

Kuwait Quarterly Newsletter

Issue 15/2025 – Economy & Projects update

April 2025



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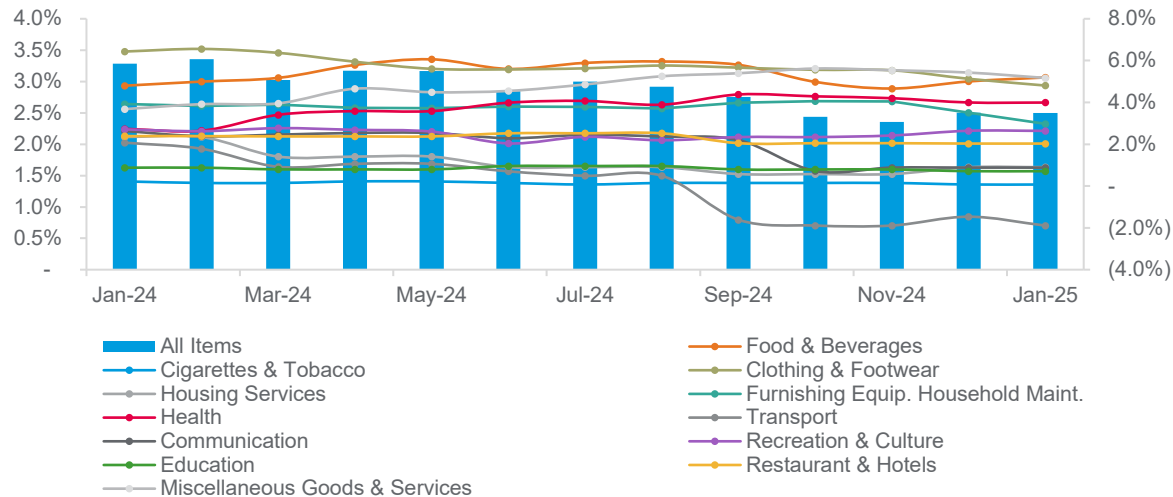
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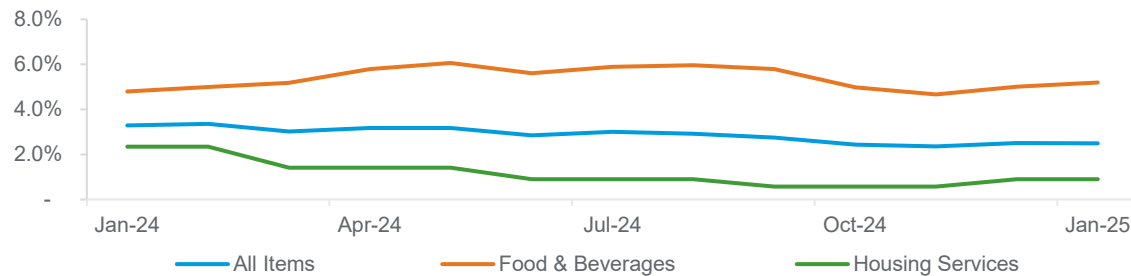


Macroeconomic update

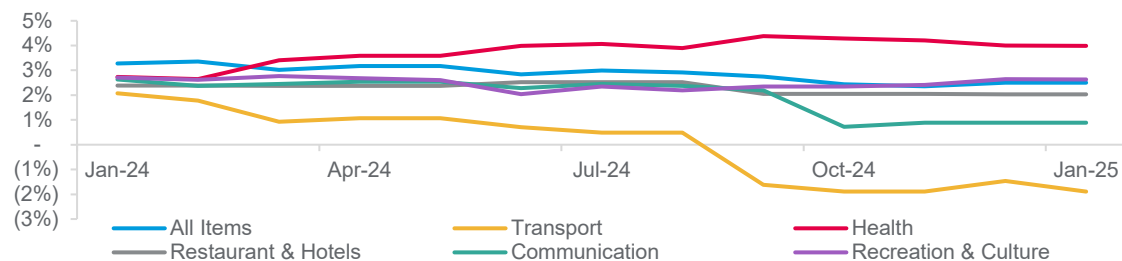
Consumer Price Inflation and Key Components (% YoY)



Inflation in F&B, and Housing Services



Inflation in Other Components



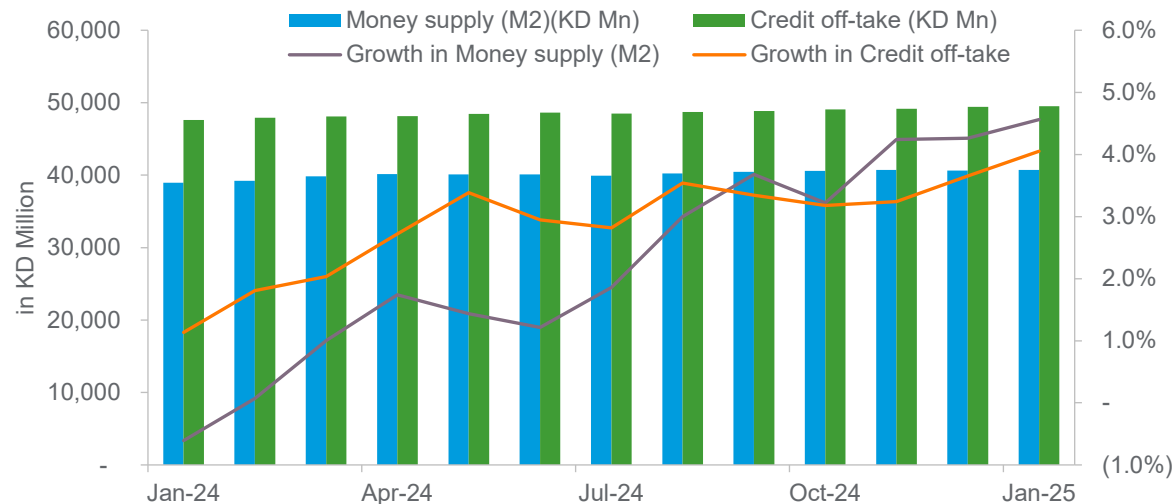
Consumer Price Inflation (CPI)

Kuwait's annual inflation, measured by the Consumer Price Index (CPI), eased to 2.5% y/y (+0.15% m/m) in January 2025, down from 3.3% y/y in the previous year.

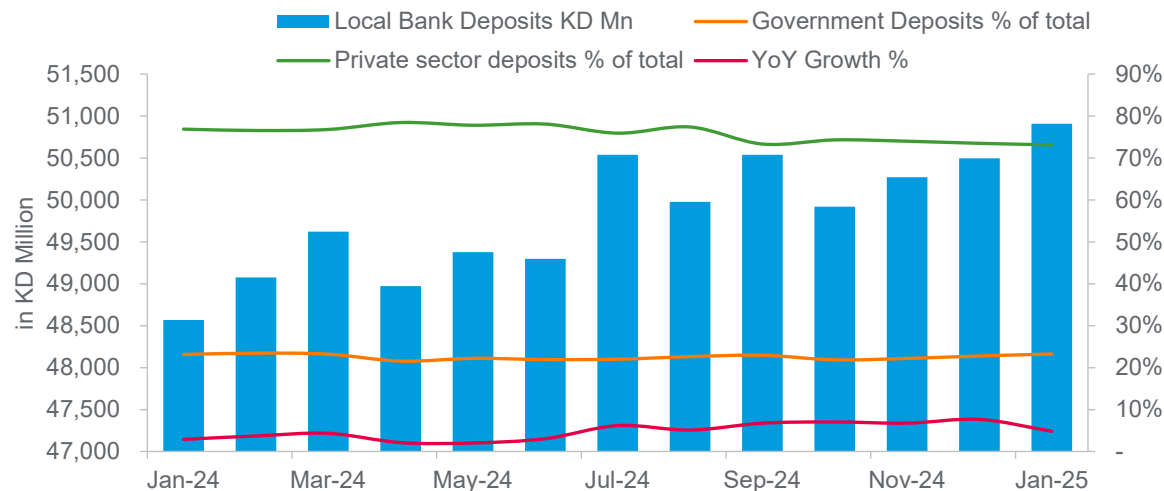
- While overall inflation remained stable at 2.5% y/y, price pressures intensified in the food & beverages category, rising to 5.2% y/y from 5.0% in December 2024, with meat, poultry, and fruit recording double-digit annual gains.
- Inflation in housing services, remained steady at 0.9% y/y, while furnishings & household equipment inflation softened to 3.0% from 3.5%. Similarly, clothing & footwear inflation eased to 4.8% from 5.1% in the previous month.
- Deflation in the transportation sector persisted, though at a slower pace, moderating to -1.3% from -1.5% in December 2024. These factors contributed to a decline in core inflation (excluding food and housing), which fell to a four-year low of 2.4%.
- Meanwhile, inflation remained unchanged month-on-month across several categories in January 2025, including tobacco & narcotics (0.07%), housing services (0.90%), communication (0.88%), recreation & culture (2.64%), education (0.71%), and restaurants & hotels (2.03%), compared to December 2024.

Macroeconomic update... Cont'd.

Growth in Money Supply and Credit Off-Take



Local Bank Deposits



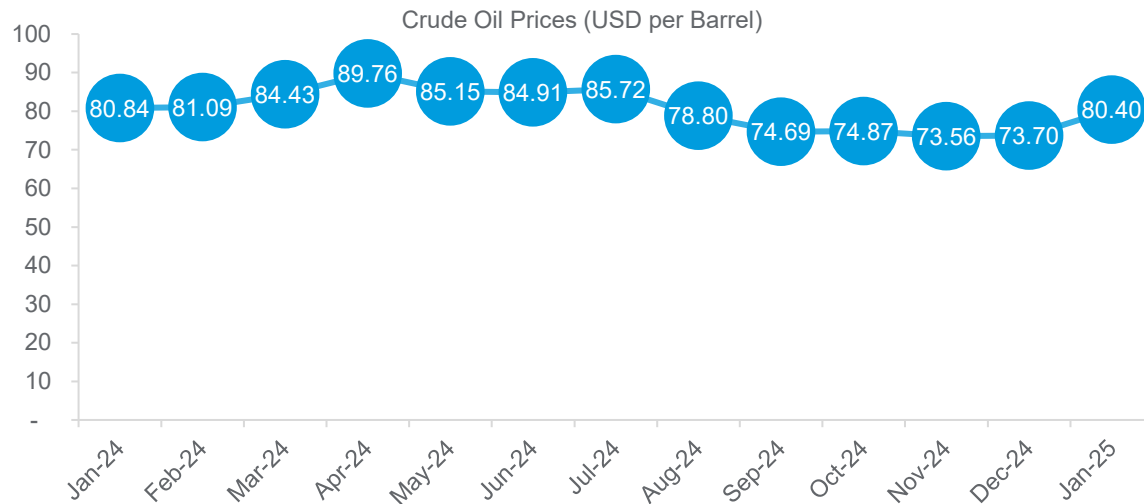
Money Supply and Local Bank Deposits

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

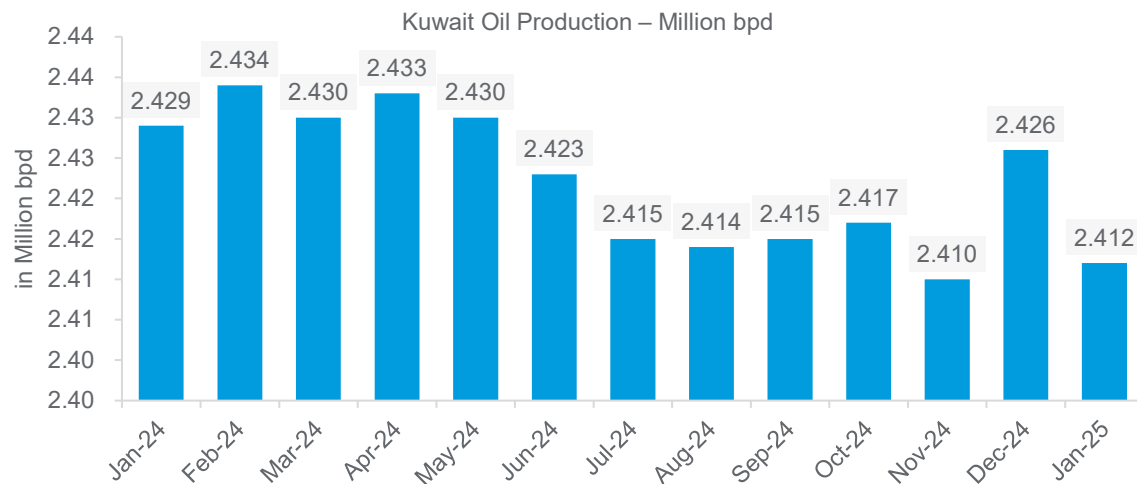
- Kuwait's broad money supply (M2) grew by 4.6% y/y to KD 40.71 billion in January 2025, driven by a KD 0.01 billion rise in sight deposits and a KD 0.06 billion increase in quasi-money, which expanded to KD 30.29 billion from KD 10.34 billion in October 2024. The narrower M1 (cash and checking accounts) also increased slightly to KD 10.41 billion in January 2025 from KD 10.34 billion in October 2024.
- Credit facilities extended by local banks remained stable, rising KD 0.48 billion since October 2024 to KD 49.54 billion, representing 4.1% y/y growth. Personal credit facilities grew moderately by KD 0.14 billion in January 2025, reaching KD 19.36 billion, mainly driven by a KD 0.15 billion increase in installment loans.
- Bank deposits at local banks rose KD 0.99 billion from October 2024, reaching KD 50.91 billion in January 2025. This was primarily due to a KD 0.13 billion increase in private sector deposits in local currency, which grew to KD 37.23 billion from KD 37.09 billion. Private sector deposits remained the largest contributor, accounting for 73.1% of total deposits (KD 39.07 billion), while government sector deposits declined by KD 0.29 billion to KD 4.81 billion from KD 5.10 billion in October 2024.

Macroeconomic update... Cont'd.

Growth in Kuwait Oil Basket Prices



Movement of Kuwait Oil Production



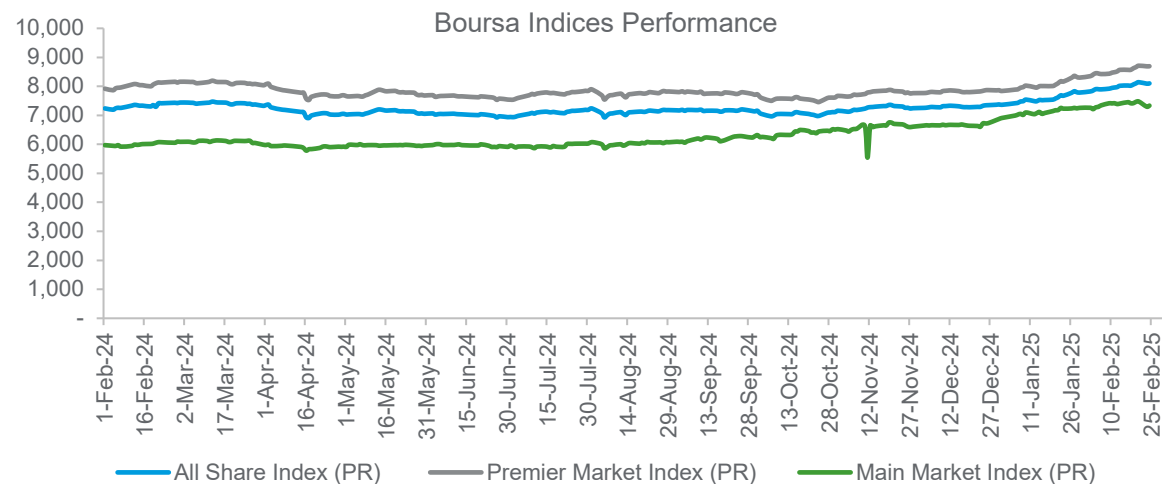
Monthly Oil Production and Oil Price

Kuwait's crude oil prices sees rebound in January 2025

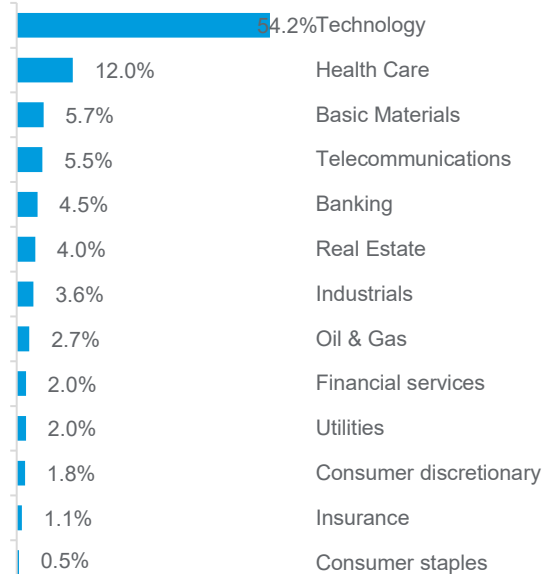
- Kuwait's oil market rebounded in January 2025 after two consecutive months of decline, with 9.1% m/m increase to average at USD 80.40 billion, compared to USD 73.70 billion average price in December 2024. This increase was driven by uncertainty over short-term oil supply, despite easing concerns about Chinese demand.
- In recent news, Kuwait discovered a new offshore oil reserve in the Al-Julaiah field, estimated at 950 million barrels of oil equivalent, boosting its potential production capacity and reinforcing its position as a leading oil producer. A development plan is underway to begin production, aligning with Kuwait's 2040 strategy to boost output to 4 million barrels per day.
- In 2024, Kuwait also 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.
- Kuwait's crude oil production declined by 14.0 million barrels per day (mb/d) to reach 2.412 mb/d in January 2025, likely attributed by the seasonal cold weather that affecting global crude runs.
- Kuwait's crude oil production is anticipated to gradually increase from April 2025 at a rate of 7,000 barrels per day per month until the full reduction of 135,000 barrels per day is restored. Production is projected to reach 2.548 million barrels per day by September 2026. Based on this schedule — assuming no extension of production cuts—the oil sector's GDP is expected to return to growth starting in the second quarter of 2025.

Boursa Financial Market Performance

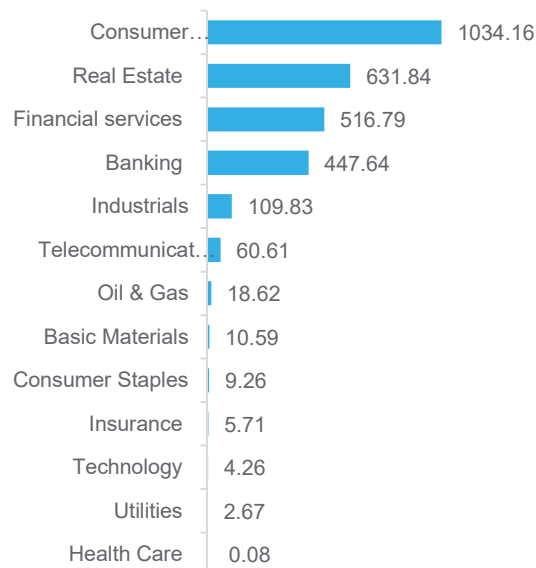
Kuwait Boursa – Key Index Performance



Monthly Sector Performance (%)



Monthly Value Traded (KD Mn)

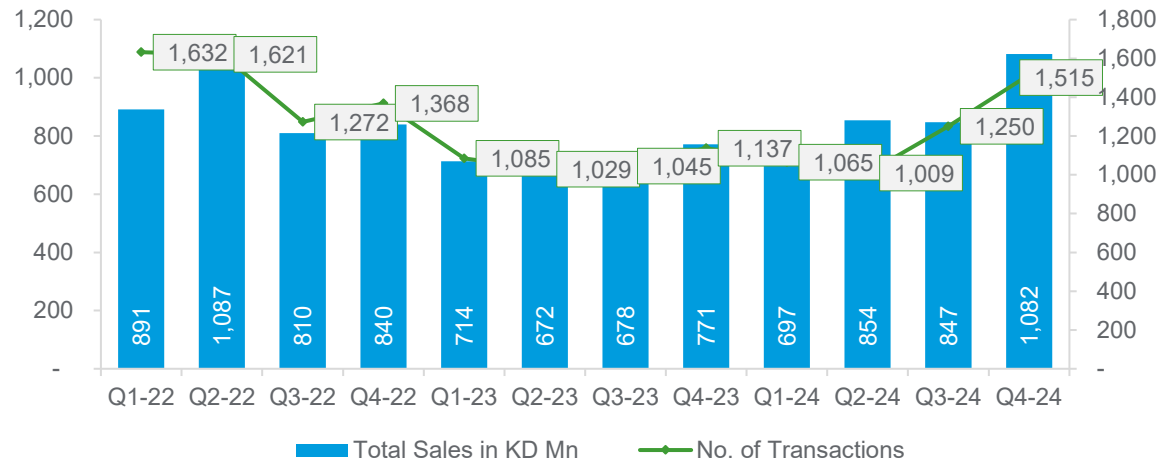


Kuwait Boursa – Key Index Performance

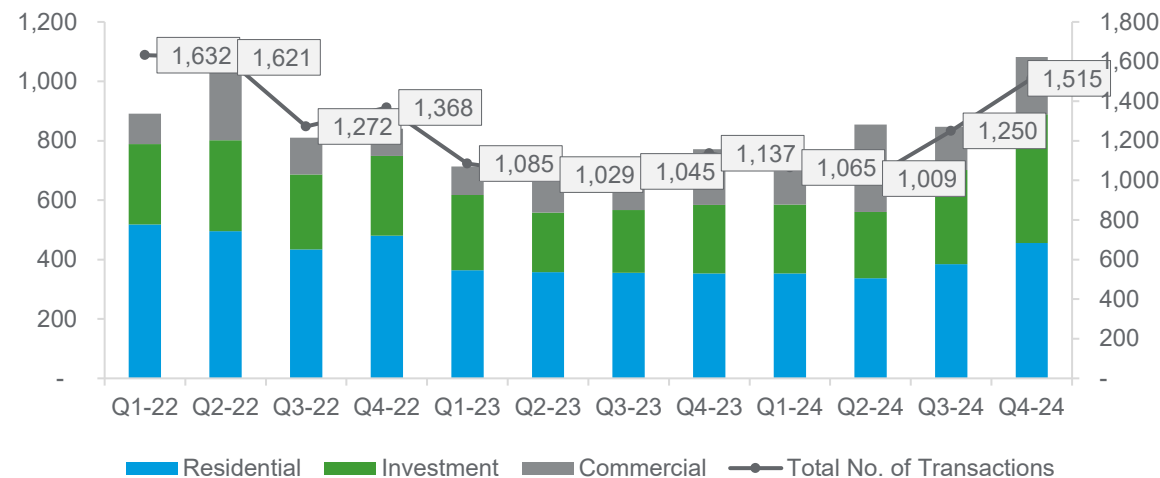
- Kuwait equity markets started the year on a positive note, in line with most sector indices that witnessed gains in February 2025, reversing the declines seen in December 2024. Boursa Kuwait registered a gains of 4.1% in February 2025 to close at 8,103.23 points, highlighting gains across all segments.
- The Premier Market index breached the 8,000 points mark after consistent gains for the fifth consecutive month to close the month at 8,662.65 points with a gain of 4.7% while the Main Market indices registered gains of 1.1%. The net impact was a gain of 4.1% for the All-Share Market Index, which was the second highest monthly growth in twelve months.
- The Monthly Sector performance shows that Technology topped the index with a double-digit of 54.2 followed by the Health Care and Basic Materials indices with gains of 12.0% and 5.7%, respectively. Telecom sector 5.5% while in the Banking sector, shares of all listed banks reported gains during the month led in the sector gaining 4.5% in February supported by strong FY 2024 earnings.
- In terms of trading activity remained strong in February 2025 despite recording a lesser number of trading days. Monthly volume of shares traded witnessed a month-on-month increase of 47.1% in February 2025, reaching 10.48 billion shares compared to 7.12 billion shares in January 2025. The aggregate value of shares traded in February 2025 also surged by 65.0% to reach KD 2.85 billion, compared to KD 1.73 billion in January 2025.

Kuwait Real Estate Market

Overall Real Estate Sales (2022 to 2024)



Real Estate Segments Sales (in KD Mn)



Kuwait's Real Estate Market

Kuwait's real estate sales rebounded sharply in Q4 2024 due to large, one-time transactions.

- Kuwait's real estate market witnessed a significant rebound across all segments in Q4-2024, with total sales surging 27.7% q/q to KD 1,082 million, the highest level in over two years, driven by strong investment and commercial activity, while residential sales saw a moderate rise. Prices logged its first quarter increase in a year, supported by rising investment and residential property values.
- Indeed, the value of residential sales in Q4 2024, reached KD 456 million was the most in two years, amid a second consecutive quarter of double-digit growth in the number of transactions. Investment sales, meanwhile, rose sharply for a second straight quarter in Q4, to a high of KD 433 million. Demand in this segment has been supported by reportedly higher rental yields, amid shortages of affordable housing for low-paid blue collar workers in central areas after the government tightened regulations around apartment overcrowding following the fire in Al-Mangaf area in June 2024.
- Meanwhile, commercial sales rebounded from the large decline in Q3 2024, with sales of KD 193 million, though this is still below the sector's record high from Q2 2024 (KD 294 million). Only six transactions accounted for 61% of total sales during the quarter at KD118 million, concentrated in the Hawalli and Al-Ahmadi governorates.
- Looking ahead to 2025, Kuwait's real estate remains positive, supported by non-oil economic growth, potential interest rate cuts, and possible housing finance reforms.

Major Projects Update

- A. Kuwait Authority for Partnership Projects (KAPP)
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A. Kuwait Authority for Partnership Projects (KAPP)

Kuwait Receives Bid for Major Water and Power Project

Kuwait's Ministry of Electricity, Water & Renewable Energy (MEWRE), through the Kuwait Authority for Partnership Projects (KAPP), has received a lone bid from a consortium led by Saudi Arabia's Acwa Power and Kuwait's Gulf Investment Corporation for a contract to develop the Kuwait's second Independent Water and Power Project (IWPP). Located South of Kuwait City, the project will generate 2,700MW of electricity and desalinate 120 MIGD of potable water. Tendered in March 2024, bids were received on 30th December.

Additional pre-qualified bidders for Al-Zour North 2&3 IWPP scheme

- Abu Dhabi National Energy Company (Taqa) / AH Al-Sager & Brothers (Kuwait) / Jera (Japan)
- China Power International Holding (China) / Malakoff International (Malaysia) / Abdulaziz Al-Ajlan & Sons (Saudi Arabia)
- Nebras Power (Qatar)
- Sumitomo Corporation (Japan)

Kuwait to Issue RFP for 1,100MW Solar PV Project

Kuwait's MEWRE, through the Kuwait Authority for Partnership Projects (KAPP) is set to issue a request for proposals (RFP) by the end of 2025 for the Kuwait's first 1,100MW utility-scale solar PV project. Located in the Jahra governorate, the project includes the Al-Dibdibah and Shagaya phase 3 renewable energy developments, supporting Kuwait goal of achieving net-zero carbon emissions by 2060.

Pre-qualified bidders for 1,100MW Solar PV Project

- Acwa Power (Saudi Arabia) / Alternative Energy Projects Company (Kuwait)
- Trung Nam Construction (Vietnam)
- EDF Renewables (France) / Abdullah Al-Hamad Al-Sagar and Brothers Company (local) / 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 Extends Tender for Key Transmission Line Project

Kuwait's MEWRE, through the Kuwait Authority for Partnership Projects (KAPP) extended the bid deadline for 400kV transmission line linking Shagaya's solar plant to Subiya power station to 14th January 2025, initially tendered in October with a deadline of 5th November, the bid bond is set at KD 450,000 (USD 1.46 million). The project aims to strengthen the grid and integrate renewable energy into the national power system.

Kuwait Signs MoU for 3,000MW Power Plant Deal

On 27th January 2025, Kuwait's MEWRE, in collaboration with the Kuwait Authority for Partnership Projects (KAPP), signed a Memorandum of Understanding (MoU) with ABC Transco to develop a 3,000MW gas-fired power plant and supporting infrastructure. The proposal, in partnership with US-based GE Vernova, includes conversion stations, water pipelines, and fuel lines.

This initiative is part of Kuwait's strategic effort to engage the private sector in power generation projects. However, questions remain regarding the legality of directly negotiated public-private partnership (PPP) agreements under current procurement laws.

Kuwait Awards Rail Design Contract to Turkish Firm

Kuwait's Public Authority for Roads and Transportation (PART) awarded a worth KD 2.4 million (USD 8 million) contract to Turkey's Proyapi Muhendislik ve Musavirlik Anonim Sirketi for the study, design, and tender preparation of the Kuwait National Rail Road (KNRR) project.

The design phase is expected to be completed within a year. Proyapi submitted the lowest bid, significantly beating China's KD 6.7 million offer. The KNRR is part of the GCC rail network, which gained momentum after the 2021 Al-Ula declaration.

Lowest Bidders for KNRR Design Contract

- Turkey's Proyapi Muhendislik ve Musavirlik Anonim Sirketi – KD 2.4 million (USD 8 million)
- China's Railway Siyuan Survey & Design Group Company – KD 6.7 million
- Spain's Sener – KD 8.8 million
- France's Sysstra – KD 9.7 million

B. Infrastructure and Development Projects

Kuwait Awards USD 847.8 million Infrastructure Contracts for South Saad Al-Abdullah City

Kuwait's Public Authority for Housing Welfare (PAHW) has awarded three contracts totaling USD 847 million for infrastructure development in South Saad Al-Abdullah City.

- 1) China Gezhouba Group secured two contracts worth a combined of KD 172.1 million (USD 557.5 million) for infrastructure development works for residential sectors across multiple zones, including NFU1 to NFU19-15.
- 2) Kuwait Company for Process Plant Construction & Contracting secured worth KD 89.6 million (USD 290.3 million) contract for infrastructure work in sectors NFU7 to NFU17.

These contracts are part of a larger government initiative to develop new housing and infrastructure across the country, driven by the Kuwait Vision 2030.

Firms that submitted bids for First Infrastructure Contract

- China Gezhouba Group (USD 250 million)
- Kuwait Factories Construction & Contracting Company (USD 257 million)
- China State Construction Engineering Corporation (USD 282 million)
- Al-Dar Engineering and Contracting (USD 285 million)
- Sinohydro Corporation (USD 286 million)
- Kuwait Arab Contractors (USD 287 million)
- Combined Group Contracting (USD 289 million)
- Ahmadiyah Contracting & Trading (USD 291 million)
- Al-Mohannadi Group (USD 304 million)
- United Gulf Construction (USD 320 million)
- China First Highway Engineering Company (USD 353 million)
- Alghanim International (USD 450 million)
- Metallurgical Corporation of China (USD 543 million)

Firms that submitted bids for Second Infrastructure Contract

- China Gezhouba Group (USD 307 million)
- Kuwait Factories Construction & Contracting Company (USD 312 million)
- China State Construction Engineering Corporation (USD 352 million)
- Sinohydro Corporation (USD 356 million)
- Combined Group Contracting (USD 370 million)
- Ahmadiyah Contracting & Trading (USD 372 million)
- Mohammed Abdul Mohsen Al-Kharafi & Sons (USD 396 million)
- United Gulf Construction Company (USD 416 million)
- China First Highway Engineering Company (USD 443 million)
- Alghanim International (USD 549 million)

Firms that submitted bids for Third Infrastructure Contract

- China Gezhouba Group (USD 288 million)
- Kuwait Factories Construction & Contracting Company (USD 290 million)
- Al-Dar Engineering & Contracting (USD 320 million)
- Kuwait Arab Contractors (USD 323 million)
- Combined Group Contracting (USD 333 million)
- Sinohydro Corporation (USD 335 million)
- China State Construction Engineering Corporation (USD 339 million)
- China First Highway Engineering Company (USD 385 million)
- United Gulf Construction (USD 395 million)
- Alghanim International (USD 551 million)

Kuwait Approves Chinese Bid for Mubarak Al-Kabeer Port Project

Kuwait's cabinet has approved a bid from China Communications Construction Company to complete all stages of the Mubarak Al-Kabeer Port project.

Phase one, with a project cost USD 1.2 billion completed in 2014 but remains inoperable due to lack of essential equipment.

Phase two, expected to enable operations, will include the construction of loading facilities, quay walls, container terminals, and safety systems.

A **third phase** will further expand the port. This move follows agreements signed in September 2023, positioning Chinese firms to play a key role in Kuwait's Fourth Master Plan 2040.

Kuwait Awards USD 142 million Contract for Power Substations

Saudi Arabia's National Contracting Company (NCC) has secured a SR 534 million (USD 142 million) contract to build 10 power substations in Sabah Al-Ahmad City, Kuwait. The 24-month project is commissioned by Kuwait's Public Authority for Housing Welfare (PAHW), covering 6,150 hectares, the city master plan, designed by UK-based Foster+Partners, includes over 11,000 housing units, 52 schools, and 70 mosques, in addition to thousands of residential units, upon completion.

Kuwait Awards USD 146 million Infrastructure Contracts

Kuwait's Ministry of Public Works has awarded worth KD 44.6 million (USD 146 million) to Combined Contracting Group for two contract for the infrastructure development works. The first contract, valued at KD 21.1 million (USD 69 million), is for road maintenance in Mubarak Al-Kabeer governorate, while the second contract, worth KD 23.5 million (USD 77 million), covers maintenance of Abdali and Jahra roads. Both projects will span three years.

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

Kuwait Receives Bids for Substation Projects in Nawaf Al-Ahmad City

Kuwait's Public Authority for Housing Welfare (PAHW) has received bids for two 400/132/11kV substation packages catering to Nawaf Al-Ahmad City, previously known as the South Saad Al-Abdullah housing project. Al-Ahleia Switchboard Company submitted the lowest bid of KD 29.22 million (USD 95.7 million) for the SSAB 1Z project, followed by India's Larsen & Toubro and Saudi Arabia's National Contracting Company. The SSAB 1Z work's scope includes constructing transmission cables and installing switchgear, control panels, and fire protection systems.

The same contractors submitted bids for a similar 400/1232/11kV project called SSAB 2Z, also catering to the housing development. PAHW tendered the contracts in July 2024 and received bids on 5th September 2024.

Lowest Bidders for Substation Project – SSAB 1Z

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

Lowest Bidders for Substation Project – SSAB 2Z

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

Sewage Network Upgrade Study Approved

Kuwait's Ministry of Public Works (MPW) received approval from Central Agency for Public Tenders (CAPT) to increase the ICT budget for the new passenger terminal T2 project by KD 6.018 million, bringing the total to KD 12.095 million from the previous allocation of KD 6 million. This ICT network will digitally connect airport operations upon completion and handover to the DGCA.

Separately, the MPW also received approval for a KD 301,500 contract to study and design infrastructure improvements in Abullah Al-Salem and Nuzha, focusing on upgrading the aging sewage network. An executive tender will follow after the study's completion.

Kuwait issues Tender for South Saad Al-Ain City road and infrastructure projects

The Public Authority for Housing Welfare (PAHW) has issued a tender for the South Saad Al-Ain City Residential Suburbs Road and Infrastructure Works project, covering design, project management, and supervision consultancy for roadworks and infrastructure. The project includes the development of irrigation tank buildings and substations for residential suburbs NFU2, NFU12, NFU13, NFU14, NFU15, NFU16, and I3. Bids are due by 2nd March 2025, with the contract expected to be awarded by June 2025 and completion slated for Q2 2027.

Kuwait Awards KD 64.4 Million Substation Projects

Kuwait's Public Authority for Housing Welfare (PAHW) awarded Kuwait-based, Al-Ahleia Switchgear Company two contracts worth KD 64.4 million (USD 208.7 million) for 400/132/11kV substations in the South Saad Al-Abdullah residential project. The scope includes design, supply, installation, testing, commissioning, and maintenance. Contract signing is pending.

C. Oil and Gas Projects

Kuwait's worth USD 2 billion Oil Projects Face Expected Bid Deadline Extensions

Bid deadlines for two significant Kuwaiti oil projects, valued at roughly USD 1.9 billion, are expected to be extended due to heavy contractor workloads. The projects involve developing Separation Gathering Centres (SGC-1 and SGC-3) and Water Injection Plants (WIP-1 and WIP-3), each valued at approximately KD 300 million (USD 970 million).

Seven firms attended a pre-tender meeting for the projects

- | | |
|-----------------------------|-------------------------|
| ■ Petrofac (UK) | ■ Samsung (South Korea) |
| ■ Saipem (Italy) | ■ Hyundai (South Korea) |
| ■ Técnicas Reunidas (Spain) | ■ Daewoo (South Korea) |
| ■ Larsen and Toubro (India) | |

Kuwait Tenders Multiple Oil & Gas Consultancy Contracts

Kuwait's state-owned oil companies are advancing energy developments through several consultancy contracts:

- 1) Kuwait National Petroleum Company (KNPC) awarded a contract worth KD 227,275 (USD 736,934) to Pakistan's Eco-Environmental Consultants for environmental and social impact assessments studies. The bid submission deadline for a digital strategy implementation management contract has been extended to 30th January.
- 2) Kuwait Integrated Petroleum Industries Company (Kipic) awarded a KD 1.5 million (USD 5.0 million) contract to Saudi's Nalco Saudi Company for refinery chemical management services and a KD 800,000 (USD 2.9 million) contract to Tariq Al-Ghanim General Trading & Contracting for the de-docking of atmospheric residue desulphurization (ARD) reactor charge heaters at the Al-Zour refinery.
- 3) Kuwait Foreign Petroleum Exploration Company (Kufpec) retendered its operations excellence management system (OEMS) contract after cancellation, setting a new bid deadline for 4th February 2025. Ten international firms were invited to participate. In October 2024, Kufpec had also awarded a KD 145,000 (USD 470,000) contract to Ernst & Young for a feasibility study and consultancy services to assess quantitative risk.

Ten International firms invited to bid for OEMS contract

- | | |
|----------------------------------|--|
| ■ Deloitte Consulting (UK) | ■ Turner & Townsend International (UK) |
| ■ KPMG Advisory (Netherlands) | ■ McKinsey & Company (US) |
| ■ Pricewaterhouse Coopers (UK) | ■ Ankura (US) |
| ■ Boston Consulting Group (US) | ■ Solomon Insight (US) |
| ■ Ernst & Young Consultancy (UK) | ■ Schlumberger (US) |

Kuwait Tenders worth KD 396 million Contracts for Oil Separation Facilities

Kuwait Oil Company (KOC) has tendered two contracts worth approximately KD 396 million (USD 1.3 billion) for oil separation facility developments:

- 1) First Contract, worth KD 292 million (USD 951 million) focuses on developing a separation facility near Gathering Centres 23 and 24 in north Kuwait, with an injection facility at GC-31 and water injection networks. It follows a build, own, and operate (BOO) model.
- 2) Second Contract, worth KD 104 million (USD 338 million) covers separation facilities at GC-25 and a water injection facility at GC-30, also under the BOO model.

Pre-tender meetings are set for 13th and 14th January, respectively.

Kuwait to Tender Major Oil Pipeline Projects

Kuwait Oil Company (KOC) plans to tender major pipeline projects this year, including new installations and upgrades to improve crude transportation. It also set to tender a worth KD 130 million (USD 420 million) contract for the Mutriba Remote Boosting Facility (MRBF) project in early 2025.

These developments are part of Kuwait's strategy to increase oil production from 2.9 million barrels per day (b/d) to 3.2 million b/d by 2025-26, targeting 4 million b/d by 2035.

Invited firms to bid for Mutriba Remote Boosting Project

- Schlumberger (US)
- Halliburton (US)
- Baker Hughes (US)
- Weatherford International (US)

Kuwait to Tender KD 50 million SEED -2 Oil Remediation Project

Kuwait Oil Company (KOC) plans to tender the Sustainable Environmental Economic Development Phase 2 (SEED-2) project in early 2025. The five-year service contracts are estimated at KD 50 million (USD 130 million) and aim to remediate 4 million cubic meters of soil across three zones: North, West, and South East Zone.

Unlike previous remediation projects funded by the UN under the Kuwait Environmental Remediation Programme (KERP), SEED-2 will be fully financed by KOC. The original SEED project, launched in 2012, focused on restoring contaminated soil at the Burgan oil field and delivering significant environmental improvements.

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

Kuwait Extends Bid Deadline for Gas Sweetening Project

Kuwait Oil Company (KOC) has extended the bid deadline for a USD 360 million Gas Sweetening and Sulphur recovery facility project in West Kuwait to 7th January 2025. The deadline was previously set for 17th December 2024 and has been extended multiple times since November.

Notable companies from China, the US, and Kuwait, including Jereh, SLB, and Spetco, have expressed interest in the contract, which follows a build-operate-transfer (BOT) model. The project includes two phases: execution (covering design, procurement, construction, and commissioning) and operation and maintenance (including safety and environmental services).

Kuwait Tenders Consultancy Contract for North Oil Pier Project

Kuwait National Petroleum Company (KNPC) has issued a tender for consultancy services on the front-end engineering design (FEED) of a new north oil pier at the Mina Al-Ahmadi (MAA) refinery. The bid deadline is 9th January 2025, with a pre-tender meeting on 22nd December.

Firms invited for the North Oil Pier Project

- Wood Group (UK)
- Engineers India (India)
- Delta Marine Consultants Singapore (Singapore)
- Proes Consultants (Spain)
- Bilfinger Tebodin Middle East (UAE)
- Worley (Australia)

Kuwait Receives Lowest Bid for KD 19.2 million Gas Pipeline Project

Kuwait-based Combined Group Contracting Company submitted the lowest bid of KD 19.2 million (USD 62.6 million) for a gas pipeline development project linked to the Kuwait's Jurassic gas fields. Tendered by Kuwait Oil Company (KOC), the 19-month project involves off-plot works and the construction of a 16-inch feed trunk line from the Umm Niqa area.

The bid deadline was extended multiple times under tender code RFP-2109296. This project is part of Kuwait's push to increase oil production from 2.9 million barrels per day (b/d) to 3.2 million b/d by 2025-26, with a target of 4 million b/d by 2035. Recent political changes, including the suspension of parliament, are expected to expedite delayed projects.

Kuwait Extends Deadlines for USD 2.3 Billion Oil Projects

Kuwait Oil Company (KOC) has extended tender deadlines for nine strategic oil projects worth over USD 2.3 billion, raising concerns about potential delays in meeting production targets. Notable key projects and its revised deadlines include:

- 1) **Effluent Water Disposal Plants (EWDP-1 & EWDP-2)** for injector wells, valued at KD 220 million (USD 716 million); new bid deadline: 24th December (previously 3rd December).
- 2) **Installation of a Separation Gathering Centre (SGC-2)**, worth KD 207 million (USD 673 million), including crude debottlenecking work; new deadline: 24th December (previously 3rd December).
- 3) **Installation of Water Injection Plant 4 (WIP-4)** in South Kuwait, valued at USD 200 million, covering pipelines, oil gathering systems, and security systems; new deadline: 24th December (previously 3rd December).
- 4) **Installation of Injection Pumps at Central Injection Pumping Facility (CIPF)**; new bid deadline: 3rd December (previously 12th November).
- 5) **Construction of power Infrastructure for Artificial Lift Pumps** at Substations 6, 10, and 12 in South Kuwait; new bid deadline: 22nd December (previously 24th November).
- 6) **Construction of Power Infrastructure for Artificial Lift Pumps** at Substations 8 and 13 in South and East Kuwait; new bid deadline 22nd December (previously 24th November).
- 7) **Provision of KOC Master Plan Services**; new bid deadline: 10th December (previously 12th November).
- 8) **Jurassic Gas Pipeline Development**, valued at KD 30 million (USD 98 million), including a 16-inch feed trunk line and associated works; new bid deadline: 8th December (previously 24th November).
- 9) **Jurassic Light Oil (JLO) Export Facilities project**, valued at KD 175 million (USD 569 million); new deadline set for 26th January 2025. The project aims to develop facilities and upgrade the existing network. In April 2024, 15 firms were prequalified to submit bids for this contract (as noted in Issue 14 of our previous edition).

These projects are integral to Kuwait's target of increasing oil production from 2.9 million barrels per day (b/d) to 3.2 million b/d by 2025-26, aiming for 4 million b/d by 2035. Recent political changes, including the suspension of parliament, are expected to expedite the progress of these delayed projects.

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

Kuwait Prepares Tender for Raudhatain Flowline Project

Kuwait Oil Company (KOC) plans to tender a flowline development project for producer wells in Raudhatain area, with the bid invitation set to follow a 30-day period. The tender has been given a reference number of RFP-2133703 and a total of 11 companies have been prequalified to bid. Flowlines are pipelines that connect a single wellheads to processing equipment, essential in both onshore and offshore fields.

11 Prequalified Firms to bid for the Raudhatain Flowline Project

- Combined Group Contracting Company (Kuwait)
- KDDDB General Trading & Contracting (Kuwait)
- Mechanical Engineering & Contracting Company (Kuwait)
- Almeer Technical Services Company (Kuwait)
- Hot Engineering & Construction Company (Kuwait)
- CAT International (Luxembourg)
- Petrojet (Egypt)
- Heavy Engineering Industry & Shipbuilding Company (Kuwait)
- Gulf Spic General Trading & Contracting Company (Kuwait)
- Galfar Al-Misnad Engineering & Contracting (Qatar)
- Sayed Hamid Behbehani & Sons Company (Kuwait)

Kuwait to Sign KD 126.5 million North Kuwait Facility Upgrades

Kuwait Oil Company (KOC) is expected to finalize a KD 126.5 million (USD 412 million) contract with Kuwait's Spetco for installing depletion compression systems and Sulphur recovery units (SRUs) at North Kuwait's EPF-50 and JPF-3 facilities by year-end. The project will sustain production and handle high-pressure sour hydrocarbons.

Spetco's bid outperformed Chinese, Saudi, and Indian firms.

The EPF-50 and JPF-3 upgrades will boost gas processing and Sulphur recovery capacities beyond initial targets of 240 million scf/d of gas and 440 t/d of Sulphur at JPF-3.

List of bidders for the North Kuwait Facility upgrades

- L1 Spetco (Kuwait) – KD 126.5 million (USD 412 million)
- L2 Jereh (China) – KD 128.5 million
- L3 Al-Khorayef (Saudi Arabia) – KD 137.5 million
- L4 Megha Engineering & Infrastructures (India) – KD 169.1 million

Kuwait Plans USD 420 million Shuaiba Refined Products Facility

Kuwait National Petroleum Corporation (KNPC) is tendering worth KD 130 million (USD 420 million) contract to develop a refined products facility on a harbour arm located in Shuaiba port, including Berths 31 and 32, currently non-operational. The facility will serve KNPC and Petrochemicals Industries Company (PIC).

A pre-tender meeting is set on 16th December 2024. This project aligns with Kuwait Petroleum Corporation's (KPC) 2040 strategy. KPC aims to boost oil capacity to 4 million barrels per day by 2035.

Kuwait Awards USD 100 million Drilling Contract

Kuwait Oil Company (KOC) has awarded worth KD 30 million (USD 100 million) contract to US-based Weatherford International to provide managed pressure drilling (MPD) services. The advanced MPD system aims to improve operational efficiency, enhance safety, accelerate well delivery, and reduce costs by offering precise pressure control and real-time data integration.

Kuwait Receives Bids for New Al Mutla'a Depot Project

The Kuwait National Petroleum Company (KNPC) has received five bids for the construction of a new Local Marketing Depot at Matlaa. Consolidated Contractors Group SAL – Offshore (CCC) submitted the lowest bid at KD 357.2 million (USD 1.15 billion). The new depot aims to meet rising petroleum demand, maintain strategic stock levels, and reduce transportation costs.

List of Lowest Bidders for the New Al Mutla'a Depot Project

- Consolidated Contractors Group SAL – Offshore (CCC) – KD 357.2 million (USD 1.15 billion)
- Sinopec Luyang Engineering Company – KD 358.3 million
- Enppi – KD 384.5 million
- Larsen & Toubro Limited – KD 414 million
- Open Tower General Trading and Contracting Company - KD 505.4 million

D. Other Sector Projects

Kuwaiti's Al-Kharafi Wins worth USD 660 million in Three major Projects

Kuwaiti contractor Khalid Ali Al-Kharafi & Brothers Company has secured three major contracts worth a total of USD 660 million, including:

- 1) Kuwait Gulf Oil Company (KGO) remediation contract worth USD 80 million for oil remediation work at the Wafra oil field.
- 2) The Public Authority for Housing Welfare (PAHW) construction contract worth USD 530 million to build 1,985 houses, schools, mosques, and infrastructure.
- 3) Embassy Securities Fences contract worth USD 50 million for improving security at foreign embassies in Kuwait. The project's scope includes installing advanced surveillance and security systems.

Kuwait Awards USD 2.7 million Study for Petroleum Industrial Zone

Kuwait Petroleum Corporation (KPC) awarded a KD 839,000 (USD 2.7 million) contract to US-based, Boston Consulting Group for a 12-month feasibility study of a planned petroleum industrial zone in Southern Al-Ahmadi.

Kuwait Signs MoU for 3,000MW Gas-Fired Power Plant

The Kuwait's Minister of Electricity signed a memorandum of understanding (MoU) with ABC Transco to develop a 3,000MW gas-fired power plant and related infrastructure. The project, in partnership with GE Vernova, encompasses the power plant itself, as well as crucial supporting infrastructure like a conversion station, water and fuel pipelines.

This initiative aligns with Kuwait's strategy to involve the private sector in power generation through independent supplier models.

Heisco JV wins KD 173.2 Million plant upgrade deal

Heavy Engineering Industries & Shipbuilding Company (Heisco) and Japan's IHI Corporation secured a KD 173.2 million (USD 562 million) contract from Kuwait's Ministry of Electricity, Water, and Renewable Energy (MEWRE) for the development and upgrade of steam boilers and other systems at Doha West distillation station. This follows Heisco's recent USD 298.3 million contract win from MEWRE for the rehabilitation of the Sabiya Power Plant.

Kuwait Tenders Three Strategic Consultancy Contracts

Kuwait Petroleum Corporation (KPC) has issued tenders for three strategic consultancy contracts:

- 1) **Financial Investment Strategy Review:** KPC seeks consultants to review and upgrade its investment strategy and policies. Seven firms have been invited to bid. Bid submissions close on 24th December after a 9th December pre-tender meeting.
- 2) **Asset Consumption Review:** KPC aims to review the consumption rates of its assets. Three firms are invited to participate, with the same pre-tender meeting and submission deadlines as the first tender.
- 3) **Ethics and Governance Audit:** KPC seeks consultants to audit its ethics and governance practices. Eight firms are invited to bid. The pre-tender meeting is on 23rd December, with bids due by 7th January 2025.

These initiatives come as Kuwait pursues its target of producing 4 million barrels of oil per day by 2035.

Invited firms to bid for the Financial Investment Strategy Review

- | | |
|--------------------------------------|-----------------------------|
| ■ Wilshire Associates (US) | ■ JP Morgan (US) |
| ■ Russell (US) | ■ Northern Trust (US) |
| ■ Mercer (US) | ■ Cambridge Associates (US) |
| ■ UBS Asset Management (Switzerland) | |

Invited firms to bid for the Asset Consumption Review

- Ernst & Young (UK)
- PWC (UK)
- Deloitte (UK)

Invited firms to bid for the Ethics and Governance Audit

- | | |
|----------------------|-----------------------|
| ■ Protiviti (US) | ■ Ernst & Young (UK) |
| ■ Baker Tilly (UK) | ■ BDO (Belgium) |
| ■ KPMG Advisory (UK) | ■ RSM (UK) |
| ■ Deloitte (UK) | ■ Grant Thornton (UK) |

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