

Kuwait Quarterly Newsletter

Economy & Projects update – Issue 7/October 2021



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MACROECONOMIC UPDATE

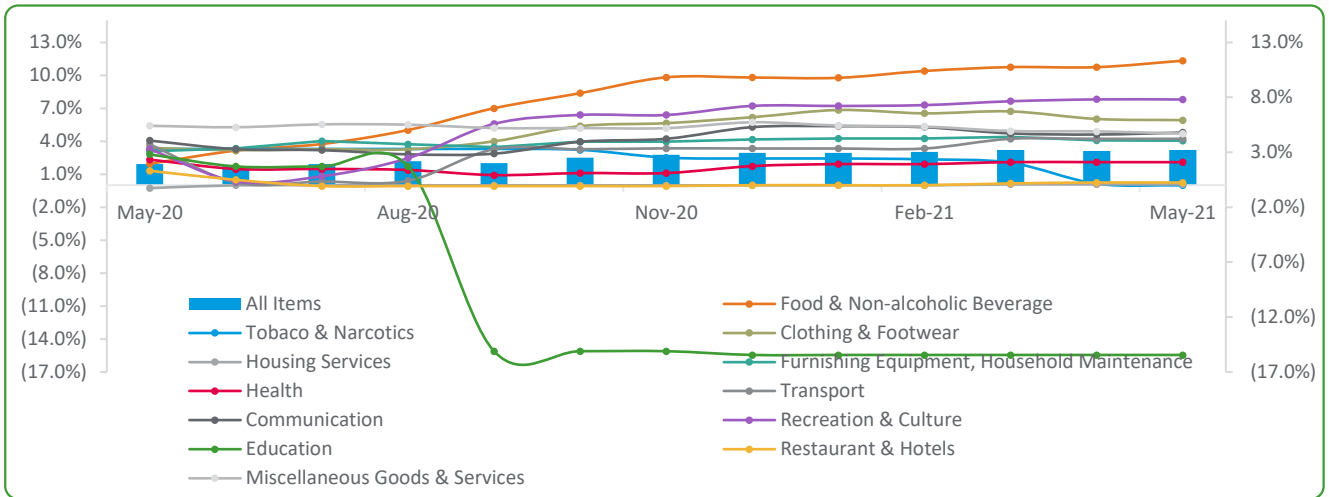
Consumer Price Inflation (CPI)

The Kuwait inflation levels measured by the Consumer Price Index (CPI) edged up to 3.2% YoY in May 2021, compared to a growth of 3.0% YoY in February 2021.

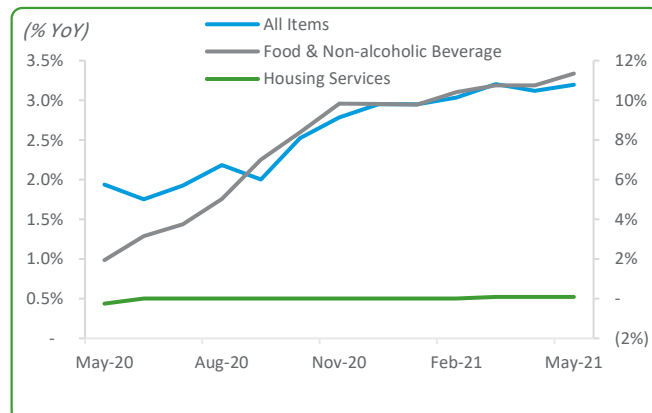
- The pick-up in inflation was largely due to the increase in food component of the consumer price index, **a result of soaring food prices internationally and ongoing supply chain constraint**. The prices of food and beverage increased by 0.9% from February 2021 to reach up 11.3% YoY in May 2021. Thus, moderate prices were consistent with the increase in the local food price index, due to an increase demand for food around the holy month of Ramadan in April and May 2021.
- In May 2021, **deflation in education remained negative at 15.5%** due to a decision by the Ministry of Education to lower tuition fees for private schools by up to 25% due to the implementation of an online learning system for the academic year 2020/2021.
- **Inflation in the recreation & culture segment recorded a 7.8% YoY increase in May 2021** compared to a 7.3% YoY increase in February 2021, mainly due to an increase in information processing equipment costs (computers & laptops/computers), this driven by a shift to computer-based learning and remote working resulting from the Covid-19 pandemic. Similarly, the rate of inflation in health and transport reached to 2.1% and 4.2% YoY, respectively in May 2021.
- Meanwhile, **housing services edged up 0.1% YoY in May 2021** after holding flat of 0.0% for the ninth consecutive months.



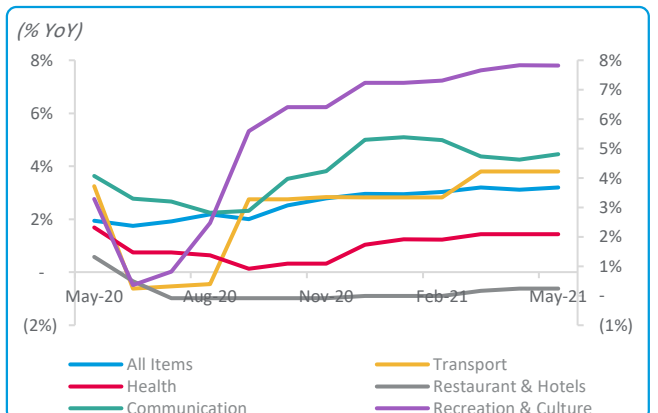
Consumer Price Inflation (%YoY)



Inflation in Food & Beverages 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.
*Note: As per the CSB website, the latest CPI data is as of May 2021.



MACROECONOMIC UPDATE... CONT'D.

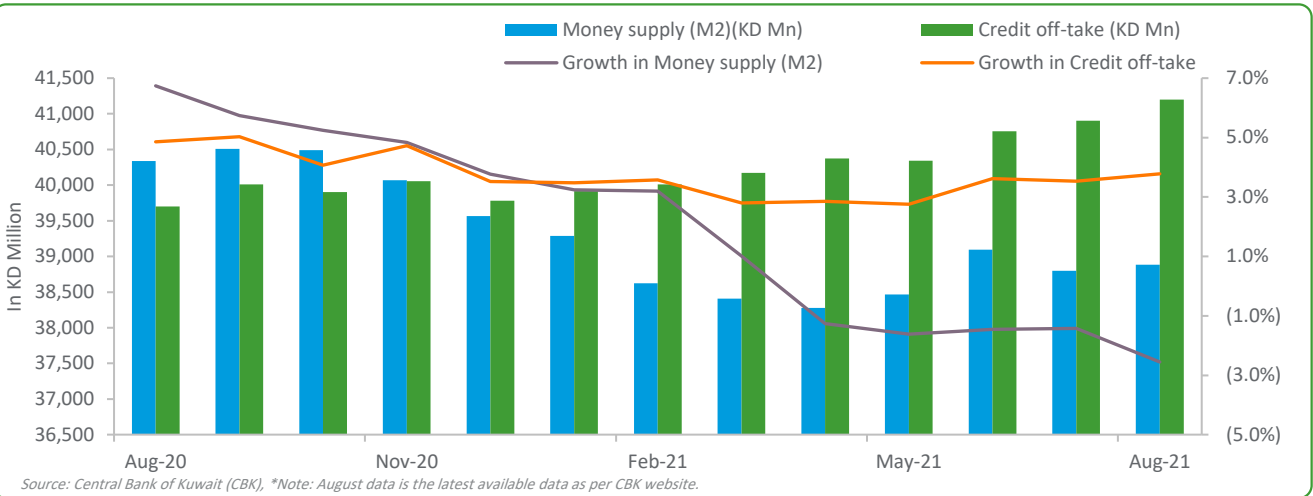
Money Supply and Local Bank Deposits

Slowdown in YoY growth of broad money (M2), while credit facilities showed continued growth in August 2021

- Kuwait's broad measure of money supply (M2) increased by KD 0.42 billion from May 2021 to reach KD 38.89 billion in August 2021. However, on a YoY basis, M2 decline for the fourth month in a row, down 2.5% YoY in August 2021. The reduction in M2 is primarily due to a decrease in quasi-money of KD 1.35 billion from August 2020 to reach KD 26.17 billion in August 2021.
- Credit facilities extended by local banks to residents continued to grow by KD 0.86 billion from May 2021 to reach KD 41.20 billion in August 2021. Further, personal facilities were up by KD 0.69 billion from May 2021 to reach KD 18.40 billion in August 2021, mainly due to an increase in installment loans by KD 0.49 billion during the same period.



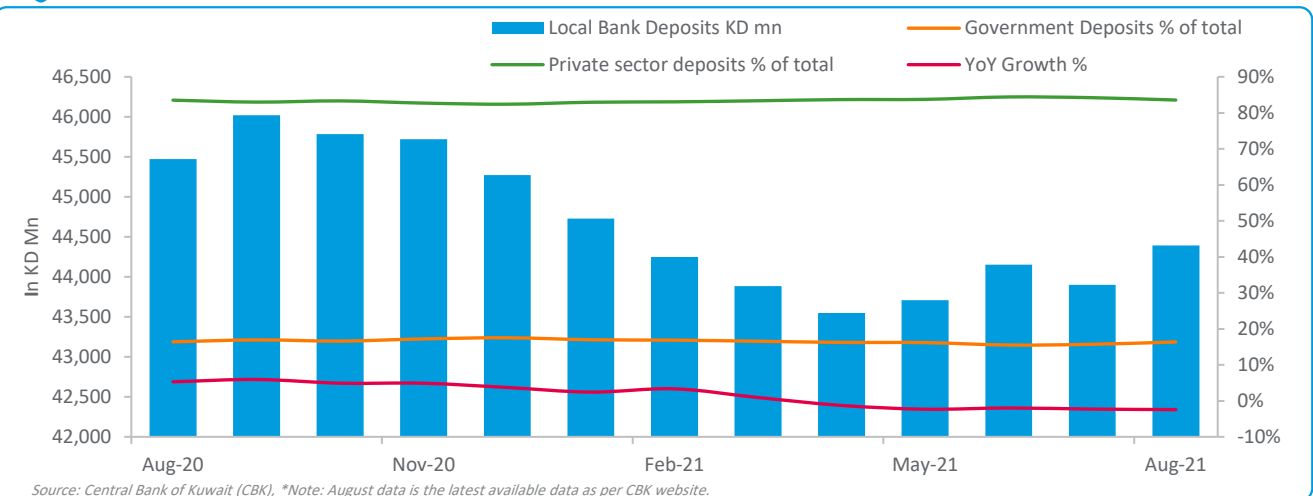
Growth in Money Supply and Credit Off-Take



- Bank deposits at local banks increased by KD 0.68 billion from May 2021 to reach KD 44.39 billion in August 2021. This is mainly due to the continued improvement in both government deposits and private sector deposits in local currency by KD 0.19 billion and KD 0.49 billion, respectively. Private sector deposits constitutes 83.6% of the total bank deposits base at KD 37.11 billion in August 2021.



Local Bank Deposits





MACROECONOMIC UPDATE... CONT'D.

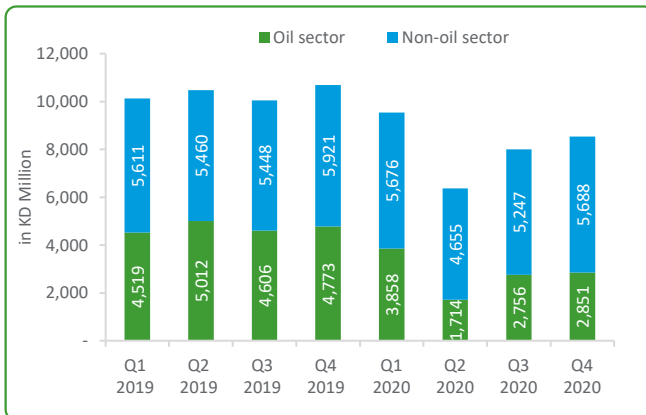
Gross Domestic Product and Trade Balances

Quarterly GDP at current prices falls sharply in 2020 due to impact of the Covid-19 pandemic

- The negative impact of the Covid-19 pandemic in 2020 could be seen in Kuwait's quarterly GDP at current prices, which fell by 33.2% in Q2 2020 compared with Q1 2020. Furthermore, GDP at current prices also showed a decline in Q4 2020 when compared with same quarter last year of 20.2%.
- In addition, on an annual basis, Kuwait's economy contracted by 21.5% to KD 32.45 billion in 2020 compared to KD 41.35 billion in 2019.
- GDP from the oils sector in Q4 2020 accounted for 33.4% of total GDP at current prices, while GDP from the non-oil sector comprised 66.6%, amounting to KD 5.69 billion.
- The balance of trade increased substantially in Q2 2021 to reach KD 2.65 billion, compared with KD 1.62 billion in Q1 2021 driven mainly by the rising levels of exports, which grew by 21.6% during the same quarter.



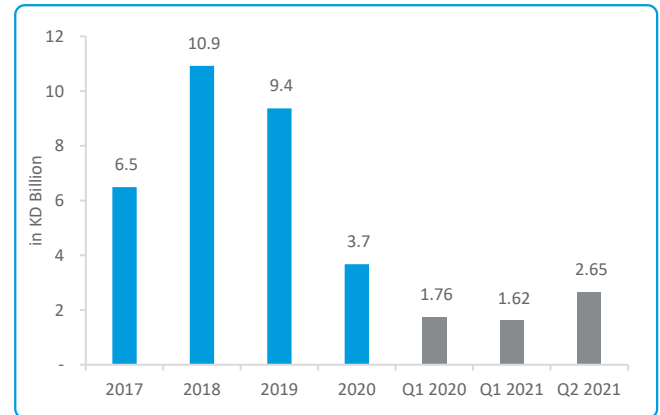
GDP Breakup at current prices (KD Mn)



Source: Central Statistical Bureau (CSB)



Trade Balances (KD Bn)



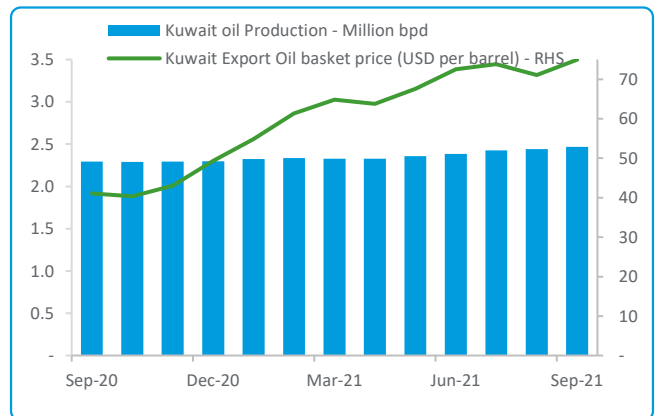
Source: Central Statistical Bureau (CSB)



Monthly Oil Production and Oil Price

Kuwait's export oil prices recorded solid gains in 2021

- The average prices of Kuwait crude oil increased by nearly USD 2.38 per barrel (p/b) in September 2021, reaching USD 74.92 per barrel (p/b) compared to USD 72.54 per barrel (p/b) in June 2021. The rise was driven by economic recovery from the pandemic and supply restraint by the Organization of the Petroleum Exporting Countries and its partners in the alliance known as OPEC+.
- Kuwait's crude oil production averaged 2.468 million b/d in September 2021, an increase of 0.09 mb/d compared with 2.383 million b/d in June 2021.
- Recently, the discovery of two new oil fields, as well as the discovery of new reserves at the existing Great Burgan oil field, is another bonus for Kuwait's oil sector as it moves ahead with its strategic plan which potentially helps to boost the reserves of OPEC's 4th largest producer.



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	Al Khiran Power & Desalination Plant	Power	2,300	Study	Jan - 2022	Apr - 2030
	5	Doha East Power & Desalination Plant (IWPP)	Power	2,000	Study	Aug - 2022	Nov - 2026
	6	Umm Al Hayman WWTP	Water	1,700	Execution (35%)	Jan - 2020	Dec - 2024
	7	Kabd Municipal Solid Waste Project	Power	880	On Hold	May -2020	Jan - 2023
	8	Kuwait Municipality - South Al-Jahra Labour City	Construction	495	On Hold	June - 2021	Jul - 2024
	9	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 (17%)	Nov - 2019	Oct - 2030
	2	Bubiyah Island Development	Mixed-Use	6,000	On Hold	Oct - 2021	Dec - 2040
	3	Kuwait Airport Expansion: New Passenger Terminal 2: Package 1	Transport	5,350	Execution (85%)	May - 2016	Aug - 2022
	4	Improvement of Fahaheel Expressway Route 30	Infrastructure	3,000	Design	Nov - 2021	Dec - 2024
	5	North & East Regional Highway	Infrastructure	2,037	Execution (57%)	May - 2017	Dec - 2024
	6	South Surra Road Upgrade	Infrastructure	1,236	Execution (51%)	Mar - 2017	Dec - 2025
	7	Regional Road South Part	Infrastructure	980	Execution (52%)	Nov - 2016	Mar - 2026
	8	Jamal Abdul Nasser Road Development	Infrastructure	950	Completed	Oct - 2010	May - 2021
	9	New Pediatric Hospital in Al-Sabah Medical Area	Healthcare	850	Design	Mar - 2022	Dec - 2025
	10	New Maternity Hospital	Healthcare	817	Execution (84%)	May - 2016	Sep - 2022
	11	Upgrade of Al Ghouse Road	Infrastructure	800	Execution (27%)	Jun - 2020	Mar - 2024
	12	Upgrading the Existing & Developing North Kabd Sewage Treatment Plant	Treatment	700	FEED	Dec - 2022	Jan - 2026
	13	Upgrade of Nawaseeb Road (Route 40)	Infrastructure	700	Execution (91%)	Aug - 2015	Jan - 2022

Source: MEED Project (updated as of 15th October 2021), KAPP, RSM Research



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
	3	Crude Oil Gathering Centers 33-35	Oil (Upstream)	2,400	On Hold	May - 2022	Dec - 2025
	4	Jurassic Non-Associated Oil & Gas Reserves Expansion: Phase 2	Oil & Gas	3,000	Execution (16%)	Feb - 2021	Dec - 2024
	5	Mina Al-Ahmadi Township Redevelopment	Construction	2,000	Complete	Jul - 2013	Oct - 2021
	6	Gathering Centre 32 SEK at Burgan Field	Oil Extraction	1,500	Execution (98%)	Mar - 2017	Oct - 2021
	7	Gathering Centre 33 SEK at Burgan Field	Oil Extraction	1,500	Execution (98%)	Mar - 2017	Jul - 2021
	8	JPF 4 & 5 Off-plot Works & Production Facilities: Production Facilities	Gas Extraction	1,000	Bid Evaluation	Dec - 2021	Dec - 2023
	 Kuwait Ministry of Electricity & Water (MEW)	1	Shagaya Renewable Energy Complex (Masterplan Project)	Power-Generation	6,846	Execution (34%)	Jun - 2015
2		Nuwiseeb Power and Water Desalination Plant (Masterplan Project)	Power-Generation	2,500	Study	Aug - 2022	Dec - 2030
3		Shuaiba South Power and Desalination Plant	Oil/Gas Power Plant and Generation	1,800	Study	Nov - 2022	Jan - 2027
4		Nuwiseeb Power and Water Desalination Plant – Phase 1	Power-Generation	1,500	Study	Oct - 2022	Nov - 2026
5		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 (36%)	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 (58%)	Aug - 2008	Dec - 2030
	4	Subiya Urban Development (Al-Sabriya Project)	Mixed-Use	5,000	Study	Feb - 2023	Dec - 2030
	5	LH JV - South Saad Abdullah Residential City	Residential	4,000	Design	Oct - 2021	Dec - 2030
	6	Jaber Al Ahmed Residential City Development	Mixed-Use	3,200	Execution (38%)	Feb - 2020	May - 2024
	7	Nawaf Al Ahmed City	Mixed-Use	2,434	Study	Feb - 2023	Dec - 2030
	8	West Abdullah Al-Mubarak Master Plan	Mixed-Use	2,000	Execution (96%)	Jul - 2015	Dec - 2021
	9	Jahra & Sulaibiya Low-cost Housing Development	Residential	1,666	Execution (22%)	Jan - 2019	Dec - 2030
	10	Northwest Sulaibikhat Residential City Development	Mixed-Use	600	Complete	Jul - 2009	Sept - 2021
	11	7 Investment Opportunities In Jaber Al Ahmad City	Education	600	Execution (23%)	Nov - 2020	Aug - 2024

Source: MEED Project (updated as of 15th October 2021), KAPP, RSM Research

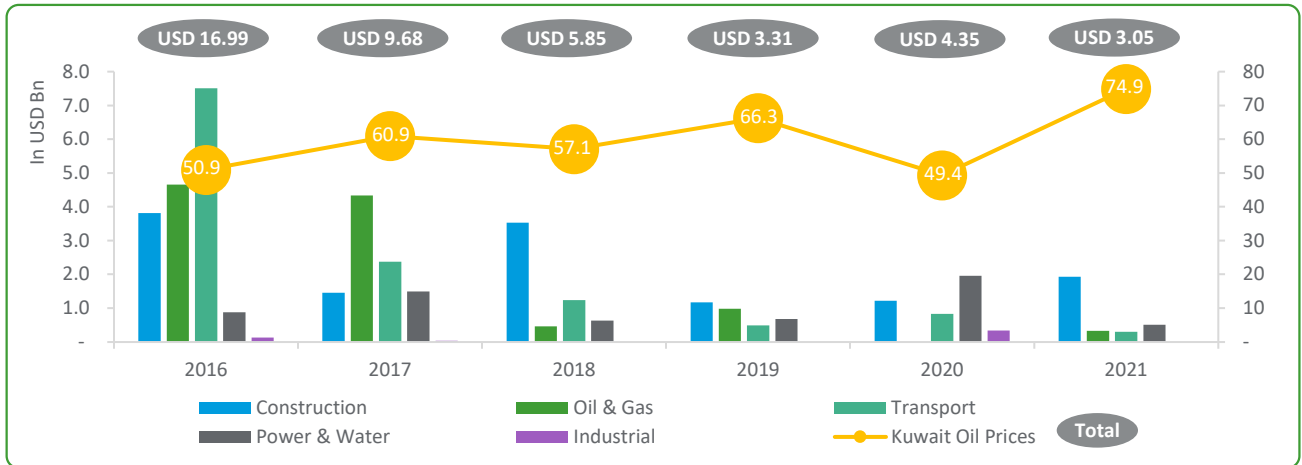


MAJOR PROJECTS UPDATE

Kuwait Projects Market

- Despite the pandemic, the year 2020 witnessed a growth in project awards in Kuwait with USD 3.31 billion in 2019 increased to USD 4.35 billion in 2020. The trends for 2021 also looks promising with USD 3.05 billion worth of projects awarded until September 2021.
- As per news report, the Kuwaiti government plans to carry out a significant number of projects estimated to worth around USD 6 billion for the current year (2021 to 2022). These projects include 9 development plans which consist of 132 projects. Kuwait has allocated 15% of its USD 76 billion current year budget for development plan.

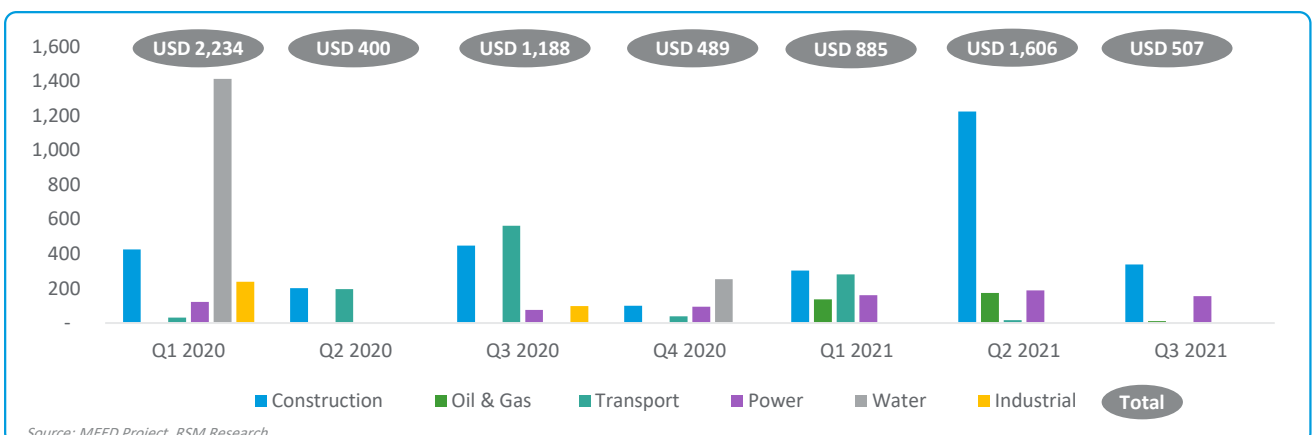
Annual Project Award Trend – By Sector (2016 – Q3 2021)



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

- The accelerated rollout of the Covid-19 vaccine in Kuwait combined with resurging global oil demand and prices have lifted the country's economic recovery as well as supporting the projects market. Total project awards during Q2 2021 in Kuwait surged to 302% YoY reaching USD 1.61 billion as compared to USD 400 billion in Q2 2020, and an 81% increase on a quarterly basis. Majority of awards came from the construction sector, which accounted for over 76% or USD 1,225 million of total project awards in Q2 2021.
- On the other hand, during Q3 2021 witnessed a 68% fall in value project awards with only USD 507 million. Construction industry dominate the share of project awards with USD 339 million, followed by power sector with USD 156 million worth of contract awards during the quarter, while oil and gas sector accounted 2% only with USD 12 million project awards in Q3 2021.

Quarterly Project Awards – By Sector (Q1 2020 – Q3 2021)



Source: MEED Project, RSM Research

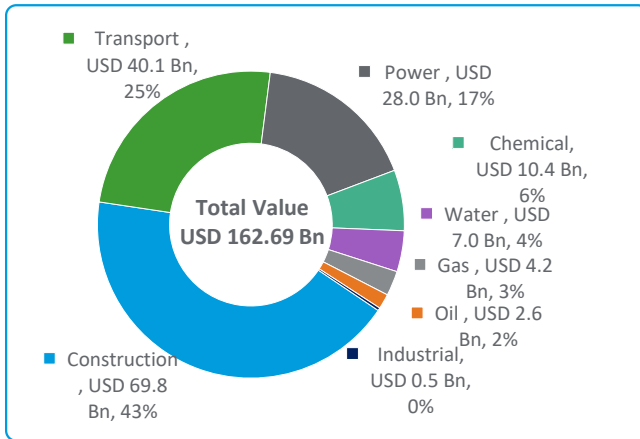


MAJOR PROJECTS UPDATE... CONT'D.

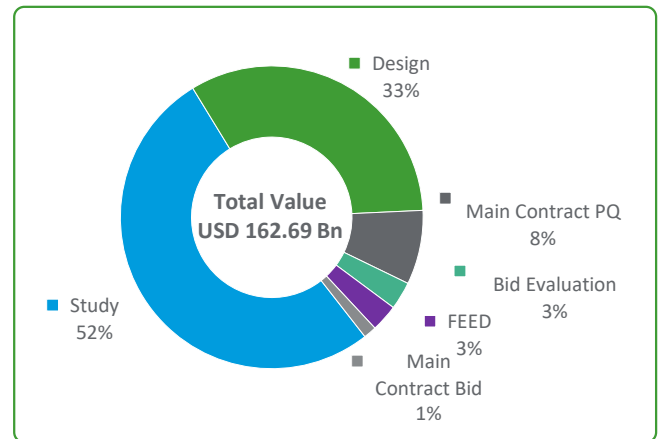
Kuwait Projects Pipeline – Planned or underway

- The need to develop non-oil sectors is very apparent in the project pipeline for Kuwait. Construction projects account for the bulk of the Kuwait project pipeline at 43% or USD 69.8 billion of the total USD 162.69 billion. Project in Transport industry was next at 25% or USD 40.1 billion, followed by Power industry at 17% or USD 28.0 billion.
- In terms of the status of the projects, around USD 84.3 billion worth of projects are under the study phase followed by USD 53.7 billion in the design stage.

Planned or underway Projects – By Sector

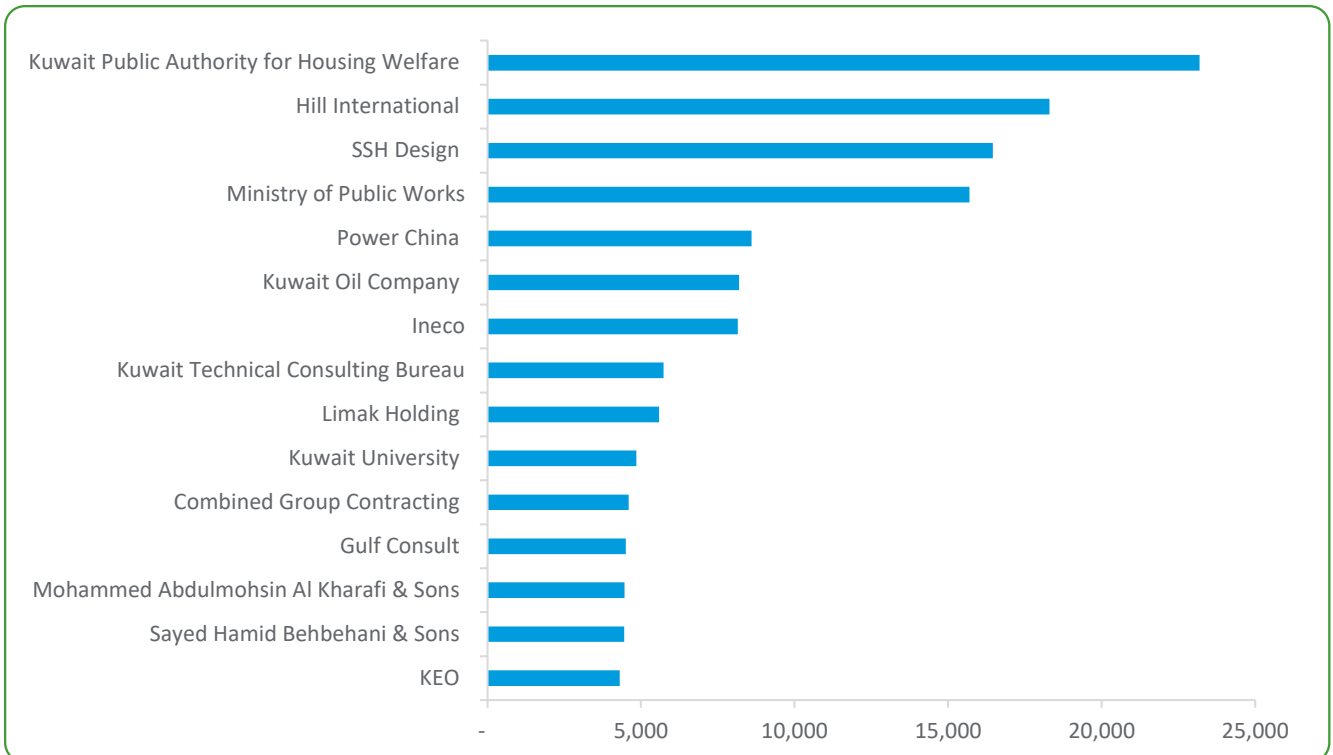


Planned or underway Projects – By status



Source: MEED Project, data as of 15th October 2021

Top 15 Main Contractors for Kuwait – By Value of Contract under Execution (in USD Mn)



Source: MEED Project, (data as of 15th October 2021)



MAJOR PROJECTS UPDATE... CONT'D.

A. Kuwait Authority for Partnership Projects (KAPP)

Kuwait invites RFQ for 2 IWPPs contracts

The Kuwait Authority for Partnership Projects (KAPP) is expected to issue the request for qualifications (RFQ) for the contract to develop the planned Al-Zour North 2 and 3 and Al-Khiran 1 Independent Water and Power Producer (IWPP) projects in Kuwait in the 3rd or 4th quarter of 2021.

The planned Al-Zour North 2&3 IWPP will have a power generation capacity of 2,700MW and a desalination capacity of 165 million imperial gallons a day (MIGD). Meanwhile, the Al-Khiran IWPP will be able to generate 1,800MW of power and produce 125 MIGD of desalinated water.

Kuwait expects to tender Shagaya renewable TA contract

The Kuwait Authority for Partnership Projects (KAPP), in collaboration with the Kuwait's Ministry of Electricity & Water (MEW) is expected to award the transaction advisory (TA) contract for the next phases of the planned Shagaya Renewable Project (SREP) within 9 to 12 months. KAPP received bids on 7th September for the contract, which was previously scheduled 27th July, and had been extended from the initial submission date of 27th June 2021.

List of firms submitted proposals for the contract

- Ernst & Young (EY, UK)
- PWC (UK)
- WSP International LLC (Canada)
- Rina Consulting S.P.A. (Italy)
- Khatib & Alami Consulting Engineers Offshore S.A.L. (Singapore)
- Alghanim Wormald Security & Safety Equipment Company (Kuwait)
- Engineering Systems Group (ESG), (Kuwait)

35% completed on Umm al-Hayman Wastewater project

As of August 2021, the construction works on the planned Umm al-Hayman wastewater public-private partnership (PPP) project is 35% completed and is on track for completion by the end of 2024.

The scheme is considered the largest and most notable PPP project in service of the Kuwait's infrastructure. It includes the development of a wastewater treatment facility worth USD 665 million with an initial treatment capacity of 500,000 cubic meters a day (cm/d), which can be expanded to 700,000 cm/d, and the construction of a canal network with pumping.

Kuwait sets new bid deadline for Al-Dibdibah Solar Project contract

Kuwait Authority for Partnership Projects (KAPP) has further extended the bid deadline for the consultancy services contract on the planned Al-Dibdibah solar project by 7th September 2021 from 27th July, which had extended from the initial due date of 27th June 2021.

The 1.5GW project will form part of Kuwait's Shagaya renewable energy development scheme, which is expected to involve nearly 4GW of renewable energy capacity by 2030. The third phase is planned to have a capacity of 2GW.



B. Infrastructure and Development Projects

Kuwait awards KD 26.7 million Earthworks project

Kuwait’s Public Authority for Housing Welfare (PAHW) has awarded worth KD 26.7 million (USD 88.5 million) contract to Kuwait-based construction firm, Combined Group Contracting (CGC) for the construction works at the Al-Mutlaa residential project in North Kuwait.

The project scope of work includes earthwork in the bounded area between the two roads P&T in the investment area of the Al-Mutlaa residential project. The project is expected to be completed within 12 months.

Kuwait to retender Al-Mutlaa wastewater project

Kuwait’s Ministry of Public Works (MPW) is planning to retender the contract to build a WasteWater Treatment Plant (WWTP) in South Al-Mutlaa, located in Al-Jahra governorate.

The project includes the construction of a 400,000 cubic metres of water a day (cm/d) as well as the underground buffering tanks with a capacity of 50,000 cubic metres and a tanker discharge station with the same capacity.

The project is estimated to cost at approximately USD 500 million and due to be completed in 42 months. Earlier, MPW had received 4 bids for the scheme (as mentioned in our previous edition – Issue 5).

Kuwait invites bids for water storage contract

Kuwait’s Ministry of Electricity & Water (MEW) has invited qualified firms to submit bid for a contract to design and build three water reservoirs to be located at Al-Mutlaa Residential City. The deadline for submission of bid is 19th October 2021.

The planned reinforced concrete tanks will have a total combined capacity of 115 millions gallons.

Invited firms for the water storage contract

- Arab Kuwait Contractors
- Mohammed Abdulmohsin al-Kharafi & Sons
- Alghanim International General Trading & Contracting
- Gulf United Construction
- Khaled Ali Alkharafi & Brothers Construction
- Al Hani Constructions & Trading
- KCC Engineering & Contracting
- Bayan National Construction Contracting
- Kuwait Company for Process Plant Construction & Contracting
- Combined Group Contracting
- Al-Ahmadiyah Contracting & Trading
- Al-Dar Engineering & Construction
- Consolidated Contractors Company

Kuwait invites bids for 3,600MW power project

Kuwait’s Ministry of Electricity & Water (MEW) has invited firms to submit bid for the consultancy contract for the planned 3,600MW of 1st Phase of an integrated water and power plant in Nuwaiseeb. The project is expected to be procured as an engineering, procurement, and construction (EPC) contract. The deadline for submission of bid is 26th September 2021.

As per the news report, the project has been in the planning stages with the MEW for several years now and was originally planned to be developed by the MEW as an EPC project, rather than an independent power producer (IPP) or independent water producer (IWPP) project by the Kuwait Authority for Partnership Projects (KAPP). Discussions over the years have finally resulted in the Kuwaiti government deciding to proceed with EPC or an IPP/IWPP model.

Kuwait makes progress on Subiya plant expansion

Kuwait’s Ministry of Electricity and Water (MEW) has made significant progress on the Subiya plant that is planned to be done on three-phased expansion to execute the biggest thermal power plant. The plan includes expansion program on Subiya plant that generates 750 megawatts in each of the Phases 1 and 2, while the 3rd phase will generate 900 megawatts.

As per the news report, the Subiya Power Plant (simple-cycle gas plant) was established in 2011, with 1400 generating capacity. Later, in 2012, General Electric (GE) took over upgrading Phase 2 facilities of the plant into a combined-cycle power plant, which exceeded the total capacity of the plant (2000 megawatts).





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

Kuwait mulls new development projects

The Kuwaiti Cabinet, in its extraordinary meeting last August 2021, has instructed the Cabinet's Fatwa and Legislation Department, the Central Agency for Public Tenders, the Ministry of Electricity and Water, Ministry of Finance and the Kuwait Municipality to form internal special teams to accelerate launching of the proposed development projects in Kuwait.

As per the news report, the Kuwait Municipality plans to launch four development projects in the next 3-years, and will follow up on four projects that were launched in the last 5-years.

- 1) **Friday Market project in Jahra Governorate** – Bids were submitted by consultancy offices. A committee will be formed for evaluation and then the 17-month advisory study will begin.
- 2) **Tent Market project in Jahra Governorate** – Work is currently underway to complete the procedures for submitting the project to the consulting offices.
- 3) **Services and Entertainment Center in Egaila** – Coordination is currently underway with the concerned authorities in Kuwait Municipality to change the distribution of the proportions of the components of the project located in Egaila, Block 5, as specified by the Municipal Council's decision issued on 6th August 2013, in order to align with the needs of the governorate where the project is located, and to raise the economic feasibility when the project's proposal procedures are completed.
- 4) **Khuwaisat Tourist Area Development Project** – at present, awaiting the final approval of the study to update the 4th structural plan for Kuwait until the completion of the project's proposal for international consulting offices to prepare integrated studies for the project area.

The proposed development projects study in the last 5-years includes the following;

- 1) **Waterfront project in South Jahra** – a booklet of terms of reference was prepared and submitted to the consulting offices where it was evaluated. The project was awarded to one of the companies to conduct a consultancy study for the project, which consists of five implementation phases according to the concluded contract. The work is currently underway on the fifth and final stage, and current completion reached 95%.
- 2) **Cultural, Entertainment and Educational Center project in Abdullah Al-Ahmad Street** – A booklet of terms of references was prepared and reviewed. The project consists of four implementation phases in accordance with the concluded contract. Work is currently underway on the Phase 2, and the completion has reached 35%.

- 4) **Services and Entertainment Center in Egaila** – The project is being carried out by the Kuwait Authority for Partnership Projects (KAPP). The contract was signed to provide advisory services for the project in preparation for offering it to the private sector for investment.
- 5) **The South Al-Jahra Labour City** – The project is being carried out by the Kuwait Authority for Partnership Projects (KAPP). The contract was signed to provide advisory services in preparation for offering it to the private sector for investment. Currently, the project has been put on hold amid COVID-19 outbreak in the year 2020, and none of the qualified investing firms submitted their technical and financial bids due to the health conditions in the country.

Kuwait extends North Shuaiba TA package

Kuwait's government has extended a contract for the transaction advisory (TA) role on the planned privatization 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 project is estimated to cost USD 1.26 billion, and the deadline for submission of bids is due on 23rd November from 26th September 2021.

The contract retendered in August, with Kuwait's Central Agency for Public Tenders, which is being overseen by the Supreme Council for Privatisation (SCP). The NSPP is a dual-fuel combined-cycle plant with a power capacity of 778MW, and also contains a multi-stage flash (MSF) desalination plant with a capacity of 45 million imperial gallons a day (MIGD).





C. Oil & Gas sector projects

Kuwait receives bids for JPF-4 and JPF-5 contract

Kuwait Oil Company (KOC) has received submission from 4 firms for the KOC's Jurassic Production Facilities (JPF) scheme known as JPF-4 and JPF-5 projects. Kuwait-based firm Spetco submitted the lowest bid of USD 398.2 million for the JPF-4, while China's Jereh submitted the lowest bid of USD 426 million for the JPF-5 with its Kuwait-based partner NAPCO.

The scheme, JPF-4 and JPF-5 are estimated to be worth more than USD 980 million in total. The facility known as JPF-4 is due to be located close to the Sabriyah field in the north of Kuwait. JPF-5 will be located less than 10 kilometres to the east of JPF-4. Both projects are onshore surface production facilities and will be implemented on a build-own-operate (BOO) basis by a contractor, with an option for KOC to buy them back at a future date.

Kuwait prequalifies firms for the flowlines contract

Kuwait Oil Company (KOC) has prequalified 14 firms to bid for the contract to upgrade flowlines in West Kuwait. The scope of scheme includes the installation, repair and modification of flowlines and associated works.

Pre-qualified firms for the flowline contract

- 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 cancels Gas Network upgrade project

Kuwait Oil Company (KOC) has cancelled the tendering process for a contract worth an estimated USD 100 million to upgrade the gas and condensate network in East Kuwait-1 due to issues related to budget cuts.

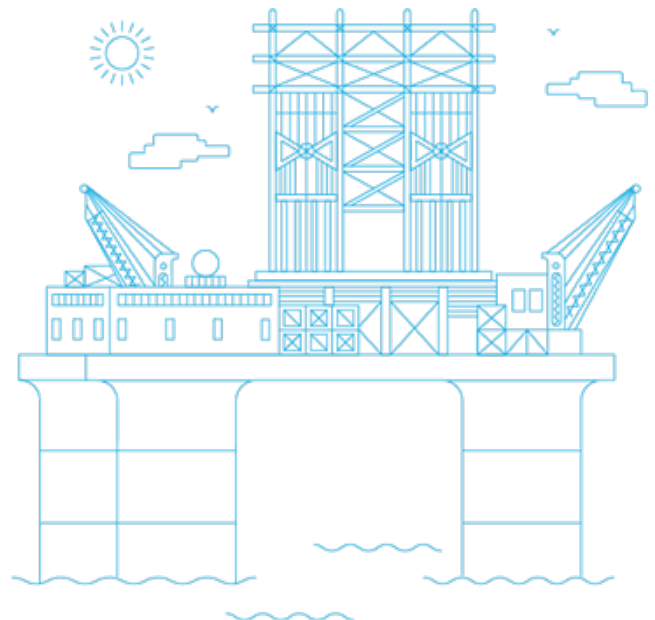
The project was originally tendered in 2017, and a contract was awarded to the Kuwaiti company Arabi Enertech in 2018. However, it has seen multiple setbacks after the tender announced. As per the news report, after construction work started and had progressed for more than 2 years, KOC terminated the contract with Arabi Enertech for unknown reasons.

Bids submitted for USD 150 million oil contract

Kuwait Oil Company received bids for a contract worth an estimated USD 150 million to install flowlines for producer wells located in Kuwait's Umm Niqa region.

Bids were submitted after several extensions, initially scheduled 22nd March and 8th March 2021. The scope of the project includes:

- Installation of flowlines for producer wells,
- Installation of reinforced thermoplastic pipe flowlines for effluent water disposal
- Installation of hot tapping, installation of wellhead hook-ups
- Extension of existing headers/manifolds
- Shut down tie-in works for the flowlines and pipelines of carbon steel
- Pigging, fabrication and welding works
- Installation of thrust boring, micro-tunnelling, cathodic protection system, and installation of associated facilities





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

Kuwait gas project tender on hold amid a pandemic

Kuwait Oil Company (KOC) has put on hold the planned worth an estimated USD 240 million contract for a project to upgrade gas booster stations 140 and 150 (BS-140 and BS-150) until the last quarter of 2021.

The project scope of scheme includes upgrade of BS-140 & BS-150, replacement of dehydration facilities, laying of pipelines, installation of safety system, and construction of associated facilities. In 2017, as per the news report, KOC has prequalified 15 firms to bid for the project.

Pre-qualified firms for the flowline contract

- Daelim Industrial (South Korea)
- Daewoo Engineering & Construction (South Korea)
- Fluor (US)
- Hyundai Heavy Industries (South Korea)
- JGC Corporation (Japan)
- Kellogg Brown & Root (US)
- Larsen & Toubro Hydrocarbon Engineering (India)
- National Petroleum Construction Company (UAE)
- Petrofac (UK)
- Saipem (Italy)
- Samsung Engineering (South Korea)
- S K E&C (South Korea)
- Kentech (UAE; formerly SNC-Lavalin)
- Technip Energies (France)
- Técnicas Reunidas (Spain)

CGC wins Kuwait flowline contract

Kuwait Oil Company (KOC) has awarded worth KD 13.3 million (USD 44.1 million) contract to Kuwait-based Combined Group Contracting (CGC) for a construction of oil flow lines and associated works in North Kuwait area.

Further, KOC has awarded a contract to CGC for the installation of flowlines for producer wells in northern Kuwait. The contract is estimated to value USD 12 million, and with a duration of 24 months. The contract, are among a large number of small flowline projects that have been tendered by KOC in recent months, which have a total value of estimated USD 780 million.

Kuwait expects Al-Zour LNG project to be fully operational next year

Kuwait Integrated Petroleum Industries Company (Kipic) affirmed that a project to build the Middle East's largest liquified natural gas (LNG) import terminal in Kuwait is expected to be completed in March 2022, nearly a year behind the original schedule, March 2021, but was delayed due to the spread of Coronavirus.

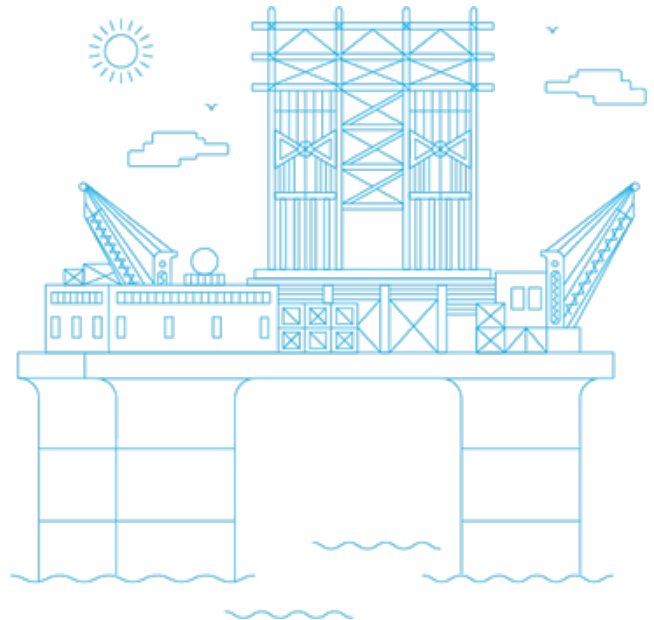
A consortium of South Korea's Hyundai Engineering and Construction Co. and Korea Gas Corp. is constructing the terminal in the Southern oil and gas hub of Al-Zour with an estimated value of USD 2.9 billion contract they won in 2016. The project is located about 16 kilometres from Kuwait's border with Saudi Arabia.

Kuwait's Clean Fuels Project (CFP) fully up and running

Kuwait National Petroleum Company (KNPC) has announced its long-delayed worth USD 16 billion Clean Fuels Projects (CFP), has finally reached full operations after six years of work.

The announcement comes a couple of weeks after KNPC commissioned a 70,000 b/d hydrocracking unit at its 454,000 b/d Mina Abdullah refinery, which was probably the last remaining CFP unit to come online.

The CFP project, has involved integrating Mina Abdullah (MAB) with KNPC's 346,000 b/d Mina al-Ahmadi (MAA) refinery, will reduce carbon emissions and pollution by enabling production of ultra-low sulphur products that meet Euro 4 and 5 standards and specifications. Upgrade work at Mina al-Ahmadi was completed in April 2020. The CFP project was originally announced in 2004, and the main contracts were awarded in 2014.





D. Other sector projects

BGP China wins KD 41 million for Kuwait's Onshore 3D Seismic Survey

Kuwait Oil Company (KOC) has awarded a contract worth KD 41 million (USD 136.7 million) to China-based firm Bureau of Geophysical Prospecting (BGP) Inc., a subsidiary of China National Petroleum Company (CNPC) for an onshore 3D seismic survey contract in Kuwait.

The project scope of works includes 3D seismic survey for West Kuwait and Mutriba, with a contract duration of 1,826 days. The project will use advanced high-density digital single-channel acquisition technology operation, the company's G3iHD seismograph, SL11 digital geophone, and INOVA controllable.

Kuwait receives lowest bid for specialized inspection services

Kuwait Oil Company (KOC) has received submission from 8 firms for a proposal for Specialized Inspection Services to be conducted in its fields. Kuwait-based, Stork Mechanical Services and Maintenance Company, KSCC has submitted the lowest bid of KD 14.4 million (USD 48.1 millions).

The scope of the services include the provision of personnel, vehicles, equipment, consumables and all works which could be deemed necessary, to carry out the services as per the contract specification.

Kuwait plans to build Mideast region's first E-vehicle City

Kuwait's Port Authority (KPA) has approved plans to build electric vehicle (EV) City, which is billed as the Middle East region's first city that exclusively cater for the needs of electric vehicle (EV) manufacturers.

As per the news report, KPA will provide all port and logistics services to electric car companies, and the tendering process for the design and construction of E-Vehicle City will begin during the 2021/22 fiscal year.

Kuwait committee reviews soil remediation project

Kuwait's Central Agency for Public Tenders (CAPT) is considering the plan to tender the third major soil remediation and is also expected to invite bids before the end of the year 2021.

The Client on the scheme is KOC, and the contract value is estimated to cost USD 500 million. The planned remediation are part of Kuwait's multibillion-dollar Kuwait Environmental Remediation Programme (KERP), which will be divided into different zones and packages and will be awarded to multiple contractors.

The scope of the upcoming scheme is expected to include processing 8-9 million cubic metres of contaminated soil in the south.

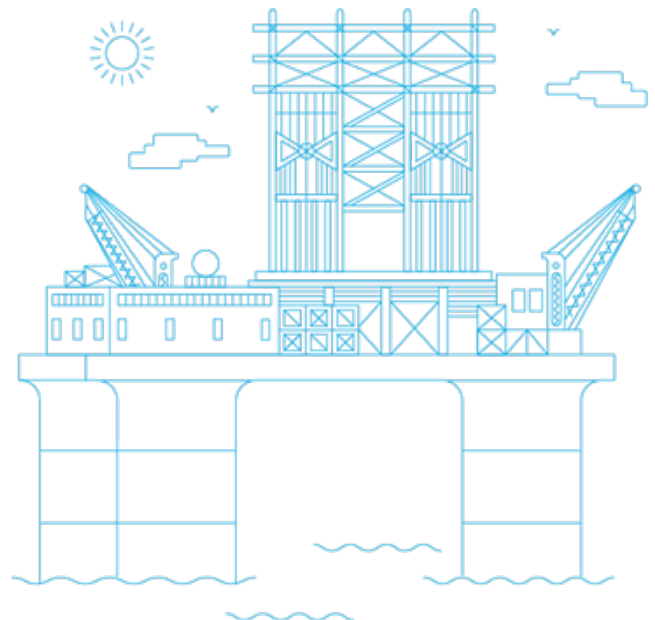
Kuwait announces bid results for Catalysts Extraction Plant

Kuwait National Petroleum Company (KNPC) has announced the pre-qualified firms to bid for a contract on building and operation of a plant for extracting minerals from catalysts.

The catalysts extraction plant is one of the huge projects that the oil sector intends to assign to the private sector. KNPC is scheduled to conclude a contract with the winning company for a period of 20 years to sell the used catalysts, which currently amounts to 25 tons per year.

Pre-qualified firms for the Catalysts Extraction Plant

- British Harsco Metals United in alliance with Abdulaziz Al-Rasheed and His Sons Company
- Plum-Monix Industry Company (Taiwan),
- Shell Overseas Investment Company in alliance with National Technology Projects Company
- Environment Development Company Ltd in alliance with Kuwaiti Geophysical Company
- Refracast Metallurgical Company in alliance with Metallurgical and Processing Industries Company.



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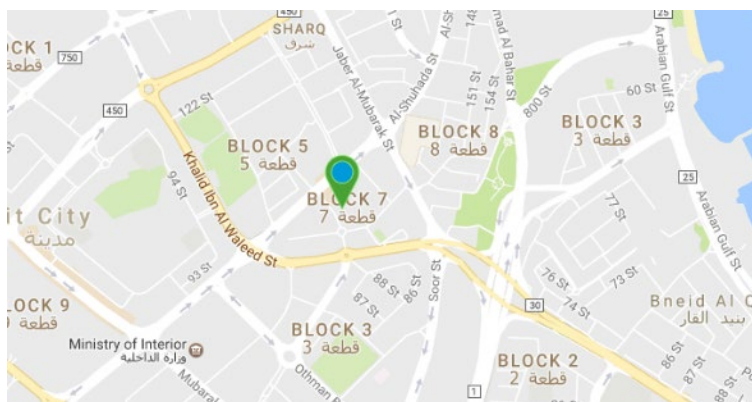
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