.1 billion upstream projects

Kuwait Oil Company (KOC) has announced the retendering of two upstream projects worth an estimated total USD 2.1 billion. The original tenders were withdrawn due to procedural issues.

- Project 1: (Tender No. RFP-2099852) involves installing Separation Gathering Centre 1 (SGC1) and Water Injection Plant 1 (WIP1) in East Kuwait 1. The project is estimated to be worth KD 333 million (USD 1 billion).
- Project 2: (Tender No. RFP-2099855) involves installing Separation Gathering Centre 3 (SGC3) and Water Injection Plant 3 (WIP3) in South Kuwait 1. This project is estimated to be worth KD 341 million (USD 1.1 billion).

The projects are part of Kuwait's efforts to maintain oil production and deal with surplus produced water. Several international firms are prequalified to bid for the projects.

Prequalified firms to bid for both contracts

- Hyundai Engineering (South Korea)
- Daewoo Engineering & Construction (South Korea)
- Larsen & Toubro (India)
- Fluor (US)
- Tecnicas Reunidas (Spain)
- Sinopec Engineering Incorporation (China)
- CTCI Corporation (Taiwan)
- Saipem (Italy)
- Samsung Engineering (South Korea)
- JGC Holdings Corporation (Japan)
- Hyundai Engineering & Construction (South Korea)
- Sinopec Luoyang Engineering (China)
- Petrofac International (UK)

Kuwait awards USD 640 million drilling contracts

Kuwait Oil Company (KOC) has awarded six drilling services contracts to Saudi-based Ades Holding, valued at SR 2.42 billion (USD 640 million). The contracts involve drilling exploratory wells in Kuwait's marine area, which spans over 6,000 square kilometers.

The contracts were initially announced on 26th May 2024, and signed on 11th August 2024. The awards include new contracts for four of Ades Holding's rigs currently operating in Kuwait, as well as two additional newbuild units.

All contracts are expected to commence during the second and third quarters of 2025 and will run for a five-year firm term with a one-year optional extension.

D. Other Sector Projects

Kuwait receives bids for revegetation project

Kuwait Oil Company (KOC) has received bids for a major revegetation project aimed at restoring ecosystems damaged by oil pollution during the Gulf War. The project was originally tendered in 2023 (as mentioned in our previous edition – Issue 11), as part of the multibillion-dollar Kuwait Environmental Remediation Program (KERP) but was retendered after receiving bids that exceeded the budget.

The retendered project included three focus areas named Zone 1, Zone 2, and Zone 3. Each package was assigned an initial guarantee value of KD 300,000 (USD 974,000). The original tender involved four revegetation contracts, with the combined low bids for these contracts totaling USD 394.1 million.

Kuwait receives bids for refinery project

Kuwait Integrated Petroleum Industries Company (Kipic) has received bids for a contract to deliver alternative feed systems for the hydrogen production unit at its Al-Zour refinery. Bids were submitted ahead of the deadline of 27th August 2024.

The project has an estimated budget of USD 150 million and is expected to take 36 months to complete. The scope of the EPC work on the project includes construction of several new facilities and modifications to existing units.

Firms submitted bids for the refinery project

- China Tianchen Engineering
- Gulf Spic General Trading & Contracting
- Jereh Oil & Gas Engineering Corporation
- Heisco.

IHI and Heisco Win Doha West Power Plant Contract

A joint venture between Kuwait's Heavy Engineering Industries & Shipbuilding Company (Heisco) and Japan's IHI Corporation has won a contract to upgrade key equipment at the Doha West power generation plant.

The contract is worth KD 173.18 million (USD 566 million) and includes upgrading eight steam boilers, thermal units control system, and auxiliary system. The Doha West power plant was commissioned in 1982 and is located in Al-Asimah, Kuwait.

Kuwait approves cost reduction for Al-Zour South Power Plant Maintenance

Kuwait's Central Agency for Public Tenders (CAPT) has approved a request by the Ministry of Electricity, Water & Renewable Energy (MEWRE) to reduce the award amount for a key maintenance tender related to the Al-Zour South power generation and water distillation plant.

The contract involves maintenance works for the gas turbine and combined-cycle systems in the third phase of the project. The approved amendment reduces the tender amount from KD 57.8 million (USD 189.27 million) to KD 57.65 million (USD 188.78 million).

In April, a consortium led by Mitsubishi Power, part of Mitsubishi Heavy Industries, won a contract to rehabilitate eight units at the Al-Zour South power station, (as mentioned in our previous edition – Issue 13).

Kuwait plans USD 400 million ESP tender

Kuwait Oil Company (KOC) plans to tender a USD 400 million contract for electrical submersible pumping services (ESP) in 2025, as part of Kuwait's effort to increase oil production to 4 million barrels per day by 2035.

The ESP tender is the first of three planned tenders for well pump services. It marks Kuwait's renewed focus on large-scale upstream projects following years of political instability. This initiative underscores Kuwait's commitment to achieving its ambitious production targets, even in the face of ongoing parliamentary suspension.

Kuwait awards worth KD 100 million drilling contracts

Kuwait Oil Company (KOC) has awarded nine drilling rig contracts to five Kuwait-based companies. The contracts are worth a total of KD 100 million (USD 327.62 million).

The contracts are for 550-horsepower drilling rigs that will be used for heavy oil production operations in northern Kuwait. The companies will collaborate with international partners to provide the drilling services.

This is the first time KOC has contracted with local Kuwait firms for drilling services, demonstrating a commitment to developing local oil field service capabilities.

Five firms awarded for the contract

- Kuwait Well Drilling Company (KWDC)
- Imkan
- Zenith Group Company
- Engineering Refineries Company
- Operation Energy

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