

Kuwait Quarterly Newsletter

Economy & Projects update — Issue 9/May 2022



Delivering the
Power of Being
Understood

INDEX



01

Macroeconomic updates	3
A. Consumer Price Inflation	
B. Growth in Money Supply	
C. Local Banks Deposits	
D. Monthly Oil Production and Oil Prices	



02

Summary of major projects in Kuwait	6
-------------------------------------------	---



03

Major project updates	8
A. Kuwait Authority For Partnership Projects (KAPP)	
B. Infrastructure and development projects	
C. Oil & Gas projects	
D. Other sector projects	



MACROECONOMIC UPDATE

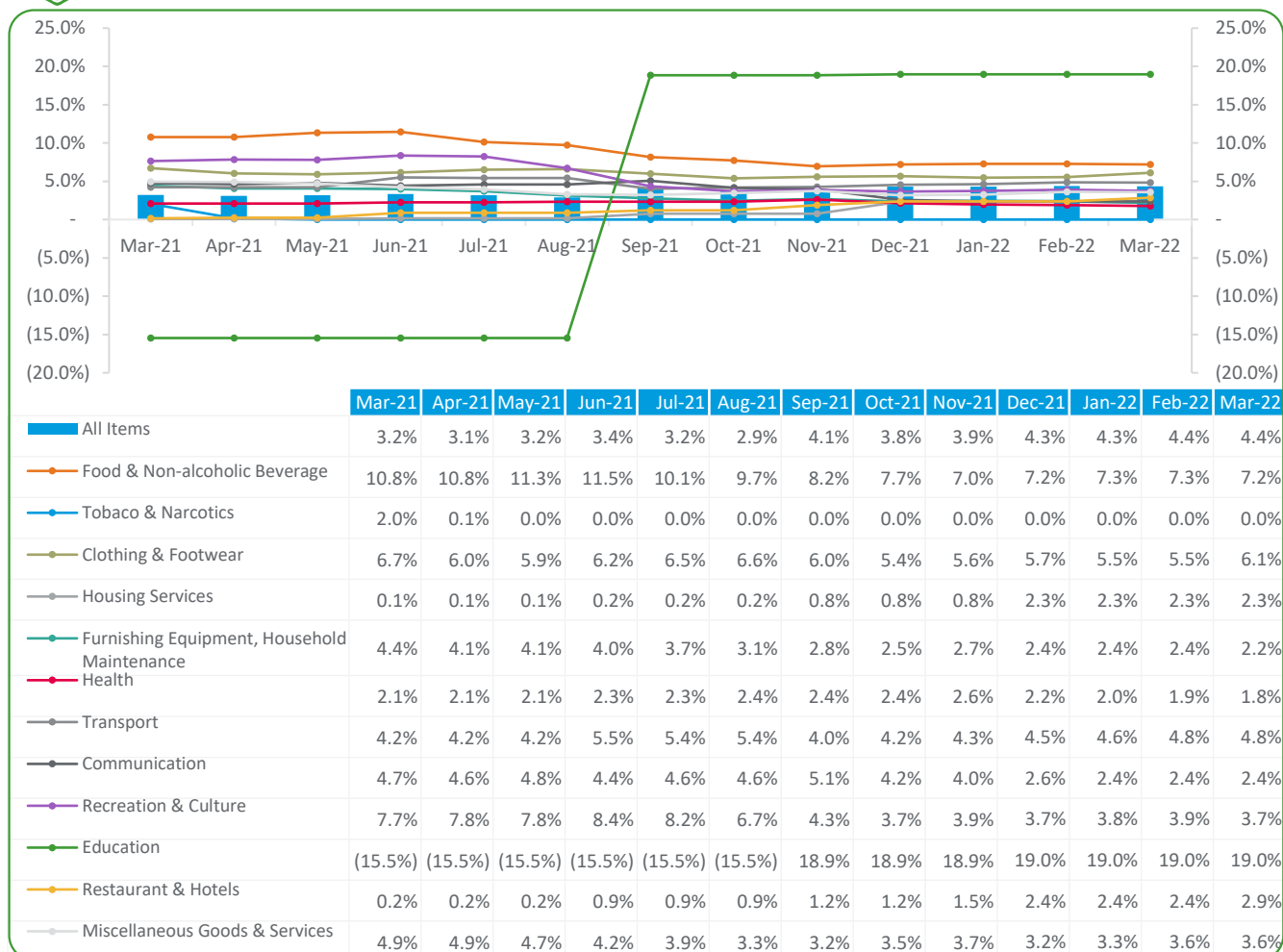
Consumer Price Inflation (CPI)

Kuwait's inflation levels measured by the Consumer Price Index (CPI) continued to rise reaching 4.4% YoY in March 2022, compared to 4.3% YoY in December 2021.

- The increase in inflation was due to the significant increase in the education segment, reaching **19.0% YoY in March 2022 for three-consecutive months of rises**, following the return of on-site schooling and an increase in education supplements and services.
- Food and beverage prices, an important component of CPI, **increased by 7.2% YoY in March 2022 as compared to 7.0% in November 2021**, due to a mix of rebounding demand, supply chain constraints and higher international food prices that have pushed up inflation globally. Similarly, **transport prices continued to trend upward in March 2022 by 4.8% YoY**, largely due to the high cost of travel-related services, driven largely by the 'Travel by Air' component.
- Inflation in restaurants and hotels, recreation and culture, and clothing & footwear segments also increased by 2.9%, 3.7%, and 6.1% YoY, respectively in March 2022.** Whereas, components such as furnishing equipment and household maintenance, health and communication decreased to 2.2%, 1.8%, and 2.4% YoY in March 2022, respectively.
- The prices for **housing services segments remained moderate at 2.3% YoY in March 2022 for a three-consecutive months**, on the back of rents, maintenance and repair services, possible reflecting the higher construction/raw material costs.



Consumer Price Inflation (%YoY)



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



MACROECONOMIC UPDATE... CONT'D.

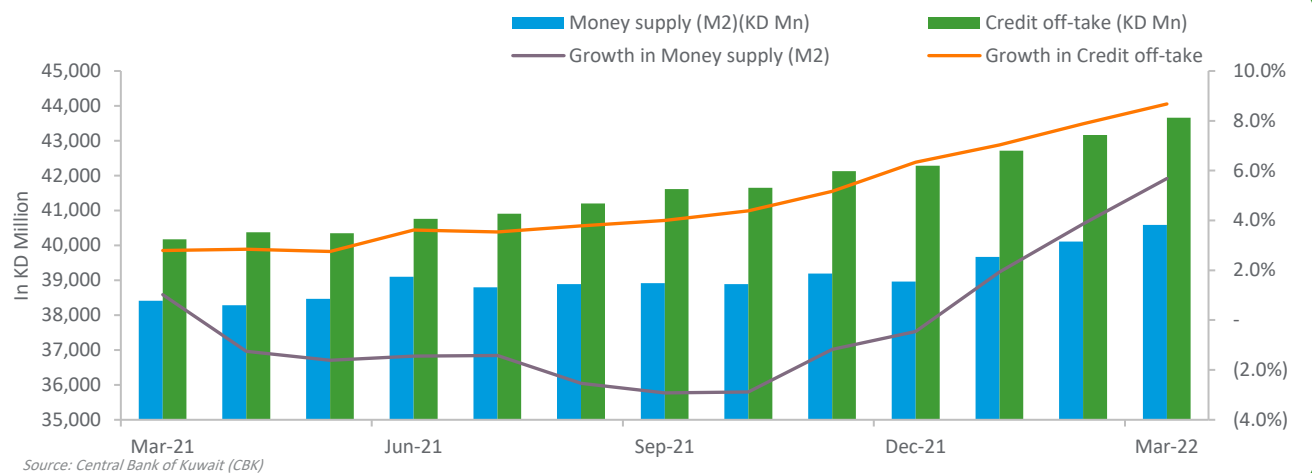
Money Supply and Local Bank Deposits

The growth in private deposit boosted the Money Supply (M2)

- Kuwait's broad measure of money supply (M2) increased by KD 1.62 billion from December 2021 to reach KD 40.59 billion in March 2022, a YoY growth of 5.7%. The increase in M2 is primarily driven by sight deposits and quasi-money which increased by KD 0.60 billion and KD 1.01 billion from December 2021 to reach KD 27.45 billion in March 2022.
- Credit facilities extended by local banks to residents continued to increase, gaining KD 1.37 billion from December 2021 to reach KD 43.66 billion in March 2022, with 8.7% YoY increase. The personal facilities were also increased by KD 0.54 billion from December 2021 to reach KD 19.97 billion in March 2022, primarily due to an increase in installment loans by KD 0.34 billion during the same period.



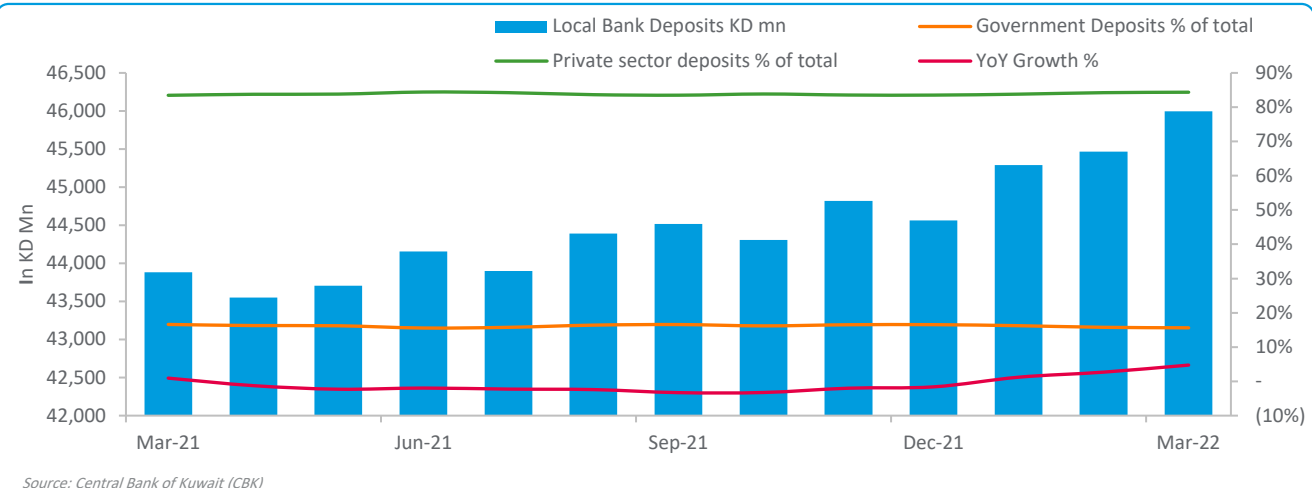
Growth in Money Supply and Credit Off-Take



- Bank deposits at local banks increased in March 2022 by 4.8% YoY, to record KD 46.00 billion. The increase is primarily driven by the continuing growth in private sector deposits in local currency. Private sector deposits constitutes 84.4% of the total bank deposit base to reach KD 38.81 billion in March 2022.



Local Bank Deposits





MACROECONOMIC UPDATE... CONT'D.

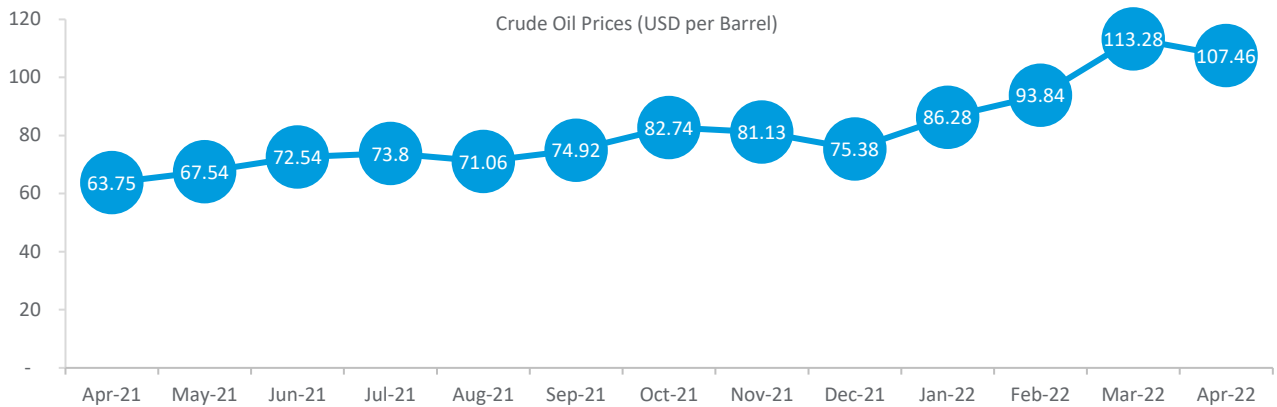
Monthly Oil Production and Oil Price

Kuwait's export oil prices extended its solid gains in March 2022

- The average prices of Kuwait crude oil spot prices extended its solid gains in March 2022, surged by USD 37.90 per barrel (p/b), to reach USD 113.28 per barrel (p/b) compared to USD 75.38 per barrel (p/b) in December 2021. This was on the back of robust spot market fundamentals and as the recent bullish market sentiment was buoyed further by rising concerns about possible oil supply disruptions in the wake of escalating geopolitical tensions in Eastern Europe.
- Nevertheless, the price of oil future rose sharply after the US government announced it would ban Russian oil and gas imports, and the UK also announced it would phase out Russia's oil and oil products imports by the end of 2022, which added uncertainty to the global oil supply outlook.



Growth in Kuwait Oil Basket Prices

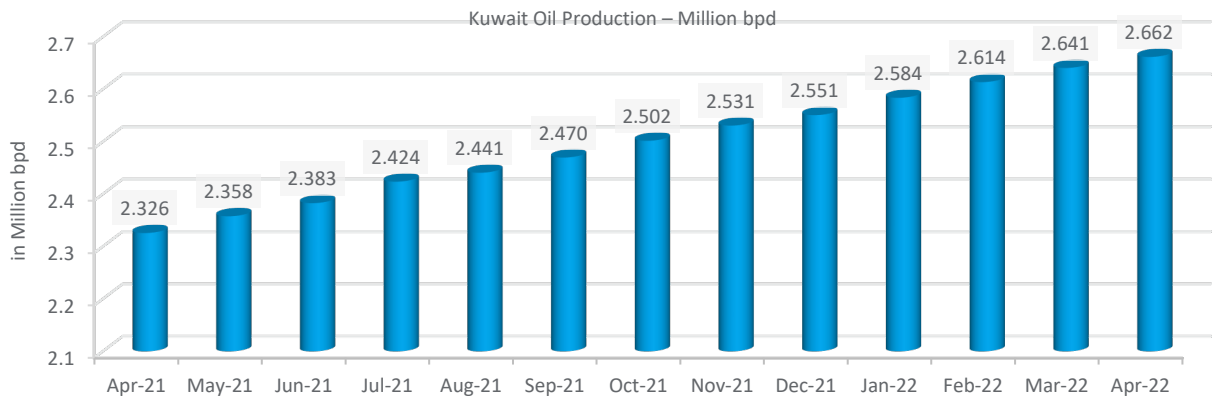


Source: OPEC

- Kuwait's crude oil production averaged 2.639 million b/d in March 2022, an increase of 0.09 mb/d compared with 2.551 million b/d in December 2021.
- Nonetheless, oil demand in Kuwait during the summer months is expected to be driven by increasing mobility, leading to a further pickup in gasoline demand, while diesel requirements are expected to continue on a healthy upward trend.



Movement of Kuwait Oil Production



Source: OPEC



SUMMARY OF MAJOR PROJECTS IN KUWAIT

Project Owner	Rank	Project Name	Sector	Project Value (USD Mn)	Current Status	Award Date	Completion Year
 Kuwait Authority for Partnership Projects (KAPP)	1	Kuwait City Metropolitan Rapid Transit	Transportation	18,000	On Hold	Jul-2021	Dec - 2030
	2	Al-Zour North IWPP – (Masterplan Project)	Power	15,000	Study	Aug - 2022	May - 2026
	3	Kuwait National Railroad(KNRR)	Transportation	10,000	Study	Jul - 2022	Dec - 2025
	4	Shagaya Renewable Energy Complex: Phase 3	Solar Power/ Generation	3,200	Study	Mar - 2023	Jan - 2028
	5	Al Khiran Power & Desalination Plant	Power	2,300	Study	Aug - 2023	Apr - 2030
	6	Doha East Power & Desalination Plant (IWPP)	Power	2,000	Study	Aug - 2022	Nov - 2026
	7	Umm Al-Hayman Wastewater Treatment Plant Expansion	Water Treatment Plant	1,700	Execution (39%)	Jan - 2020	Dec - 2024
	8	Kabd Municipal Solid Waste Project	Power	880	On Hold	May -2020	Jan - 2023
	9	Kuwait Municipality - South Al-Jahra Labour City	Construction	495	On Hold	June - 2021	Jul - 2024
	10	Services and Entertainment Center in Egaila	Construction	120	Bid Evaluation	Mar - 2021	Dec - 2024
 Kuwait Ministry of Public Works (MPW)	1	Mubarak Al-Kabeer Seaport Development (Masterplan Project)	Transport	10,500	Execution (19%)	Nov - 2019	Oct - 2030
	2	Bubiyah Island Development	Mixed-Use	6,000	On Hold	Oct - 2021	Dec - 2040
	3	Kuwait International Airport Expansion (Masterplan Project)	Transport	8,500	Execution (59%)	May - 2016	Dec - 2025
	4	Improvement of Fahaheel Expressway Route 30	Infrastructure	3,000	Design	Apr - 2022	Dec - 2030
	5	North & East Regional Highway	Infrastructure	2,037	Execution (60%)	May - 2017	Dec - 2024
	6	South Surra Road Upgrade	Infrastructure	1,236	Execution (54%)	Mar - 2017	Dec - 2025
	7	Regional Road South Part	Infrastructure	980	Execution (54%)	Nov - 2016	Mar - 2026
	8	New Pediatric Hospital in Al-Sabah Medical Area	Healthcare	850	Design	Mar - 2022	Dec - 2025
	9	New Maternity Hospital in Al Sabah	Healthcare	817	Execution (88%)	May - 2016	Sep - 2022
	10	Upgrade of Al Ghouse Road	Infrastructure	800	Execution (65%)	May - 2016	Dec - 2024
	11	Upgrade of Nawaseeb Road (Route 40)	Infrastructure	700	Execution (99%)	Aug - 2015	Jan - 2022
	12	Upgrading the Existing & Developing North Kabd Sewage Treatment Plant	Treatment	700	FEED	Dec - 2022	Jan - 2026

Source: RSM Research, KAPP (updated as of 28th February 2022)



SUMMARY OF MAJOR PROJECTS IN KUWAIT... CONT'D.

Project Owner	Rank	Project Name	Sector	Project Value (USD Mn)	Current Status	Award Date	Completion Year
 Kuwait Oil Company (KOC)	1	Ratqa Lower Fars Heavy Oil (LFHO) Handling Facilities (Masterplan Project)	Oil & Gas	10,500	On Hold	Dec - 2019	Nov - 2030
	2	Jurassic Non-Associated Oil & Gas Reserves Expansion: Phase 2	Oil & Gas	3,000	Execution (22%)	Feb - 2021	Dec - 2024
	3	Crude Oil Gathering Centers – GC 33 - 35	Oil (Upstream)	2,400	On Hold	May - 2022	Dec - 2025
	4	Gathering Centre 32 SEK at Burgan Field	Oil Extraction	1,500	Execution (95%)	Mar - 2017	Mar - 2022
	5	Jurassic Non-Associated Phase 2: JPF 4&5 Off-plot & Production Facilities	Gas Extraction	1,151	Execution (1%)	Dec - 2021	Dec - 2025
	6	South Kuwait Excavation Transportation & Remediation Project	Oil Extraction	750	Execution (20%)	Apr - 2021	Dec - 2024
 Ministry of Electricity & Water (MEW)	1	Shagaya Renewable Energy Complex (Masterplan Project)	Power-Generation	6,846	Execution (34%)	Jun - 2015	Dec - 2033
	2	Nuwiseeb Power and Water Desalination Plant (Masterplan Project)	Power-Generation	2,500	Study	Jun - 2023	Dec - 2030
	3	Shuaiba South Power and Desalination Plant	Oil/Gas Power Plant and Generation	1,800	Study	Nov - 2022	Jan - 2027
	4	1500 MW Al Dibdibah Solar IPP in Shagaya Renewable Energy Complex	Power Generation	1,200	FEED	Apr - 2022	Nov - 2024
 Public Authority for Housing Welfare (PAHW)	1	South Al Mutlaa City	Mixed-Use	20,100	Execution (39%)	Jun - 2016	Dec - 2030
	2	Al Khiran Residential City Development	Residential	13,900	Study	May - 2023	Dec - 2035
	3	Sabah Al Ahmed Township	Residential	6,209	Execution (59%)	Aug - 2008	Dec - 2030
	4	Subiya Urban Development (Al-Sabriya Project)	Mixed-Use	5,000	Study	Feb - 2023	Dec - 2030
	5	LH - South Saad Abdullah Residential City	Residential	4,000	Design	Nov - 2022	Dec - 2030
	6	Jaber Al Ahmed Residential City Development	Mixed-Use	3,200	Execution (44%)	Feb - 2020	May - 2024
	7	Nawaf Al Ahmed City	Mixed-Use	2,434	Study	Feb - 2023	Dec - 2030
	8	West Abdullah Al-Mubarak Mixed-Use Community	Mixed-Use	2,000	Execution (96%)	Jul - 2015	Mar - 2022
	9	Jahra & Sulaibiya Low-cost Housing Development	Residential	1,666	Execution (25%)	Jan - 2019	Dec - 2030
	10	7 Investment Opportunities In Jaber Al Ahmad City	Education	600	Execution (30%)	Nov - 2020	Aug - 2024

Source: RSM Research, KAPP (updated as of 28th February 2022)

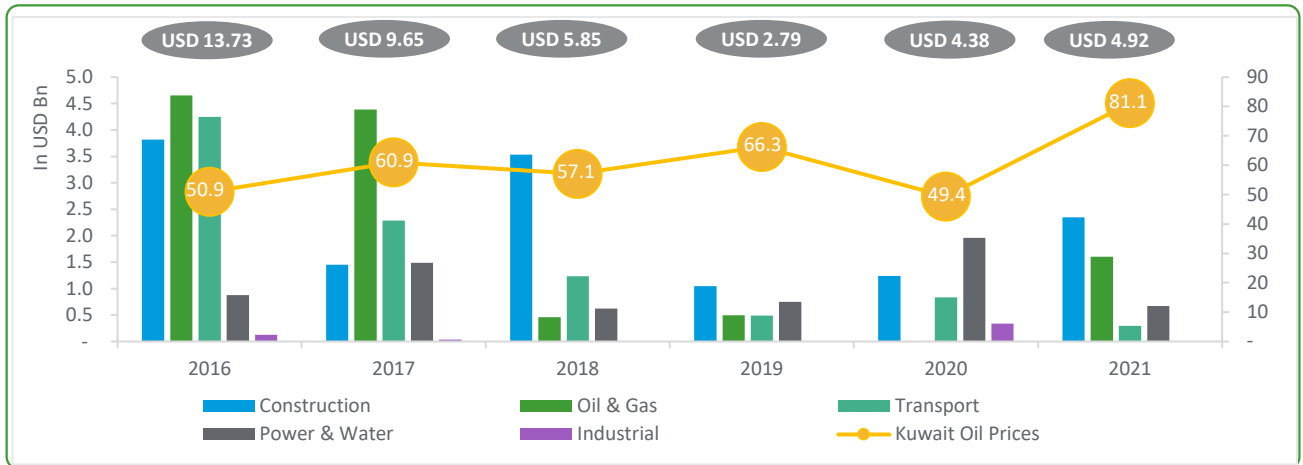


MAJOR PROJECTS UPDATE

Kuwait Projects Market

- Kuwait annual project awards reached a total value of USD 41.32 billion between 2016 and 2021, falling a compound annual growth rate (CAGR) of 19%. However, on a YoY basis, it increased by 13% in 2021.
- The construction sector received the lion share of the projects awarded in 2021 which stood at USD 2.35 billion in 2021, an increase of 89% YoY or USD 1.11 billion against USD 1.24 billion in 2020.
- Oil and gas sectors followed next with USD 1.60 billion (33% of total project awards in 2021). Meanwhile, the value of power and water sectors has been far behind each receiving USD 0.67 billion worth of contract awarded in 2021.
- Meanwhile, the project activity during 2019 slowed with the value of contract awarded dropping markedly to USD 2.79 billion against USD 13.73 billion in 2016.

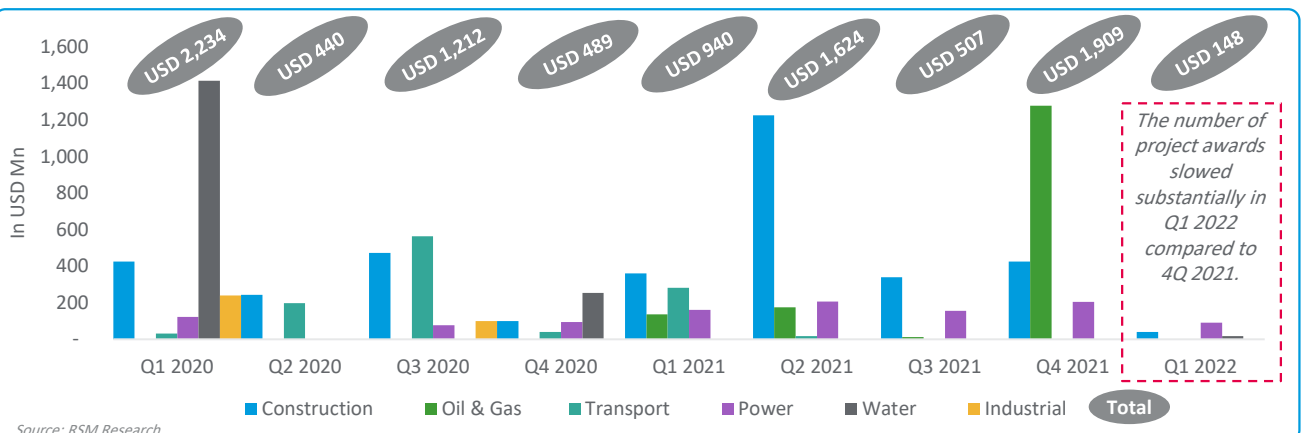
Annual Project Award Trend – By Sector (2016 – 2021)



Source: RSM Research, * Excludes Project On-Hold and Cancelled

- The total value of project awards in Kuwait declined substantially by 92% in Q1 2022 standing at just USD 148 million compared with USD 1,909 million in Q4 2021. The decline is primarily due to delays in government tendering and approvals, as well as pandemic-related supply chain constraints that have caused increases in labor and materials costs.
- Project awards in Q1 2022 mostly came from power sector, with USD 90 million (61% of total project awards). The value of contracts awarded in the construction sector was the next highest at USD 40 million (27% of project awards).
- On the other hand, the water sector saw a recovery in Q1 2022 following several quarters of relatively subdued activity. The total value of contracts awarded came to USD 18 million, compared to Nil in the previous quarters.

Quarterly Project Awards – By Sector (Q1 2020 – Q1 2022)



Source: RSM Research



MAJOR PROJECTS UPDATE... CONT'D.

A. Kuwait Authority for Partnership Projects (KAPP)

Kuwait considers two-stage renewable phase

Kuwait Authority for Partnership Projects (KAPP), in collaboration with the Kuwait's Ministry of Electricity & Water (MEW) is considering implementing the next phase of its Shagaya renewable energy project (SREP) into two stages. Each stage is expected to have solar photovoltaic (PV), wind and concentrated solar power (CSP) components, which are likely to be tendered separately. The stage 1, with 1,000MW of capacity, and stage 2, with a 2,000MW capacity.

In February 2022, Kuwait has opened the financial offers for the transaction advisory contract for the next phases of the Shagaya renewable energy project (SREP), and on 7th September 2021, KAPP received bids for the SREP contract. A consortiums led by EY and PWC passed the technical evaluation stage for the contract.

Firms submitted proposals for the SREP contract

- EY (UK)
- PwC (UK)
- WSP (Canada)
- Rina (Italy)
- Khatib & Alami (Singapore)
- Alghanim Wormald Security & Safety Equipment Company (Kuwait)
- Engineering Systems Group (Kuwait)

Kuwait receives bids for Nuwaiseeb consultancy contract

Kuwait Authority for Partnership Projects (KAPP), in collaboration with the Kuwait's Ministry of Electricity & Water (MEW) has received two bids for the consultancy package contract for a planned 3,600MW Phase 1 of an integrated water and power plant (IWPP) in Nuwaiseeb. Germany-headquartered Fichtner and a consortium of Granada Equipment submitted a bid for the contract, although only Fichtner's bid was considered acceptable.

The project is expected to be procured using an engineering, procurement and construction (EPC) contract.



B. Infrastructure and Development Projects

Kuwait signs KD 36.8 million for Jaber al-Ahmad City deal

Kuwait Public Authority for Housing Welfare (PAHW) has signed worth KD 36.8 million (USD 125.1 million) contract with Kuwait's Combined Group Contracting (CGC) and Alargan National General Trading & Contracting for a project at Jaber al-Ahmad city.

As per news report, CGC's share of the contract is 45%. The scope of contract includes the provision of engineering design, supply and construction for the J2 investment opportunity project backed by the Public Authority for Housing Welfare (PAHW). The J2 project has a total area of 148,561 square metres and comprises office spaces, galleries, cafés and a multi-purpose hall.

Kuwait awards Shuaiba Port expansion project

Kuwait Port Authority (KPA) has awarded worth USD 58 million construction contract to Kuwait's Combined Group Contracting for Shuaiba Port Expansion project, which is scheduled for completion by Q4 of 2024.

The scope of work includes rehabilitation, upgrade and expansion of the existing utilities and infrastructure in Shuaiba port including operational problem identification, evaluation of road pavement and drainage systems, salt and freshwater network and sewerage system, upgrading of an elevated water tank and new lifting stations for the sewer system, the provision of new substations and modifications of existing substations and a 3.8 mega litre elevated water storage reservoir.

Other bidders for the contract

- Construction and Real Estate Manufacturing Company – USD 53.61 million
- Gulf Construction, Marine Works and General Contracting – USD 58.29 million
- Speck Gulf General Trading and Contracting Company – USD 67.72 million
- Al-Ahmadiyah Contracting and Trading Company – USD 68.89 million
- Khaled Ali Al-Kharafi & Brothers Company for Construction Contracting – USD 62.29 million
- Wara Construction Company – USD 49.37 million
- United Buildings Company – USD 53.73 million
- Mabane Company – USD 53.3 million

Kuwait extends bids for South Al-Mutlaa WWTP scheme

Kuwait's Ministry of Public Works (MPW) has extended bids submission for a contract to build a new wastewater treatment plant (WWTP) in the South Al-Mutlaa from the previous bid submission deadline 30th January 2022 to 1st March 2022.

The planned wastewater treatment plant is estimated to cost KD 175 million (USD 577 million), and will have the treatment capacity of 400,000 cubic metres a day (cu m/d), with a future expansion capacity of 600,000 cu m/day.

Kuwait receives bids for North Shuaiba TA package

The General Secretariat of Kuwait's Council of Ministries has received submission from five firms for the transaction advisory (TA) role on the planned privatisation of the North Shuaiba power and water plant (NSPP), the first existing utilities asset earmarked to be sold off to the private sector in Kuwait.

The NSPP project is being overseen by the Supreme Council for Privatisation (SCP) is estimated to cost at USD 1.26 billion, which is expected to be delivered in three phases:

Phase 1 – Company incorporation and valuation

Under the first phase, a Kuwaiti shareholding company will be established into which assets of the NSPP will be transferred into. Following the completion of the first phase, the shareholding company and its assets will be valued.

Phase 2 – Tendering stage

The shares in the shareholding company will be tendered to investors in accordance with Kuwait's privatisation law. The second stage will include carrying out rehabilitation works on the project to improve the operation of the plant.

Phase 3 – share transfer to employees and Kuwaiti public in line with the privatisation law, shares will be distributed to employees and the Kuwaiti public.

Five firms submitted proposal

- Ernst & Young (EY, UK)
- Deloitte (UK)
- KPMG (Netherlands)
- PWC (UK)
- Engineering Systems Group (Kuwait)





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

Kuwait allocates KD 2.1 billion for the South Saad Al-Abdullah project

The Kuwaiti government has allocated USD 6.9 billion for the development of a residential project, South Saad Al-Abdullah Town, and the renovation of the historic marketplace, Souq Al Mubarakiya.

The residential project will cost KD 2.1 billion (nearly USD 6.8 billion), which will be phased over FY 2022-2023 state budgets based on the project's construction stages.

Further, a preliminary budget of USD 19 million has been set aside separately for the renovation of the Souq Al Mubarakiya marketplace.

Kuwait expects to award Sheikh Jaber Causeway project

The Kuwait's Council of Ministers General Secretariat (CMGS) is expected to award the license for the development of four sites on the 36-kilometre Sheikh Jaber Al Ahmad Al-Sabah Causeway, which spans the Kuwait Bay linking Kuwait City with Subiya, on a public-private partnership (PPP) model in the Q3 of 2022.

On 26th September 2021, a license was issued for the planning, planning, development, completion, operation, maintenance, utilisation and investment of the four sites, including North and South islands and North and South Banks. The bid deadline has been pushed from 17th March 2022 to 16th June 2022.

The project is expected to be completed by end of 2026. As per news report, the areas available for development in each site are as follows:

- 635,913 sqm of the Southern bank
- 282,355 sqm of Southern Island
- 283,358 sqm of Northern Island
- 565,504 sqm of Northern Bank

Kuwait extends bids for Doha SWRO desalination project

Kuwait's Ministry of Electricity and Water and Renewable Energy (MEW) has extended the bid deadline for the contract to design and build the planned Phase 2 of the seawater reverse osmosis (SWRO) desalination plant in Doha, Kuwait. The bid deadline has been moved from 23rd January to 22nd February 2022. The project is estimated to cost USD 432 million, which will be completed in Q4 2024.

The contract is to be implemented under an engineering, procurement and construction (EPC) contract. The planned scheme will have a design capacity of 60 million imperial gallons a day (MIGD).

SSH secures Hessah Gardens deal

Kuwait-based SSH has been appointed as lead consultant for the Hessah Gardens project within the master planned Hessah al-Mubarak district development. The project comprises six plots within the district of varying sizes, with a vertical strip of garden in the middle. All the 6-plots consist of residential towers and townhouses.

The scope of SSH's work covers delivering architectural, interior design, landscape, structural, civil, mechanical and electrical engineering, quantity surveying, tender documentation, permitting and tendering services.

Previously, Kuwait's Mena Homes Real Estate Company awarded a KD 42.6 million (USD 141 million) contract to Kuwait's Ahmadiyah Contracting & Trading Company for the construction and maintenance contract for the Commercial District within the "Hessah" project at Hessah al-Mubarak District, (as mentioned in our previous edition – Issue 8).





C. Oil and Gas sector Projects

Kuwait to tender feasibility study for Prize scheme

Kuwait Integrated Petroleum Industries Company (Kipic) is preparing to tender the feasibility study for the planned worth USD 10 billion, Al-Zour Petrochemicals Complex.

As per news report, Kipic is expected to issue an invitation to bid on the Al-Zour Petrochemical scheme in 2023 at the earliest. As mentioned in our previous edition – Issue 5, Kipic had prequalified firms for the planned scheme in April 2021. The prequalified firms will be eligible to bid on the 3 main packages of the project, which is sometimes referred to as the Petrochemical Refinery Integration Al-Zour Project (PRize).

Kuwait to tender Al-Zour refinery project

Kuwait Integrated Petroleum Industries Company (Kipic) will invite bids within the next two months for a contract to develop an alternative feed for the hydrogen production unit at Al-Zour refinery, the worth USD 16 billion project. Al-Zour downstream oil facility is expected to be the largest operational refinery in the Middle East and North African region, which reached mechanical completion in 2021. However, the commissioning process has faced delays.

The project is estimated to cost USD 150 million, and expected to take 36 months to complete. The scope of work for the project includes;

- construction of Unit 38 (compression facilities), including piping tie-ins and connections to process and utility headers within the existing interconnecting pipe racks (Unit 74).
- Modifications and associated tie-ins for Unit 33 (the existing hydrogen production unit).
- Construction of Unit 60 (steam generation unit).
- Construction of two new boilers and modifications of existing steam generation unit, including all associated tie-ins.
- Construction of associated facilities.

Kuwait extends deadline for injection flowline contracts

Kuwait Oil Company (KOC) has extended the bid deadline for the construction of injection flowline works in the North of the Kuwait to 20th March 2022 from 15th February 2022. The project was issued on 7th November 2021 is estimated to cost USD 100 million.

The project scope includes: the construction of injection flowline works, installation of hot tapping, installation of wellhead hook-ups, drilling of injector wells, extension of existing headers/manifolds, piping works, pigging works, fabrication works, welding works and construction of associated facilities.

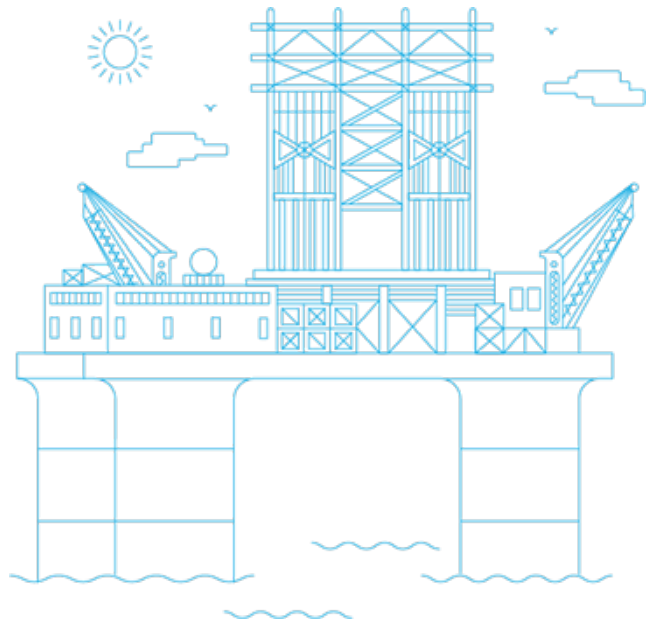
Kuwait tenders oil refinery PCC contract

Kuwait National Petroleum Company (KNPC) has tendered a procurement, construction and commissioning (PCC) contract for a project to upgrade chemicals dosing facility at the Mina Abdullah refinery's Unit 61.

Kuwait's Mina al-Ahmadi refinery was recently overhauled as part of the USD 16 billion Clean Fuels (CFP) project. The closing date for bids is 16th June 2022.

Prequalified firms to bid for the contract

- Hot Engineering & Construction Company (Kuwait)
- Consolidated Contractors Company (Greece)
- KDDB General Trading & Contracting Company (Kuwait)
- Al-Meer Technical Services Company (Kuwait)
- Heavy Engineering Industries & Shipbuilding Company (Kuwait)
- Combined Group Contracting Company (Kuwait)
- NBTC Group (Kuwait)
- Al-Khulaib International Trading Company (Kuwait)
- Gulf Spic General Trading Company (Kuwait)
- Rakaz National General Trading & Contracting Company (Kuwait)
- SBC General Trading & Contracting Company (Kuwait)
- Gas & Oil Field Services Company (Kuwait)
- Spetco International Petroleum Company (Kuwait)
- Mark Technologies General Trading & Contracting Company (Kuwait)





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

Kuwait delays pipeline projects

Kuwait Petroleum Corporation (KPC) has delayed several pipeline projects amid the ongoing restructuring of the board of the country's national energy holding entity. The scope of work is focused on the construction of a flowline and associated network in the Umm Niqa and South Ratqa region.

The tender deadline for both contract has been extended to 19th April 2022, which was initially due 22nd March 2022. The contracts are estimated to be worth USD 100 million each.

14 Pre-qualified bidders for the pipeline projects

- Combined Group Contracting Company (Kuwait)
- Mechanical Engineering Contracting Company (Kuwait)
- Larsen & Toubro Hydrocarbon Engineering (India)
- Al-Meer Technical Services Company (Kuwait)
- Consolidated Contractors Company (Greece)
- HOT Engineering & Construction Company (Kuwait)
- SICIM (Italy)
- Saipem (Italy)
- Al-Ghanim International General Trading & Contracting Company (Kuwait)
- Heavy Industries & Shipbuilding Company (Kuwait)
- Gulf Spic General Trading & Contracting Company (Kuwait)
- Galfar al-Misnad Engineering & Contracting (Qatar)
- PT Citra Panji Manuggal (Indonesia)
- China Petroleum Engineering & Construction Corporation (China)

Kuwait to tenders oil upgrade projects

Kuwait Oil Company (KOC) has issued tenders for several facility upgrade projects which include the following:

- A tender to upgrade the chemical injection and monitoring systems facilities in North Kuwait. KOC is due to hold a pre-tender meeting on 26th May and the deadline for the submission of bids is 24th July 2022.
- A tender to construct flowlines and associated works in West Kuwait has been delayed, and the new deadline for bid submission is 17th May 2022, which was essentially due 19th April 2022.
- KOC is preparing to tender a job to construct flowlines and associated works for disposal wells in the south and east of Kuwait. As per news report, 15 firms had been prequalified to bid for the contract.
- Another KPC subsidiary, Kuwait Foreign Petroleum Exploration Company (Kufpec), is also preparing to tender a consultancy contract designed to help it manage foreign currency risks.

Prequalified auditing firms to bid for the project

- Deloitte
- Ernst & Young
- KPMG

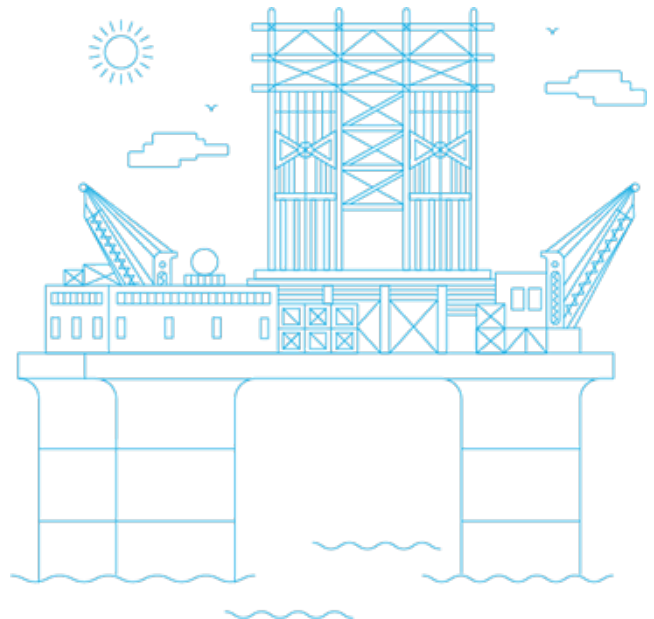
Kuwait receives bid for flowlines project

Kuwait Oil Company (KOC) received lowest bidders for a contract to install flowlines in eastern and southern Kuwait. Kuwait-based, Mechanical Engineering and Contracting Company has submitted the lowest bid of USD 139.73 million for the scheme.

The main tender for the project was issued on 7th November 2021, the deadline for bid submission was originally 8th February 2022, but was subsequently extended several times.

Lowest bidders for flowlines projects

- Mechanical Engineering and Contracting Company (Kuwait) – USD 139.73 million
- Combined Group Contracting Company (Kuwait) – USD 160.28 million
- Heavy Engineering Industries and Shipbuilding Company (Kuwait) – USD 209.11 million
- Gulf Spic General Trading & Contracting Company (Kuwait) – USD 212.88 million
- Alghanim International General Trading and Contracting Company (Kuwait) – USD 230.13 million
- Al-Sayer General Trading and Contracting Construction Company (Kuwait) – USD 262.87 million
- National Projects Alliances General Trading Company (Kuwait) – USD 271.10 million
- Nasser Mohammed Al-Baddah and Partner General Trading and Contracting Company (Kuwait) – USD 284.06 million





D. Other sector Projects

Kuwait extends bid for remediation project

Kuwait Oil Company (KOC) has extended the submission for the second South Kuwait Excavation, Transportation, and Remediation Project (SKETR-II) by 27th March 2022, and a pre-tender meeting will be held 27th April 2022. Bids were initially due on 20th February 2022, which has been delayed several times after contractors requested more time to prepare their bids.

The project is estimated to cost USD 500 million and will be completed by the Q4 2025. The project aims to excavate, transport and process 8-9 million cubic metres of oil contaminated soil, clearance of over 60% of South Kuwait oil fields and utilize a combination of in situ and ex situ bioremediation, soil treatment using bioremediation, landfill containment for untreatable material.

Heisco, Mitsubishi emerged for Subiya Power Plant

Kuwait-based Heavy Engineering Industries & Shipbuilding Company (Heisco) has emerged with its consortium Mitsubishi Power as the lowest bidder for Ministry of Electricity, Water and Renewable Energy (MEW) tender's Sabiya Power Plant located in Al-Jahra area. The scope of works includes modernization of steam turbines and electric generators for 8 steam units at the plant.

Kuwait awards Messilah beach works

Kuwait's Touristic Enterprises Company (TEC) has awarded worth KD 14 million (USD 46 million) contract to Kuwait-based, Ahmadiyah Contracting & Trading to deliver the main works package for the planned new Messilah beach development project. The project is expected to complete in 2023.

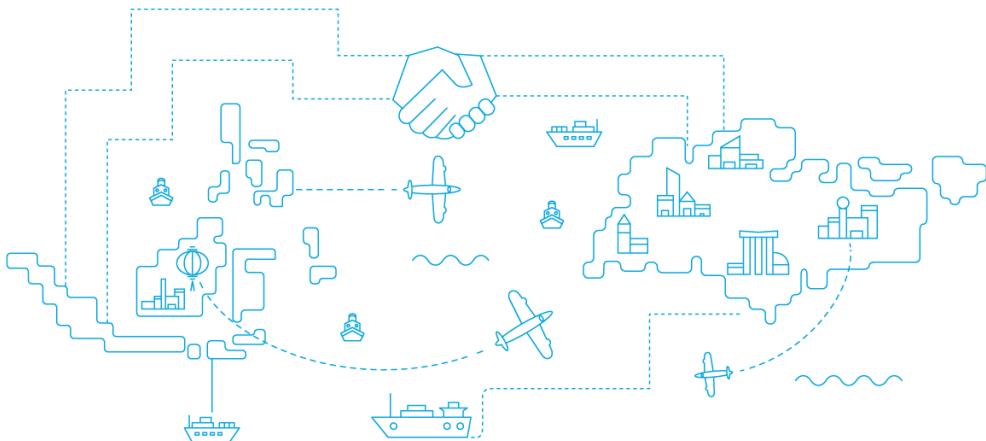
The scope of the project includes the construction of 9,500 square metres of restaurant blocks, swimming and wet recreation areas, jogging tracks, hard and soft landscaping utilities and 450 car parking spaces.

Kuwait prepare bids for Sabiya gas-fired contract

Kuwait's Ministry of Electricity & Water (MEW) expects to receive bids for a contract to convert an existing 250MW simple-cycle plant in Sabiya into a combined-cycle gas turbine (CCGT) plant by 22nd May 2022. The planned retrofit is part of the project to boost the generation capacity at the Sabiya power complex by 1,150MW.

MEW has also set a 17th May 2022 deadline for bid submission for a separate contract to design and build a 900MW CCGT power plant, Sabiya phase 4, which will be located within the power complex.

The project is estimated to cost USD 650 million, which entails the construction of hydrogen-cooled generators in addition to the supply and installation of gas and steam turbines, gas insulated switchgear and a substation.



Disclaimer:

RSM Albazie & Co. is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm, each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

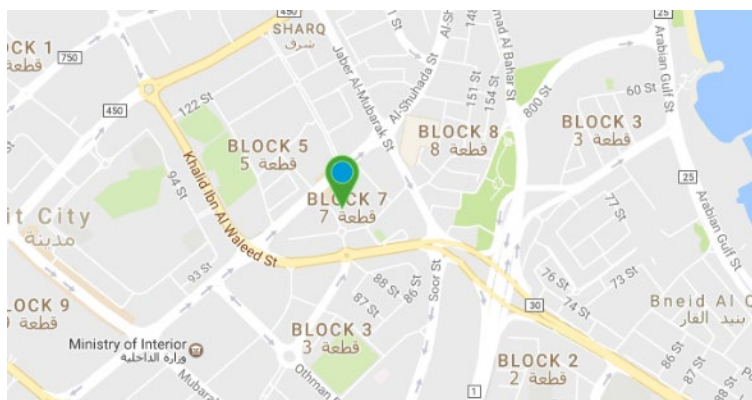
The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association 2022.

The publication, Kuwait Quarterly Newsletter, is not intended to provide specific business or investment advice. No responsibility for any errors or omissions nor loss occasioned to any person or organization acting or refraining from acting as a result of any material in this publication can be accepted by the authors or RSM Albazie & Co. All opinions expressed are those of the authors and not necessarily that of RSM Albazie & Co. You should take specific independent advice before making any business or investment decision.

We hope that you will find this publication useful. If you need further information of assistance, please call us on 22961000 or email: connect@rsm.com.kw. The publication can also be accessed on our website at www.rsm.global/kuwait.



RSM Kuwait

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

T: +965 22961000 **F:** +965 22412761

E: connect@rsm.com.kw

W: www.rsm.global/kuwait

