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KUWAIT QUARTERLY NEWSLETTER

Economy & projects update – Issue 23

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MACROECONOMIC UPDATE

The inflation levels measured by consumer price index (CPI) stood at 0.8% YoY in February 2018 as compared to 1.5% YoY in November 2017.

- ❖ Food and beverages prices, an important component in CPI, declined by 0.8% YoY in February 2018 as compared to 1.5% YoY increase in November 2017. Inflation in this segment has been weak as global food prices continues to show a declining trend during the same period.
- ❖ The miscellaneous goods & services and recreation & culture inflation witnessed a major increase to reach 7.0% YoY and 5.6% YoY respectively in February 2018 as compared to 4.7% YoY and 6.3% in November 2017. Similarly, the prices of tobacco & narcotics, communication and restaurant & hotels increased by 3.8% YoY, 1.0% YoY and 3.3% YoY respectively in February 2018 as compared to 2.1% YoY, 0.9% YoY and 3.0% YoY respectively in November 2017.
- ❖ However, the components of clothing & footwear and furnishing, equipment & household maintenance declined to reach 1.3% YoY and 1.8% YoY respectively in February 2018 as compared to 3.4% YoY and 4.0% YoY respectively in November 2017.
- ❖ Also, minimum inflation was witnessed in transport and education categories at 1.5% YoY and 0.9% YoY respectively in February 2018 as compared to 1.9% YoY and 1.8% YoY respectively in November 2017.
- ❖ However, components such as housing services and health fell into deflationary pressure in February 2018.

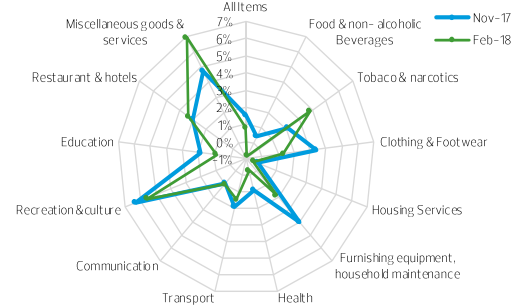
Money Supply (M2) witnessed healthy growth

- ❖ Kuwait's broad measure of money supply (M2) increased by KD 0.23 billion from November 2017 to reach KD 36.95 billion in February 2018, a YoY growth of 3.4%. The improvement in M2 is mainly attributed to the increase in sight deposit which grew by KD 0.12 billion from November 2017 to reach KD 8.57 billion in February 2018. The narrower measure (M1) also increased by KD 0.14 billion during the same period.
- ❖ However, credit facilities extended by local banks to residents decreased by KD 0.21 billion from November 2017 to reach KD 35.26 billion in February 2018. Whereas, the personal facilities were up by KD 0.07 billion from November 2017 to reach KD 14.98 billion in February 2018, mainly due to increase in installment loans by KD 0.19 billion during the same period.
- ❖ Bank deposits at local banks increased by 2.2% YoY to reach KD 41.78 billion in February 2018. Private sector deposits constitute 84% of the bank deposits, at KD 35.22 billion in February 2018.

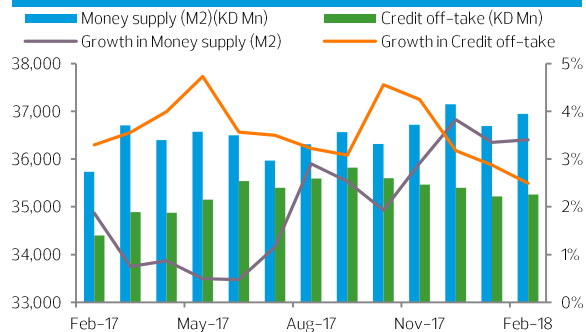
Kuwait export oil price witnessed upward rise in this quarter

- ❖ The average price of Kuwait crude oil in March 2018 reached about USD 62.23 per barrel (p/b), up by USD 1.29 p/b from USD 60.94 p/b in December 2017.
- ❖ Kuwait's crude oil production remained unchanged averaging 2.7 million b/d in March 2018.

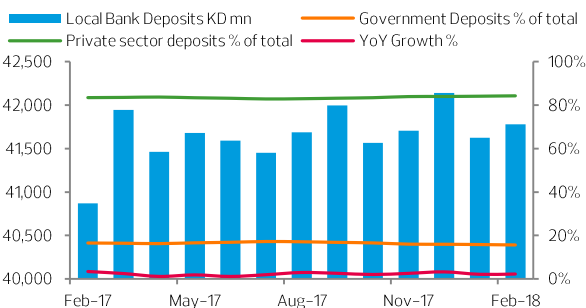
Inflation



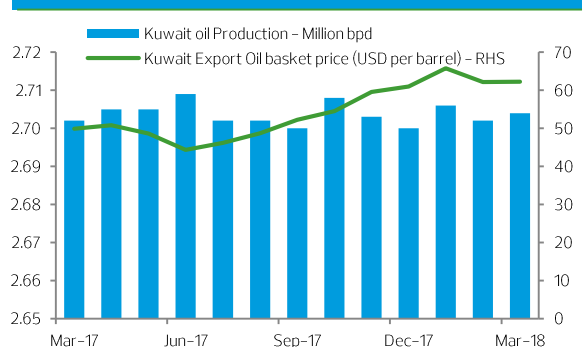
Growth in Money supply and credit off-take



Local Bank Deposits



Monthly production and Oil price



Source: Central Bank of Kuwait, Central Statistical Bureau and OPEC
Note: CSB has changed the base year for CPI to 2013 from 2007, starting with June 2017 data.

MAJOR PROJECTS UPDATE

A. Kuwait Authority For Partnership Projects (KAPP)

List of Kuwait Authority for Partnership Projects (KAPP) in Kuwait

Project Name	Sector	Project Value (USD Mn)	Current Status	
Project updates in 1st quarter 2018				
1	Kuwait National Rail Road (KNRR)	Transportation	10,000	KAPP adopts PPP structure and plans to appoint consultant
2	Al-Zour North Independent Water and Power Project (IWPP) – Phase 2 and Phase 3	Power	1,749	Phase 2 & 3 merged. KAPP plans to appoint a transaction adviser and the tender is expected to be issued by Q2 2018.
3	Municipal Solid Waste Treatment Facility – Kabd	Solid Waste Management	880	On-hold
4	South Al-Jahra Labour City	Real Estate Development	415	KAPP is preparing documentation and is awaiting approvals from higher authorities.
Other projects as mentioned in our previous edition				
5	Kuwait City Metropolitan Rapid Transit (KMRT)	Transportation	7,000	11% completed and is on track for completion by 2019.
6	Umm Al-Hayman Waste Water Treatment Plant (WWTP)	Water & Wastewater Management	3,650	Contract was expected to be signed in Q2 2018
7	Kuwait Failakal Island Development (Kuwait Municipality)	Real Estate Development	3,300	Initial study stage. However, the government plans to develop as under PPP model.
8	Doha East Power & Desalination Plant (IWPP)	Power	2,000	Main contract tenders expected to be issued in 2022
9	Al-Zour North Independent Water and Power Project (IWPP) – Phase 4	Power	772	Initial study stage. The main contract is expected to be issued before 2019.
10	Al-Abdalyah Integrated Solar Combined Cycle (ISCC)	Power	720	The pre-qualification process was expected to begin in December 2017.
11	Service and Entertainment Center – Egaila	Real Estate	120	The tender issue date has moved to Q2 2018
12	Kuwait Schools Development Program	Education	70	KAPP awaits for the final approvals from the government before awarding the contract to preferred bidder.
13	Rest Houses And Doha Chalet's Service Centers	Real Estate Development	50	RFQ and RFP

Source: KAPP, MEED projects, MEED news

Note: EOI – Expression of Interest, EPC – Engineering, Procurement and Construction, RFQ – Request for Qualification, RFP – Request for Proposal, TA – Transaction Advisory, FS – Feasibility Study, BOT – Build, Operate and Transfer, DBOT – Design, Build, Operate and Transfer

A. Kuwait Authority For Partnership Projects (KAPP)... Cont'd.

Kuwait intends to appoint technical consultant by Q3 2018

KAPP, in collaboration with Public Authority for Roads & Land Transport (PART), is planning to implement the 1st phase of the much-delayed Kuwait National Rail Road (KNRR) project as a Public Private Partnership (PPP) as it seeks to complete its section of the Gulf States Railways by 2023.

KAPP will tender construction as 2 design-build-maintain packages, first package intends to cover civil works and the other encompassing railway infrastructure and stations. KAPP will establish a public joint stock company to tender individual project packages for the KNRR project. While, the locomotives and rolling stock will be procured by PART and lease it out to separate passenger and freight operators. PART intends to appoint a technical consultant for the 1st Phase of KNRR project by Q3 2018. The 1st phase of KNRR project is estimated to cost KD 900 million (USD 3 billion) at 2016 prices and construction is expected to take 4-5 years.

The 1st phase of the rail road project comprises a 111 km line from Kuwait City to Nuwaiseb on the Saudi border, which will form part of the Gulf States Railway and a 153 km line linking Kuwait City with Boubyan port. In January 2018, the project had been transferred to the commission under Roads and Land Transport Authority who will study, plan and supervise its future implementation.

KAPP seeks adviser for 2 major IWPPs in Kuwait

KAPP is planning to appoint a single transaction adviser to work on both the planned Al-Zour North Phase 2&3 and the Al-Khiran Independent Water and Power Producer (IWPP) projects in order to accelerate the procurement process for its next major utilities projects. The tender for the advisory role and the request for pre-qualification (RFQ) is expected to be issued in Q2 and Q3 of 2018 respectively. The proposed Al-Zour North Phase 2&3 and Al-Khiran IWPP faced numerous delays to date.

Also KAPP, in collaboration with Ministry of Electricity & Water (MEW), have decided to make use of natural gas as the primary feedstock instead of Low Sulphur Fuel Oil (LSFO) from the new Al-Zour refinery for the Al-Khiran project in March 2018. The project is expected to be tendered by 2019.

KAPP has put on hold Kabd Municipal Solid Waste project

KAPP has put on hold the planned Kabd Municipal Solid Waste project. Earlier in September 2017, as mentioned in one of our previous editions – Issue 21, KAPP had selected a consortium led by France's Constructions Industrielles de La Mediterranee (CNIM) to develop the planned Kabd Municipal Solid Waste project and had sent relevant documents to the State Audit Bureau (SAB) for final approval before the contract was formally awarded. However the State Audit Bureau (SAB), the government body responsible for overseeing the implementation of major projects, has rejected the tender due to some issues over legal coverage.

KAPP to issue tender for South Jahra Labour City project

KAPP, in collaboration with Kuwait Municipality (KM) is now preparing a tender document for the development of South Jahra Labour City project and is awaiting approval from the higher committee. The tender is expected to be issued before 2018 end.

As mentioned in our previous edition – Issue 22, KAPP had prequalified 5 consortiums for the build, operate and transfer (BOT) contract of the development of South Jahra Labour City project. The scope of work involves design, financing, construction, operation, maintenance and transfer of a 1,015,000 sqm labor city, which aims to provide adequate and affordable housing for 20,000 male bachelor laborers. The tenure of the PPP agreement with the KM will be 40 years including a 3 years construction period.

B. Infrastructure and development projects

Turkish firm signs 2 major projects in Kuwait

Turkey's business group, Limak Insaat has signed 2 major projects in Kuwait which includes:

- 1) PAHW has awarded a KD 45.9 million (USD 153.1 million) contract to Turkey's Limak Holding for the construction, completion and maintenance of 3,260 housing units and power stations for the **South Abdullah Al-Mubarak housing project**. Under the agreement, Limak will construct 3,260 plots of land in 730 days to complete the project. The scope of work also includes road networks, parking lots, sewage systems, rainwater drainages, a telephone network, power stations, road lighting, a 250-gallon irrigation tank and placement of power cables.
- 2) Limak Insaat has signed a KD 249.2 million (USD 830 million) Syndicated Credit Agreement with the National Bank of Kuwait (NBK) and Kuwait Finance House (KFH) to partially finance the construction, furnishing and maintenance of a new **Passenger Terminal (Terminal 2)** at Kuwait International Airport (KIA). Under the agreement, 2 banks (NBK & KFH) will finance KD 124.6 million (USD 411.2 million) each to fund the terminal's construction. As per the sources, NBK will act as the mandated lead arranger for the credit transaction, as well as the inter-creditor agent, security agent and account bank, while KFH will provide lead arranger and commodity (Murabahah) investment agent services. The project is estimated to cost USD 4.34 billion and is expected to be completed in 2022.

Further, Kuwait's DGCA had also invited firms to submit bids for the contract to operate and manage the new passenger terminal, called "Terminal 4" at Kuwait International Airport (KIA). The deadline for bid submission is set on 7th March 2018, which was initially due on 28th February 2018. The project scope of work includes passenger support building, multi-storey car park (1,600 units), connecting pedestrian bridge from car park to support terminal building, associated access roads & utilities, baggage handling system and associated facilities.

Invited firms for the T4 project

- ❖ Changi Airport International (Singapore)
- ❖ Aeroports de Paris Management (France)
- ❖ TAV Airports Holding (Turkey)
- ❖ Munich Airport International (Germany)
- ❖ Fraport AG (Germany)

Kuwait to issue tender for airport road scheme

MPW expects to issue a tender for the contract related to the construction and maintenance of a major road and interchanges that will link Kuwait City extending from the 2nd Ring Road to the Southern part of Kuwait International Airport's passenger Terminal 2, which is currently under construction. Kuwait's Central Agency for Public Tenders (CAPT) had prequalified 19 firms to bid for the projects in November 2017, as mentioned in our previous edition – Issue 22.

MPW to issue tender for multiple road packages

The Kuwait's Ministry of Public Works (MPW) is expected to separately issue a tender for multiple road packages in Kuwait by Q2 2018. The Project is estimated to cost USD 300 million. The design for the packages have been completed and approved. The scope of work includes:

- ❖ 4 Multilevel road interchanges, junctions for Mubarak Al-Kabeer governorate along King Fahad Motorway
- ❖ 1 Pedestrian underpass and 1 Pedestrian bridge at Fahad Al Salem Street in Kuwait City
- ❖ 3 upgradation of interchange at Jahra governorate
- ❖ Road marking and associated facilities.

Kuwait earmarks KD 3.6 billion for the development of new mega airport

Kuwait's government intends to spend a KD 3.6 billion (USD 12 billion) for the development of a new world-class mega airport located in Northern Kuwait. The project is expected to accommodate 25 million passengers a year and would generate 15,000 jobs, which would offer a great platform for high quality training for national cadres by specialized international experts.

The Kuwaiti government will allocate the land, while the private sector will carry out the construction, operation and management activities. Meanwhile, Kuwait's DGCA is also planning to spend USD 8 billion for the development of infrastructure projects to support the planned new mega airport. The project includes infrastructure work for the airport, a new logistics hub as well as aircraft maintenance and services centre.

B. Infrastructure and development projects... Cont'd.

CAPT receives bids for South Ratqa road contract

Kuwait's Central Agency for Public Tenders (CAPT) is expected to announce the results of the bidding process for the contract to build roads in South Ratqa located in Northern Kuwait.

CAPT had received submissions from 12 firms for the South Ratqa road project on 21st January 2018. The Kuwait Systems for General Trading & Contracting Company submitted the lowest bid of KD 13.8 million (USD 46.6 million) for the project.

KOC is the client for the project and it is estimated to cost KD 20 million (USD 100 million). The project scope of work includes:

- ❖ Construction of long dual carriageway
- ❖ Reconstruction and upgrading to dual carriageway of long existing Um-Al Medafea single carriageway road
- ❖ Road marking
- ❖ Street lighting

12 bidders for South Ratqa road project

- ❖ Kuwait Systems for General Trading & Contracting Co. – USD 46.6 mn
- ❖ Al Rawla Desert Co. – USD 66.3 mn
- ❖ Kuwait Company for Process Plant Construction & Contracting Co. – USD 69.8 mn
- ❖ Sai General Trading & Contracting Co. – USD 71 mn
- ❖ Galfar Engineering & Contracting Co. – USD 74 mn
- ❖ United Gulf Construction Co. – USD 76 mn
- ❖ Mubarak al-Hajeraj General Trading & Contracting Co. – USD 76.4 mn
- ❖ HOT E&C – USD 81.8 mn
- ❖ KCC Engineering & Contracting Co. – USD 101.7 mn
- ❖ Alghanim International General Trading & Contracting Co. – USD 107.8 mn
- ❖ United Arab Group Co. – USD 109.9 mn

Dhaman starts work on 2nd hospital in Al-Jahra area

Kuwait's Health Assurance Hospitals Company (Dhaman) celebrated the start of construction works on its 2nd hospital in Al-Jahra area. The Dhaman hospital in Al-Jahra will be a 5-storey hospital with a built-up area of 87,536 sqm offering secondary healthcare services including a capacity of 300 beds, 13 intensive care units and 11 operating rooms, in addition to trauma and rehab centers, diagnostic centers and delivery and emergency services rooms.

As mentioned in one of our previous editions – Issue 18, Dhaman had awarded a KD 162 million (USD 535 million) contract to China's Metallurgical Group Corporation (MCC) for the construction of 2 new 600-bed hospitals in Kuwait. The project involves design, construction, equipping and maintenance work for the 2 hospitals in Al-Ahmadi and Al-Jahra area. Both the projects are expected to be operational by the end of 2019.

Hessah Al-Mubarak District Infrastructure deal is completed 100%

As of January 2018, as per KIPCO, the infrastructure package works on Hessah Al-Mubarak District in Daiya is 100% completed. The project is the first-ever comprehensive, mixed-used district in Kuwait. The client for the project is the United Real Estate, a unit of KIPCO – the Kuwait Projects Company (Holding).

Kuwait-based Al-Ahmadiyah Contracting & Trading Company had been appointed as the main contractor for the project in September 2016, as mentioned in one of our previous editions – Issue 16.

Kuwait earmarks KD 21.7 billion for 20 major development projects

Kuwait's government intends to spend KD 21.7 billion (USD 71.6 billion) to develop 20 major development projects, as part of its 2018/19 development plan. Of these projects, about 55% will be spent on the hydrocarbon sector amounting KD 11.9 billion. The oil sector projects includes the development of Al-Zour refinery in South Kuwait, clean fuel projects which involves upgradation of 2 main refineries and construction of a petrochemical complex near Al Zour refinery.

The transport sector is the 2nd largest beneficiary with 5 projects estimated to cost KD 4.49 billion (USD 14.81 billion), projects including Kuwait's international airport expansion. The projects, under the joint public-private ventures sponsored by the KAPP, estimated to cost KD 1.4 billion (USD 4.62 billion) includes rail network project, Al-Jahra labour city, Umm Al-Hayman wastewater treatment plant expansion and Kabd solid waste management plant.

C. Oil & Gas sector projects

Kuwait extends deadline for major projects in Kuwait

Kuwait Oil Company (KOC) has extended the bid deadlines for 3 of its mega projects;

- 1) The bid deadline for the engineering, procurement and construction (EPC) contract to install a desalter train in 4 separate portions at the gathering centres known as GC-9, GC-10, GC-19 and GC-21 moved from 1st April 2018 to 17th April 2018. Bids were initially due on 11th March 2018 and a pre-tender meeting for contractors were held on 14th January 2018. The project is estimated to cost USD 250 million. Desalter units remove salt that is dissolved in the water mixed with the crude oil. Salts that are often present in crude oil include calcium, sodium and magnesium chlorides and if these compounds are not removed from the oil it can cause problems during the refining process, including the formation of corrosive hydrochloric acid and deposits that can block heat exchangers.

Prequalified firms for desalter train project	Firms attended for the pre-tender meeting held on 14 th January 2018
❖ Daelim (South Korea)	❖ SK E&C (South Korea)
❖ JGC Corporation (Japan)	❖ Saipem (Italy)
❖ KBR (US)	❖ Petrofac (UK)
❖ Larsen & Toubro (India)	❖ Larsen & Toubro (India)
❖ SK E&C (South Korea)	❖ SNC – Lavalin (Canada)
❖ National Petroleum Construction Company (UAE)	❖ Samsung Engineering (South Korea)
❖ Saipem (Italy)	
❖ Samsung Engineering (South Korea)	
❖ Technip (France)	
❖ Tecnicas Reunidas (Spain)	
❖ Daewoo E&C (South Korea)	
❖ Hyundai Heavy Industries (South Korea)	
❖ Fluor Corporation (US)	
❖ Petrofac (UK)	
❖ SNC Lavalin (Canada)	

- 2) KOC has extended the front end engineering design (FEED) for Kuwait Integrated Petroleum Industries Company's (KIPIC) planned Integrated Petrochemical Industries Company's (PICs) Olefins III, Aromatics II and Al-Zour refinery to 6 months from its initial completion date of June 2018. The project is estimated to cost more than USD 6 billion (as mentioned in one of our previous editions – Issue 21) and it will be integrated with the KIPIC megaproject to build a USD 17 billion new refinery at the Al-Zour region, known as the New Refinery Project (NRP), which is set for completion by 2023.

Recently in March 2018, Amec Foster had selected Rendel to provide maritime consultancy services for the project. Earlier in January 2017, as mentioned in one of our previous editions – Issue 19, KOC had awarded a USD 300 million FEED contract to UK's engineering firm Amec Foster Wheeler for integrating PIC's Olefins III, Aromatics II and Al-Zour refinery.

- 3) Engineering, procurement and construction (EPC) contract for the 2nd Phase of the new gas sweetening facility at booster station BS-171 located in West Kuwait has moved from 1st April 2018 to 1st May 2018. The project is estimated to cost USD 300 million. A pre-tender meeting was held on 22nd January 2018 for the project.

The scope of work includes to deliver 120 million standard cubic feet a-day (mscf/d) of sweet gas using from various sour gas streams from upstream processing units with a varied hydrogen sulphide concentration of 4% (mole) and carbon dioxide of 10% (mole).

Firms attended the pre-tender meeting for the project
❖ Samsung Engineering (South Korea)
❖ Saipem (Italy)
❖ SK E&C (South Korea)
❖ Tecnicas Reunidas (Spain)
❖ SNC-Lavalin (Canada)
❖ China Petroleum Engineering & Construction Corporation (China)
❖ Petrofac International (UK-based)
❖ SPETCO International Petroleum Co. (Kuwait)
❖ Entrepouse Contracting SAS (France)

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

L&T completed work on Gathering Centre (GC-30)

India's Larsen & Toubro (L&T) has completed the work on Gathering Centre (GC-30) in February 2018. The client for the project is Kuwait Oil Company (KOC). In July 2014, as mentioned in one of our previous editions – Issue 9, KOC had awarded a USD 803 million contract to Larsen & Toubro for the construction of a new Gathering Centre (GC-30) at North Kuwait.

Meanwhile, in February 2018, KOC was considering removing India's engineering firm, Dodsal Engineering and Construction from the Gathering Centre (GC-31) project and replacing it with another contractor as Dodsal is struggling to execute the contract in line with the original schedule. Dodsal was awarded a USD 809 million engineering, procurement and construction (EPC) contract in July 2014, as mentioned in one of our previous editions – Issue 9. The gathering centres are part of KOC's long-term strategy to develop the North Kuwait fields and increase crude production.

Parson completes FEED for Gas Booster 160 project

Australia's Worley Parson has completed the front-end engineering design (FEED) work for a project to overhaul and expand a Gas Booster Station 160 (GB – 160) in Southeast Kuwait. The client for the scheme is KOC and the project is estimated to cost USD 270 million, which will add a 3rd train to Booster Station 160. The project intends to add an extra train to Booster Station 160 aimed at strengthening Kuwait's gas collection, transport and processing infrastructure.

The project was initially constructed with 2 identical single-stage compression trains, delivering 249 million cubic feet a day (mcf) of sour gas from existing Gathering Centres (GC-3, 4, 6, 7 and GC-21). The main contract for the project is expected to be tendered in September 2018. Contractors are also preparing to bid on an overhaul of Booster Station 171. This project is estimated to be worth USD 300 million and involves adding a gas sweetening facility to the booster station.

MECC wins EPC contract for gas network overhaul

KOC has awarded a USD 71 million contract to Mechanical Engineering and Contracting Company (MECC) for the engineering, procurement and construction (EPC) contract for the modernization and development of the gas and condensate network in East Kuwait. MECC had submitted the lowest bid for the project in July 2017, as mentioned in one of our previous editions – Issue 19. The project is expected to be completed in November 2020.

The scope of work includes the installation, replacement, and re-routing of gas and condensate lines in East Kuwait, installation of pigging facilities, fire & gas (F&G) detection system at manifolds, replacement of pipelines, fabrication works and associated facilities.

Kuwait receives bid for refinery contract deal

KNPC is evaluating bids for a contract to overhaul and extend the operating life of North Pier at the export Harbor at the Mina al-Ahmadi refinery. The project aimed to extend the operating life of the pier until end of 2030.

In January 2018, KNPC received prequalification entries from at least 6 firms for the contract. As mentioned in our previous edition – Issue 22, KNPC had prequalified 27 firms to bid on the procurement and construction (PC) contract for the project and the deadline was on 30th January 2018.

Lowest bidders for the North Pier deal

- ❖ Arabi Enertech – USD 19 mn
- ❖ Gulf Spic General Trading & Contracting Co – USD 27 mn
- ❖ Alghanim International General Trading & Contracting Co. – USD 23 mn
- ❖ Heavy Engineering Industries & Shipbuilding Co. (N/A)
- ❖ Gulf Dredging – USD 25 mn
- ❖ Aslaa General Trading & Contracting Co. – USD 32 mn

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

Kuwait to retender Jurassic production facilities deal

KOC is planning to retender the contract for KOC's Jurassic Gas Facility located in Al-Ahmadi area, into 3 or 4 smaller packages under early production facility (EPF) contract, instead of the engineering, procurement and construction (EPC) contract. However, the scope and value of the packages have not yet been decided.

In December 2017, as mentioned in our previous edition – Issue 22, Kuwait's Central Agency for Public Tenders (CAPT) had cancelled the main contract tender for the 1st phase of Jurassic Gas facility. The cancellation was as per the guidance of the Board of Directors of KPC and the result of a review and amendments to capital budgets for KOC projects.

The project is estimated to cost USD 3.6 million and is expected to be completed in 2021. The scope of work includes a central processing facility (CPF) that will have a capacity to process 590 million standard cubic feet of gas per day, offsite facilities and a pipeline gathering system.

Kuwait prequalifies firms for 1GW solar energy project

KNPC is now planning to announce the 15 prequalified firms for the development of planned 1GW Al-Dibdibah Photovoltaic solar energy development at the Al-Shagaya renewable energy complex in April 2018. KNPC had received prequalification entries from 60 firms for the planned 1GW solar energy project in October 2017, as mentioned in one of our previous editions – Issue 21. The signing of the contract for the project is expected in 2019.

The Al-Dibdibah plant will be one of the largest PV solar facilities in Kuwait, with a planned generation capacity of 2,500GWh of electricity per year. It will be developed on Design, Build, Operate and Maintain (DBOM) basis. The scope of works includes Al-Dibdibah solar PV power plant and associated facilities. The rest of the Al-Shagaya renewable energy complex is being developed by the Kuwait Institute for Scientific Research (KISR), in partnership with the Ministry of Electricity & Water (MEW). Germany's Fichtner prepared the masterplan for development and assisted KISR and MEW with the tendering process for the first 3 pilot projects.

93.2% completed on Clean Fuel Project (CFP) – Package 1

As of 6th March 2018, the overall construction work on 1st Package of Kuwait's Clean Fuel Project (CFP) is 93.2% completed and is on track for completion in mid-2018.

KNPC is now working on developing the Operational Technology (OT) for the CFP project. Operational Technology is hardware and software for controlling and monitoring devices such as valves and pumps within a plant. The company providing technology and network services has also been mandated to emphasize on the cybersecurity aspect of the OT environment.

In December 2017, as mentioned in our previous edition – Issue 22, Italian export credit agency SACE guaranteed a USD 625 million loan issued by a pool of International banks, led by BBVA SA Milan Branch to help fund the KNPC's Clean Fuels strategic project, which includes the modernization and expansion of the Mina Abdullah and Mina Al-Ahmadi refineries.

D. Other sector projects

WorleyParsons wins Kuwait's remediation project

KOC has awarded a project management consultancy (PMC) contract to Australia's WorleyParsons as part of the Kuwait Environment Public Authority's Kuwait Environment Remediation Project (KERP). The KERP programme, which is funded by the United Nations, is a large-scale environmental remediation and restoration initiative to remediate legacy oil-contamination within KOC oilfields, which were damaged in the 1991 Gulf War.

The remediation project is estimated to cost a total of USD 2.9 billion. In August 2017, as mentioned in one of our previous editions – Issue 21, CAPT received bids for 2 contracts that are part of the KEPA project. First contract, was for the project management consultancy (PMC) that would cover the clean-up of oil lakes in north and south Kuwait. While, the second contract was for an Engineering, Procurement and Construction (EPC) contract that forms part of the mega projects.

Jacobs wins pre-feasibility study contract for Kuwait Petroleum

US-based Jacobs Engineering Group Inc. has been awarded a contract for a pre-feasibility study, with the option of proceeding to a detailed feasibility study, by Kuwait Petroleum Corporation (KPC). The studies are in support of KPC's strategic directions and downstream long term plans for the period up to 2040.

The scope of the study includes evaluating how Kuwait's refining capacity can be best expanded in a cost-effective way, while providing advantaged feedstocks for integrated petrochemical production. The studies will also cover evaluation and optimization of alternative process configurations using an integrated linear program model, various technical studies, licensor evaluation, cost estimation, financial modeling and risk assessment and management, with a focus on increasing refining capacity and optimum petrochemical integration.

Kuwait earmarks a KD 44 million for underground water tanks deal

Kuwait's MEW has signed a KD 44 million (USD 143 million) contract for the development and maintenance of 5 underground water tanks located in Al-Mutlaa area. The project is part of MEW's effort to increase the strategic storage capacity of fresh water as well as develop the possibility of distributing water from the high area to the residential areas in the Northern Kuwait and to the new residential city Al-Mutlaa. The 5 reservoirs are expected to boost water supply by 275 million imperial gallons and expected to be completed in 3-years.

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 RSMKUWAIT

www.rsm.global/kuwait

Corporate Finance & Transaction Services Team

Our consultants combine their extensive transactional expertise to deliver effective, creative and practical solution that enhances decision making ability and is value maximizing.

Over the last five years, our corporate finance and transaction advisory practice has provided objective support for clients on about 100 plus transactions and many more niche financial advisory mandates.

We advise corporate and entrepreneurs on the feasibility of raising finance, on designing the best structures and on selecting suitable sources of finance for businesses.

We undertake enterprise valuation, financial due diligence, advising on mergers & acquisitions, strategic business plans, aligning financing decisions with operations and various other important facets of corporate finance.

Our wide range of services are grouped under broad categories :

- Transaction support
- Valuation advisory
- Restructuring support
- Financial advisory