

Kuwait Quarterly Newsletter

Economy & Projects update – Issue 6/July 2021



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MACROECONOMIC UPDATE

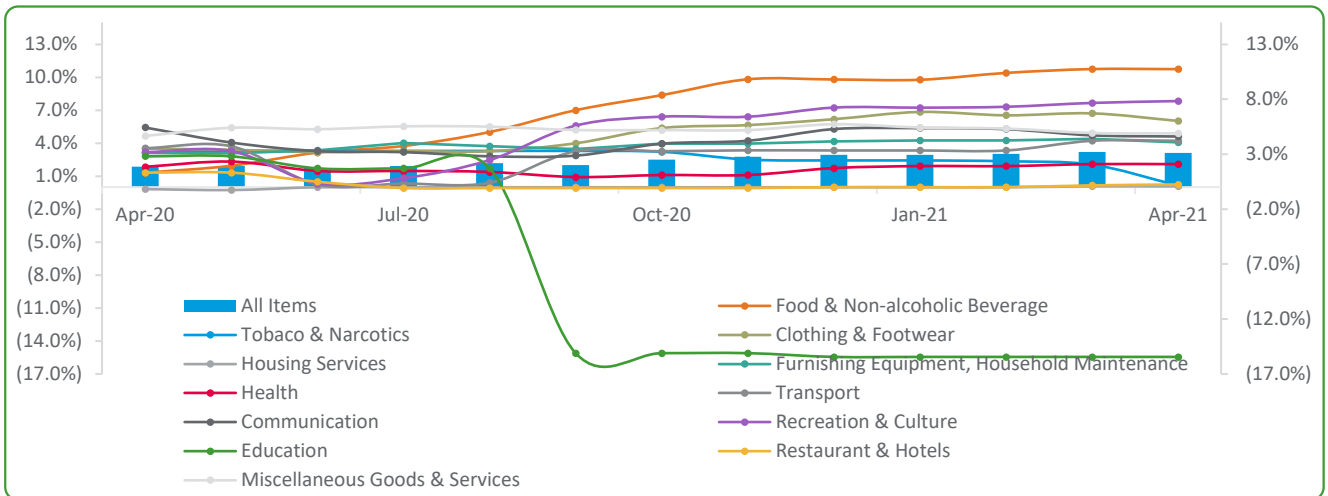
Consumer Price Inflation (CPI)

The Kuwait inflation levels measured by the Consumer Price Index (CPI) edged up to 3.1% YoY in April 2021, compared to a growth of 2.9% YoY in January 2021.

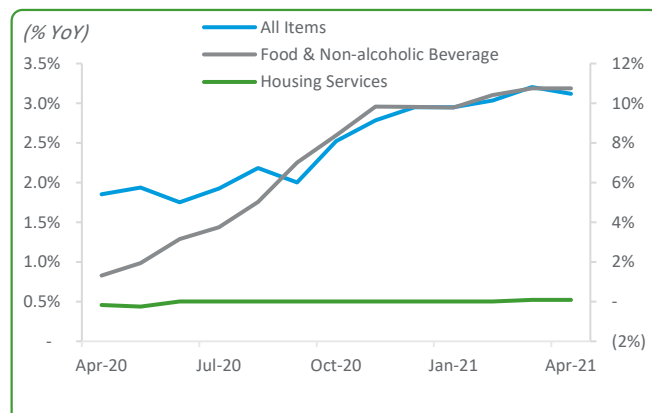
- The increase in inflation can be attributed to the increase in food inflation, **a result of soaring food prices internationally and ongoing supply chain constraint**. The prices of food and beverage increased by 1.0% from January 2021 to reach up 10.8% YoY in April 2021. Thus, moderate prices were consistent with the increase in the local food price index, due to an increased demand for food around the holy month of Ramadan in April and May 2021.
- In April 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 April 2021** compared to a 6.4% YoY increase in January 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 April 2021.
- Meanwhile, **housing services edged up 0.1% YoY in April 2021** after holding flat of 0.0% for the ninth consecutive months.



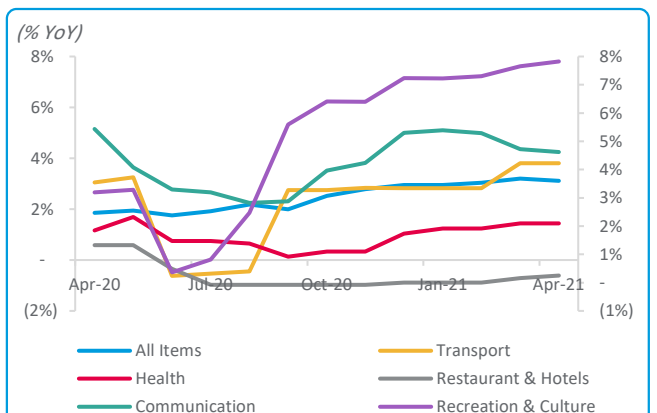
Consumer Price Inflation (%YoY)



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.



MACROECONOMIC UPDATE... CONT'D.

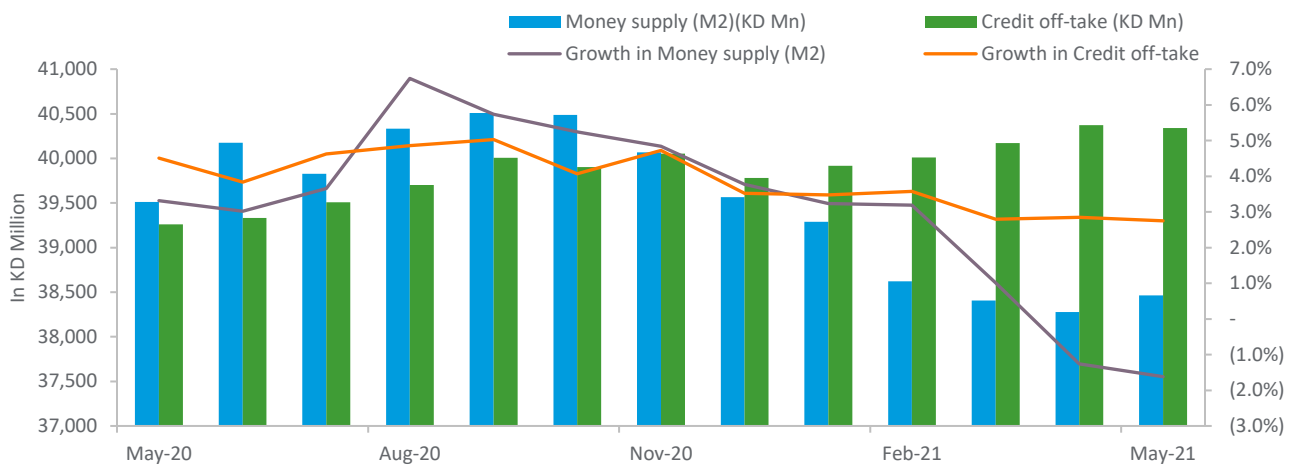
Money Supply and Local Bank Deposits

Slowdown in YoY growth of broad money, while credit facilities improved in May 2021

- Kuwait's broad measure of money supply (M2) fell by KD 0.16 billion from February 2021 to reach KD 38.28 billion in May 2021, down 1.6% YoY. The reduction in M2 is primarily due to a decrease in quasi-money of KD 0.63 billion from February 2021 to reach KD 25.63 billion in May 2021. The narrower measure (M1) and the sight deposit, however, both increased during the same period, reaching KD 12.65 billion and KD 10.83 billion, respectively.
- Further, credit facilities extended by local banks to residents in May 2021 increased to KD 40.34 billion from KD 0.33 billion in February 2021. Similarly, personal facilities increased by KD 0.37 billion from February 2021 to reach KD 17.71 billion in May 2021, mainly due to a KD 0.30 billion increase in installment loans during the same period.



Growth in Money Supply and Credit Off-Take

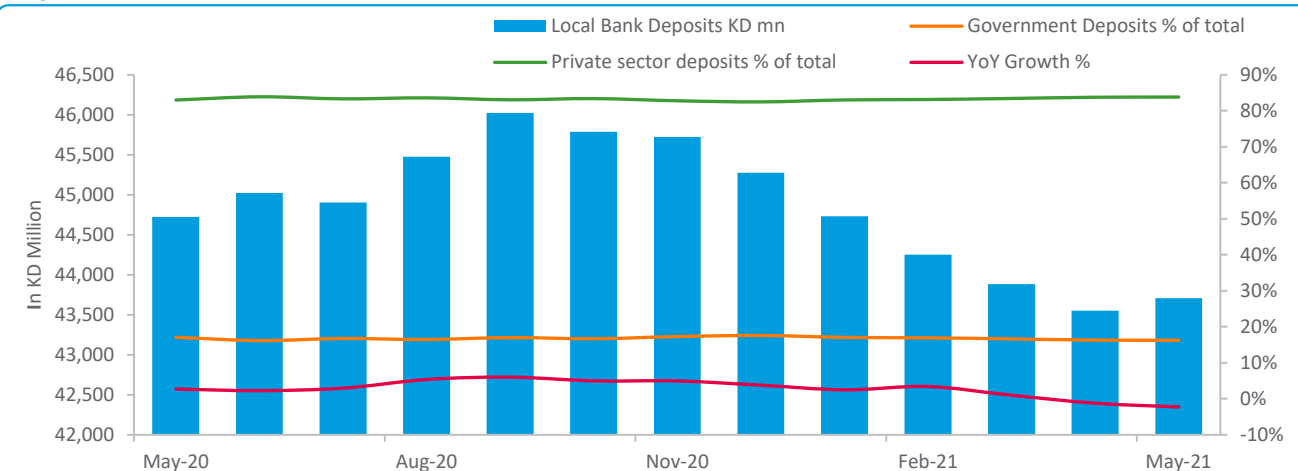


Source: Central Bank of Kuwait (CBK)

- The bank deposits in local banks decreased by KD 0.54 billion from February 2021 to reach KD 43.71 billion in May 2021, mainly due to a decrease in both government deposits and private sector deposits, respectively, of KD 0.39 billion and KD 0.16 billion.
- Time deposits made up a large part of the decrease in private sector deposits, which decreased by KD 0.71 billion from February 2021.



Local Bank Deposits



Source: Central Bank of Kuwait (CBK)



MACROECONOMIC UPDATE... CONT'D.

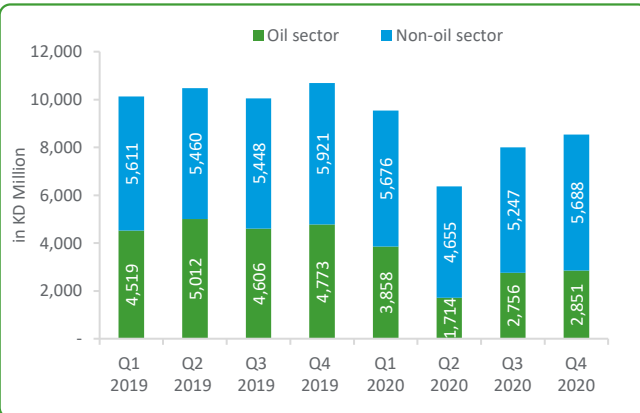
Gross Domestic Product and Trade Balances

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 trade balance in Q1 2021 recovered to near its Q1 2021 level of KD 1.62 billion, compared with KD 0.84 billion in Q4 2020 driven mainly by the rising levels of both exports and imports, which grew by 30% and 6.8%, respectively.



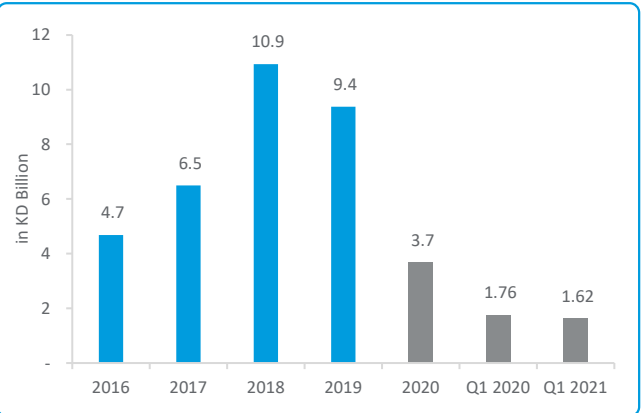
GDP Breakup at current prices (KD Mn)



Source: Central Statistical Bureau (CSB)



Trade Balances (KD Bn)



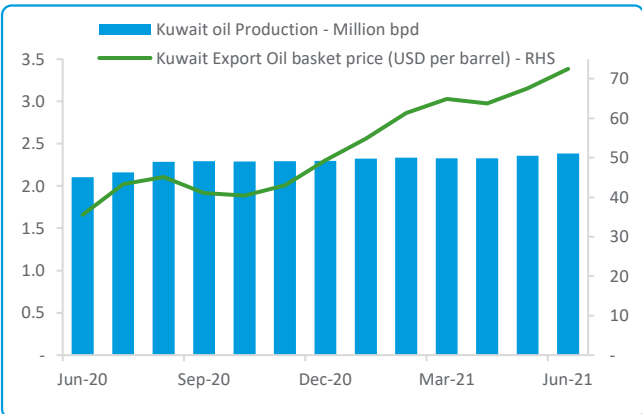
Source: Central Statistical Bureau (CSB)



Monthly Oil Production and Oil Price

Kuwait's export oil prices recorded solid gains in June 2021

- The average price of Kuwait crude oil rose in June 2021, extending previous monthly gains and rising 7.4% month-over-month to USD 72.54 per barrel (p/b), compared to USD 64.86 per barrel (p/b) in March 2021 driven by the rally in future markets, in addition to a strengthening global physical crude market, came amid higher refinery demand and the prospect of improvement in oil demand in the summer month.
- Kuwait's crude oil production averaged 2.383 million b/d in June 2021, an increase of 0.06 mb/d compared with 2.328 million b/d in March 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	Az-Zour North IWPP	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 (29%)	Jan - 2020	Dec - 2024
	7	1500 MW Al Dibdibah Solar IPP in Shagaya Renewable Energy Complex	Power Generation	1,200	FEED	Apr - 2022	Nov - 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	Transport	10,500	Execution (15%)	Nov - 2019	Oct - 2030
	2	Bubian 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 (81%)	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 (54%)	May - 2017	Dec - 2024
	6	South Surra Road Upgrade	Infrastructure	1,236	Execution (48%)	Mar - 2017	Dec - 2025
	7	Regional Road South Part	Infrastructure	980	Execution (49%)	Nov - 2016	Mar - 2026
	8	Jamal Abdul Nasser Road Development	Infrastructure	950	Execution (98%)	Oct - 2010	Feb - 2021
	9	New Pediatric Hospital in Al-Sabah Medical Area	Healthcare	850	Design	Mar - 2022	Dec - 2025
	10	New Maternity Hospital	Healthcare	817	Execution (80%)	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 20th July 2021), KAPP



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	Oil & Gas	10,500	On Hold	Dec - 2019	Nov - 2030
	3	Crude Oil Gathering Centers 33-35	Oil & Gas	2,400	FEED	May - 2022	Dec - 2025
	4	Jurassic Non-Associated Oil & Gas Reserves Expansion: Phase 2	Oil & Gas	2,700	Execution (4%)	Feb - 2021	Jul - 2024
	5	Mina Al-Ahmadi Township Redevelopment	Construction	2,000	Execution (45%)	Jul - 2013	Dec - 2030
	6	Gathering Centre 33 SEK at Burgan Field	Oil Extraction	1,500	Execution (98%)	Mar - 2017	Jul - 2021
	7	JP4 & 5 Off-plot Works & Production Facilities: Production Facilities	Gas Extraction	980	Bid Evaluation	Sep - 2021	Nov - 2024
	8	Gathering Centre 34	Oil Extraction	800	FEED	May - 2022	Dec - 2024
	9	Gathering Centre 35	Oil Extraction	800	FEED	Nov - 2022	Dec - 2025
 Kuwait Ministry of Electricity & Water (MEW)	1	Shagaya Renewable Energy Complex	Power-Generation	6,846	Execution (32%)	Jun - 2015	Dec - 2033
	2	Nuwiseeb Power and Water Desalination Plant	Power-Generation	2,500	Study	Aug - 2022	Dec - 2030
	3	Shagaya Renewable Energy Complex – Phase 4	Power-Generation	2,000	Study	Jul - 2025	Jan - 2033
	4	Shuaiba South Power and Desalination Plant	Oil/Gas Power Plant and Generation	1,800	Study	Nov - 2022	Jan - 2027
	5	Nuwiseeb Power and Water Desalination Plant – Phase 1	Power-Generation	1,500	Study	Oct - 2022	Nov - 2026
 Public Authority for Housing Welfare (PAHW)	1	South Al Mutlaa City	Mixed-Use	20,100	Execution (34%)	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 (57%)	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 (32%)	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 (92%)	Jul - 2015	Dec - 2021
	9	Jahra & Sulaibiya Low-cost Housing Development	Residential	1,666	Execution (20%)	Jan - 2019	Dec - 2030
	10	Northwest Sulaibikhat Residential City Development	Mixed-Use	600	Execution (98%)	Jul - 2009	Aug - 2021
	11	7 Investment Opportunities In Jaber Al Ahmad City	Education	600	Execution (16%)	Nov - 2020	Aug - 2024

Source: MEED Project (updated as of 20th July 2021), KAPP

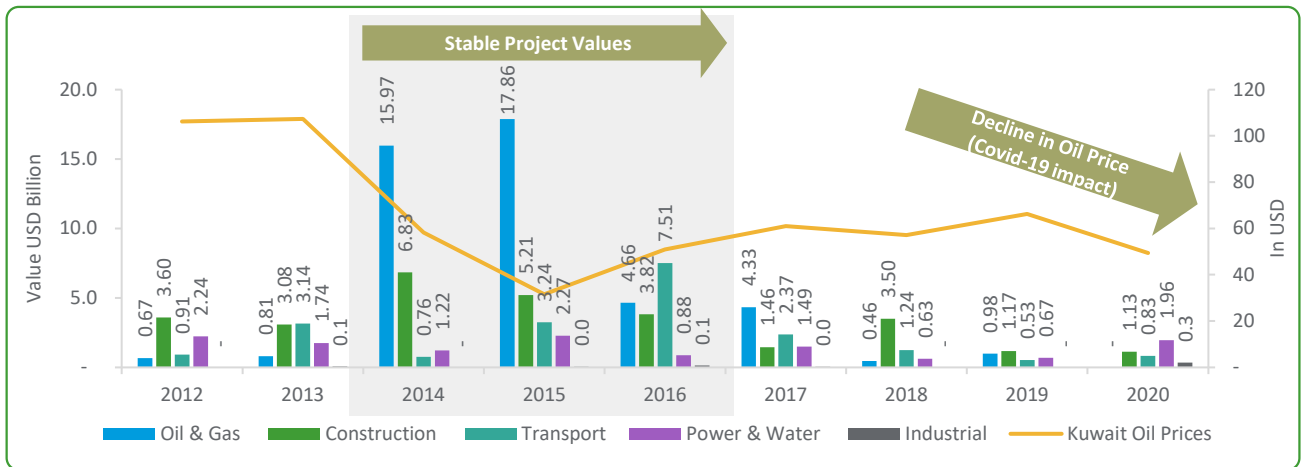


MAJOR PROJECTS UPDATE

Kuwait Projects Market

- Kuwait has shown a decreasing trend in the past five years in line with oil prices. In 2020, the total awarded project reached USD 4.26 billion, an 85% drop from USD 28.62 billion in 2015.
- The decline in the value of projects awarded during 2020 was attributed to the Covid-19 containment measures coupled with low oil prices which had affected the Kuwaiti economy.
- The water and construction sectors dominated with 26.5% and 39.1% of total projects awarded in 2020, respectively.
- The largest contract awards related to water sector was for KAPP/MPW- Umm al-Hayman Wastewater Treatment Plant Expansion with USD 1,400 million contract awards during Q1 2020.

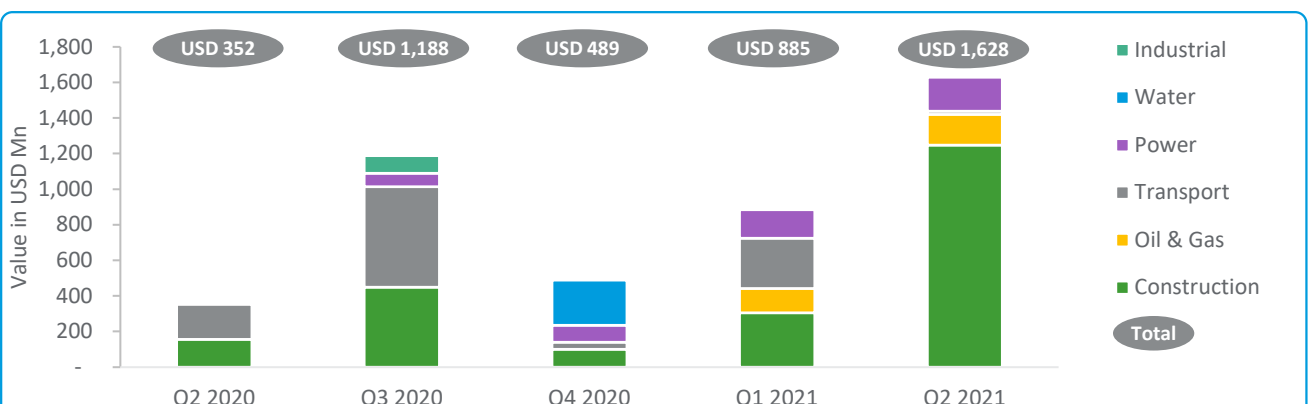
Annual Project Award Trend – By Sector (2012 – 2020)



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

- Kuwait's project market has seen a healthy recovery in Q2 2021, despite the disruption caused by Covid-19, with USD 1,628 million worth of projects being awarded, **up strongly from USD 352 million awarded in Q2 2020**. Most of the increase came from pending awards from 2020, as well government efforts to vaccinate the population and limit the spread of the Covid-19 that affected economic globally.
- The increase of contract awards in Q2 2021 was driven by the bulk of contract awards from the construction sector, which accounted for over 77% of total project awards with USD 1,247 million.
- The trends for 2021 look promising as well, with USD 189 million and USD 174 million in project award in power, oil & gas sectors in Q2 2021, respectively. While transport sector project awards stayed muted with USD 18 million in Q2 2021, when compared to USD 282 million in Q1 2021, despite pressing concerns for the country's infrastructure maintenance.

Quarterly Project Awards – By Sector (Q2 2020 – Q2 2021)



Source: MEED Project

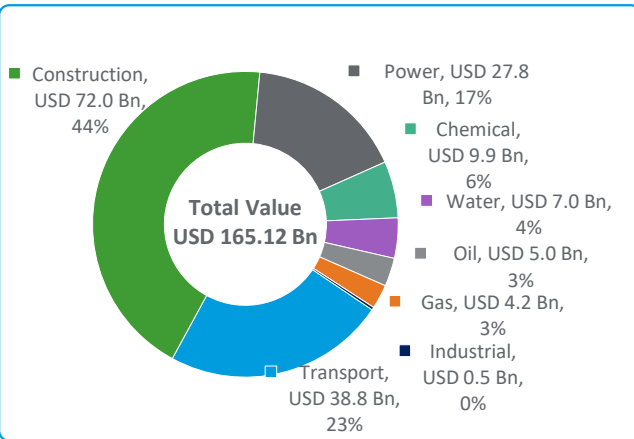


MAJOR PROJECTS UPDATE... CONT'D.

Future Projects – Planned or underway

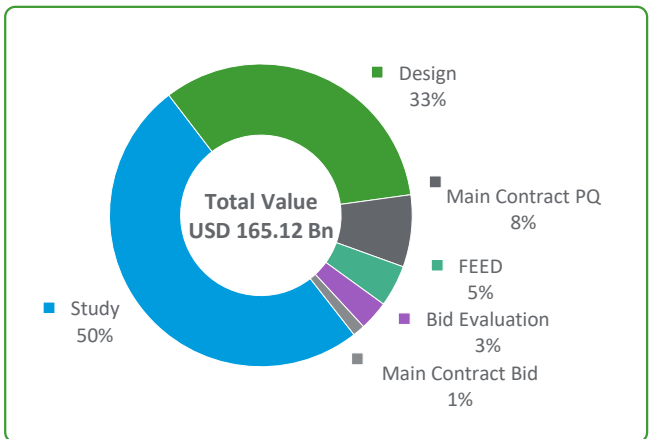
- Kuwait remains optimistic in terms of the projects in its pipeline, despite the devastating pandemic, with USD 165.1 billion worth of projects at the pre-execution phase, including bid evaluation, design, prequalification, and study. Additionally, some of these projects were put on hold or cancelled because of the disruption.
- A majority of Kuwait's project pipeline is made up of construction projects, at 44 %, which total USD 72.0 billion. Projects in the transport sector rank next at 23 %, followed by power sector projects at 17% of total projects planned.

Planned or underway Projects – By Sector

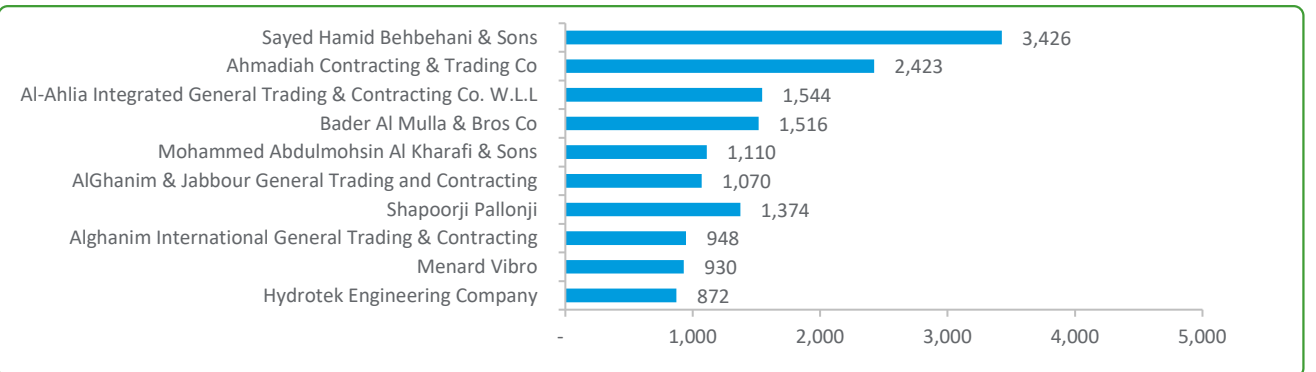


Source: MEED Project, data as of 20th July 2021

Planned or underway Projects – By status



Top 10 Key Contractors for Construction sector - Works under Execution (in USD Mn)



Source: MEED Project, data as of 20th July 2021

Top 10 Key Contractors for Transport sector - Works under Execution (in USD Mn)



Source: MEED Project, data as of 20th July 2021



MAJOR PROJECTS UPDATE... CONT'D.

A. Kuwait Authority for Partnership Projects (KAPP)

Kuwait extends Al-Dibdibah Solar Project Consultancy Works

The Kuwait Authority for Partnership Projects (KAPP) has extended the bid deadline for the consultancy services contract on the planned 1.5GW Al-Dibdibah solar project by 27th July 2021 from 27th June 2021. The 1.5GW solar facility will form part of Kuwait's Shagaya renewable energy development scheme, which is expected to involve nearly 4GW of renewable energy capacity by 2030.

Kuwait to issue EoI for Shagaya renewable project

The Kuwait Authority for Partnership Projects (KAPP) in collaboration with Ministry of Electricity and Water (MEW) plans to issue an expression of interest (EoI) for the contract to develop the next phase of its Shagaya renewable energy project (SREP) within 6 months to a year of appointing a transaction adviser. The client, KAPP is now expected to receive bids for the transaction advisory role for 2nd and 3rd Phases of Kuwait's SREP by 27th July 2021.

The two phases are expected to have a capacity of approximately 3,500MW, and depending on the recommendation of the selected transaction advisory team, could be divided into several packages. A news report stated that the project or projects will be developed using a design, finance, build, operate, maintain, and transfer model. The chosen developers will sign a power-purchase agreement with the MEW for up to 25 years following the commercial operation of the project.

KAPP has put on hold South Jahra Labour City project

The Kuwait Authority for Partnership Projects (KAPP), in collaboration with Kuwait Municipality (KM) has halted the development of South Jahra Labour City project as no qualified alliances submitted technical and financial proposals for the scheme despite the authority's initial response to the alliances' request to delay the closing date for bidding, the news report claims that KAPP were not spared from the consequences and negative effects of Covid-19 pandemic.

The scope of work involves the 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.

Team withdraws from Kuwait Municipal Solid Waste project

A consortium led by France's Constructions Industrielles de La Mediterranee (CNIM) has officially withdrawn from the Kabd municipal solid waste project, which was planned to be developed under a public-private partnership (PPP) model.

The Kuwait Authority for Partnership Projects (KAPP) selected the consortium, which includes local firms Gulf Investment Corporation (GIC) and the Al-Mulla Group, to develop the project in September 2017, according to the news report.

The project is estimated to cost USD 700 million, which will be developed under a 25-year power-purchase agreement, with the Ministry of Electricity & Water (MEW) as the offtaker. The construction period is estimated to be 44 months.



B. Infrastructure and Development Projects

PAHW tenders hospital and University PPPs

Kuwait's Public Authority for Housing Welfare (PAHW) has pre-qualified bidders to participate in two public-private partnership (PPP) projects at the Jaber al-Ahmad city.

- 1) The 1st project for which technical and financial submissions are being sought is a private university (J4).

The project has been allocated a plot of land spanning 88,977 square metres, and the scope of its contract includes design, finance, construction, operation, maintenance and transfer over a 50-year period.

Pre-qualified firms for the 1st project (J4)

- Abdullah Abdul Mohsen Al-Sharhan Trading Company
- Academia International for Educational Services Company (Kuwait)
- British University Company (UK) / China SFECO Group (China) / Colliers International (UAE) / Dana International (Kuwait) / Jassim Ali al-Qabandi Group Co for General Trading and Contracting (Kuwait) / Medical & Beyond Company (Kuwait) / Nour Medical Technology Company (Kuwait)
- Commercial Real Estate Company (Kuwait)
- Educational Holding Group Company (Kuwait)

- 2) The 2nd PPP project being tendered by PAHW relates to the development of a private hospital (J5) at Jaber al-Ahmad city.

The project is located on a plot spanning about 40,800 sq m and the scope of its contract includes design, finance, construction, operation, maintenance and transfer over 50 years.

Pre-qualified firms for the 2nd project (J5)

- Alargan International Real Estate Company (Kuwait)
- Arkan al-Kuwait Real Estate Company (Kuwait) / A'ayan Real Estate Company (Kuwait) / KFH Capital Investment (Kuwait) / Al-Sebieh Medical Company (Kuwait) / Central Circle Company (Kuwait)
- British University Company (UK) / China SFECO Group (China) / Colliers International (UAE) / Dana International (Kuwait) / Jassim Ali al-Qabandi Group Co for General Trading & Contracting (Kuwait) / Medical & Beyond Company (Kuwait) / Nour Medical Technology Company (Kuwait)
- Dar al-Shifa Company (Kuwait)
- Fouad al-Ghanim & Sons General Trading & Contracting Company (Kuwait)
- Kuwait Business Town Company (Kuwait) / Al-Maidan Clinic for Oral Health Services (Kuwait) / Al-Mutawir Regional Real Estate Developers Company (Kuwait)

PAHW awards East Sabah Al-Ahmad project

The Public Authority for Housing Welfare (PAHW) in Kuwait has awarded a housing units contract that includes the followings:

- 1) PAHW awarded a worth KD 63.9 million (USD 212.8 million) contract to China railway No 5 Engineering Group for the construction of housing units and other infrastructure works at the 1st Phase of East Sabah Al-Ahmad project.
- 2) PAHW also awarded a worth KD 68.3 million (USD 227.0 million) contract to First Group for General Trading and Contracting for the construction of housing units and other infrastructure works at the 2nd Phase of East Sabah Al-Ahmad project.

This phase's scope of works consists of construction, completion, maintenance of 597 houses (1st phase) and 587 houses (2nd phase), public buildings, road works, infrastructure services networks and parking lots.

Kuwait CGC bids lowest for Al-Mutlaa Residential project

Kuwait's Public Authority for Housing Welfare (PAHW) has received bids for the earthworks at the Al-Mutlaa residential project. Kuwait-based Combined Group Contracting (CGC) has submitted the lowest bid of KD 26.7 million (USD 88.5 million).

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 duration is 12 months.





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

Saudi firm wins Kuwait's Substation contract

Kuwait's Public Authority of Housing Welfare (PAHW) has awarded KD 28.9 million (USD 96.2 million) contract to Saudi-based construction firm, National Contracting Company (NCC) for the construction of 12 numbers of 132/11kV Substations in Kuwait.

The project scope of works includes design, supply, installation, testing & Commissioning and maintenance of twelve numbers 132/11kv Substations in suburbs of N1, N2, N3 and N4 of Al-Mutlaa residential city project.

PAHW issued the tenders during December 2019 and bids was received in July 2020.

Kuwait receives bids for a two substations contract

Kuwait's Public Authority for Housing Welfare (PAHW) has received 4 bids for the construction of two 400/132/11kV substations in Al Mutlaa residential project.

Kuwait-based, Al-Ahleia Switchgear company has submitted the lowest bid of KD 30.38 million (USD 100.6 million) for the two scheme. The Scope of works includes design, supply, installation, testing and commissioning and maintenance of 400/132/11kV substations (namely Z5 and Z6) located in HC01 and N5 suburb of Al Mutlaa residential city.

PAHW issued the tenders during March 2021.

Kuwait invites firms for Shuaiba North Power Plant Services contract

Kuwait's Ministry of Electricity and Water (MEW) has invited firms for the contract for a provision of engineering services of Gas Turbines and its auxiliaries with High performance and continuity at Shuiba North Power Generation and Water Distillation Plant located approximately 40km South of the Kuwait City.

The duration of the contract is 5 years. The closing date for bids is 27th July 2021.

Egis, SSH JV signs contract for Kuwait road scheme

Kuwait's Ministry of Public Works (MPW) has signed a contract with a joint venture (JV) Egis Group and SSH International for a supervision services on the Al Ghouse road project from the 7th Ring Road until Fahaheel Ahmad (RA 265), which is one of Kuwait's major collector roads running parallel to roads 30 and 40.

The Al Ghouse Road development project aims to make a complete free-flow road starting from 5th Ring Road until Fahaheel Ahmadi road. Construction is expected to begin in the middle of June 2021 with completion expected in 39 months.

Kuwait tenders Sabiya Power Plant rehabilitation

Kuwait's Ministry of Electricity and Water (MEW) issued a tender for the Rehabilitation of the Sabiya Power Plant, a 2.4GW Plant that was commissioned in 1998-2002. The steam turbines and generators have operated commercially for nearly 25 years.

The scope of work includes resolving existing problems and extending the lifespan of steam turbines and generators. The bid submission deadline is 4th July 2021, and the contract is valid for five years.

Kuwait invites bid for Package 3 of Airport Terminal 2

Kuwait's Ministry of Public Works (MPW) invites firms to submit bids for a contract to provide Consultancy Services of construction supervision of the 3rd Package Aircraft's Apron, Taxiways, and Service Buildings for the New Terminal Building 2 at Kuwait International Airport.

Submission of bids is due on 31st August 2021. The selected firms are responsible for providing staff during the construction period of 24 months, plus another 3 months for Project closure.





C. Oil & Gas sector projects

Kuwait LNG import terminal starts its operation

Kuwait's worth USD 2.9 billion liquified natural gas (LNG) import facility in Al-Zour has started its operations, receiving its first cargo of gas from Qatar after being delays due to the Covid-19 pandemic.

The terminal, being operated by Kuwait Integrated Petroleum Industries Company (Kipic), is located around 10 miles from Kuwait's border with Saudi Arabia and is designed to import as much as 22 million tonnes of the super chilled gas each year, making it the largest of its kind in the Middle East.

The LNG import terminal has been built to meet domestic demand for fuel. According to the news report, the main contract for the LNG terminal was awarded in 2016 to a consortium of South Korea's Hyundai Engineering Company, Hyundai Engineering and Construction Company and Korea Gas Corporation.

Kuwait firms secure oil project contracts

The Kuwait Oil Company (KOC) has awarded several contracts for flowlines, including:

- 1) KOC awarded a combined contracts worth USD 28.1 million to Kuwait-based companies Combined Group Contracting (CGC) and Heavy Engineering Industries & Shipbuilding Company (Heisco) for a flowline contracts which included installing crude oil flowlines and related works in the Burgan and Magwa fields.
- The 1st contract worth KD 4.5 million (USD 14.8 million) and the expected duration of the project is 12 months. While, the 2nd contract is worth KD 4 million (USD 13.3 million) and with the duration of the project is 12 months.
- 2) In May 2021, Combined Group Contracting (CGC) have also been awarded worth KD 3.7 million (USD 12.4 million) contract by KOC for the installation of Flow lines for Producer Wells in the northern fields of Kuwait. The duration of the project is 24 months.
- 3) KOC awarded another flowline contract worth USD 16 million to Kuwait-based Mechanical Engineering & Contracting Company (MECC). The contract involves rerouting of flowlines associated with the facility known as Gathering Centre 32. It also includes installation of the cathodic protection system, valves and associated facilities.
- 4) KOC has also awarded worth KD 2.9 million contract to Heavy Engineering Industries & Shipbuilding Company (Heisco) related to the calibration and maintenance of KOC measurement systems. The project duration is 36 months.

Kuwait invites firm for EPC contract

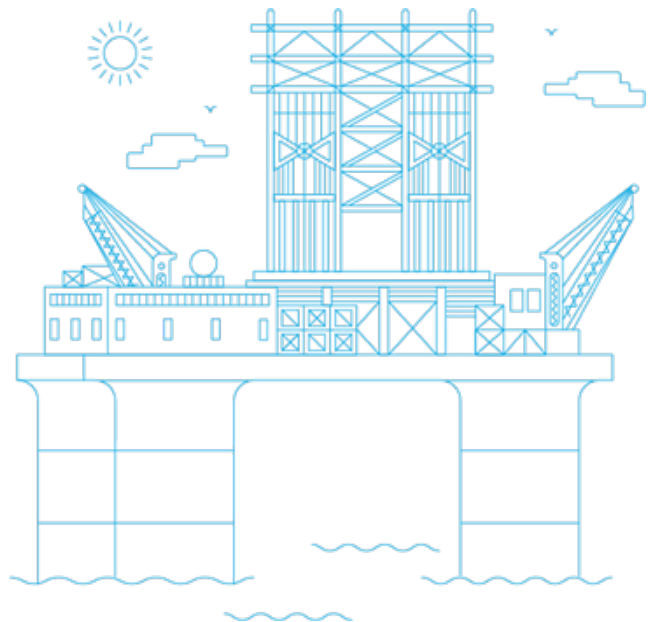
Kuwait Oil Company (KOC) has invited firms to prequalify for an engineering, procurement and construction (EPC) contract for oil storage tanks. The tanks will have a capacity of up to 100,000 barrels and the deadline for submission of documents is 22nd August 2021.

Kuwait has seen a dramatic decline in project activity over the past two years amid the Covid-19 pandemic and the global transition away from fossil fuels.

Kuwait awards digital transformation contract

Kuwait Oil Company (KOC) has awarded a contract to US oil field services company Halliburton to expand its digital transformation solutions to optimise operational efficiency and increase production.

The scope of work includes all Kuwait fields including West Kuwait, South and East Kuwait, and Heavy Oil, complementing a recently awarded contract for similar services in North Kuwait. As per the agreement, the US group will collaborate with KOC to accelerate their data-to-decisions cycle by implementing automated work processes and digital twins across its major assets. Further, Halliburton has yet to announce the value of the contract.





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

Kuwait awards Jurassic gas JPF-3 upgrade

Kuwait Oil Company (KOC) has signed an adjustment order worth USD 117.75 million contract for a project to upgrade and expand the facility known as Jurassic Production Facility 3 (JPF-3) on 13th June 2021 with the Kuwait-based contractor Spetco.

Under the terms of the contract, the scheme will be executed over a period of 16 months, and it will come online in October 2022. The facility's capacity to treat oil will be increased by 25%, from 40,000 barrels a day (b/d) to 50,000 b/d.

According to the news report, the JPF-3 in Kuwait's West Raudhatain field was fully commissioned on 22nd December 2019. The worth USD 377 million contract for the project was awarded by KOC to Kuwait-based contractor Spetco in July 2016.

Kuwait to issue tender for Jurassic gas JPF-4 and JPF-5

Kuwait Oil Company (KOC) has signalled to issue an invitation for bids to participate in the second round for the planned Jurassic Production Facilities known as JPF-4 and JPF-5 scheme.

KOC is using the mumarasa system for the tendering process for the two JPF projects. The deadline is likely to be around 2 weeks from the date that the invitation is issued.

KOC received lowest bids in April 2021 for both contracts in the opening of 1st round of bidding. The combined value of both projects exceeds USD 1 billion.

Kuwait cancels USD 2 billion Jurassic gas project

Kuwait Oil Company (KOC) has removed the two major upstream gas projects in the Northern oil-rich areas worth around USD 2 billion, which is known as Jurassic Production Facilities (JPF-6 and JPF-7) from its list of "Approved Projects" due to Covid-19 related policy in order to cut down on capital expenditure in the hydrocarbon industry.

The project JPF-6 and JPF-7 were originally expected to be tendered later in the year 2019, but the projects have seen extensive delays.

The scope of the project includes:

- Construction of oil inlet, separation, treatment and export section
- Construction of sour gas compression section
- Construction of sour gas treatment and export section
- Construction of effluent water treatment and disposal section
- Construction of sulphur recovery unit and transport section
- Construction of control room
- Construction of substations
- Construction of buildings and roads
- Installation of utility and supporting systems Infrastructure works.

Kuwait tenders Heavy Oil Facilities O&M Services

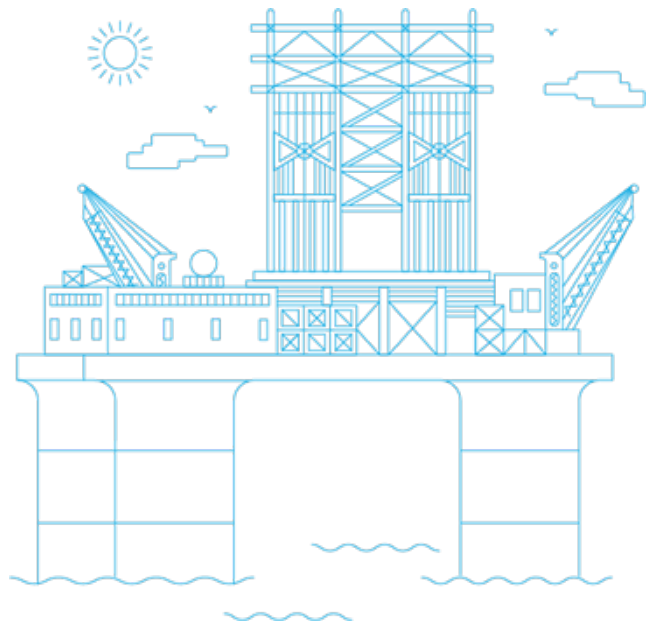
Kuwait Oil Company (KOC) has issued a tender for Operation and Maintenance Services for North Kuwait Heavy Oil facilities in the Lower Fars Development Program. The deadline for submission of bids is 12th September 2021 and an online pre-tender meeting scheduled for 14th July 2021.

The scope of work covered greenfield and brownfield facilities. According to a report, a consortium comprising the UK's Petrofac and Lebanon's Consolidated Contractors Company (CCC) won the USD 4.1 billion contract for the package in January 2015.

Kuwait extends in-house PMC contract

Kuwait Oil Company (KOC) has extended the deadline for bids for in-house project management consultancy (PMC) contracts until 20th June 2021 from 18th April 2021. The contract is for a period of 3 to 5 years.

KOC had invited firms to bid for the contract earlier in March 2021. The winning firm is expected to serve as KOC's consultant for front-end engineering and design (feed), project management, and associated services.





D. Other sector projects

Kuwait awards remediation scheme contracts

Kuwait Oil Company (KOC) has awarded a KD 56.8 million (USD 188.9 million) contract to Kuwait Company for Process Plant Construction & Contracting (KCPC) for Zone 2 of the North Kuwait excavation, transportation, and remediation project (NKETR). NKETR aims to treat oil-contaminated soil in the oil fields of Raudhatain and Sabriya in Kuwait.

The scope of work includes:

- Enabling works, including satellite images in high resolution
- Unexploded ordinance reports
- Topographic surveys
- Unexploded ordinance clearance
- Baseline surveys on naturally occurring radioactive materials (Norms)
- Groundwater and Surface water surveys
- Transportation and placement of treated soils
- Sample analysis and data management
- Soil sample monitoring
- Designing an expansion landfill with a 600,000 square-metre capacity
- Construction of extension landfill

Kuwait firm wins soil remediation contracts

Kuwait Oil Company has awarded a package worth KD 55.6 million (USD 185.2 million) in contracts to Kuwait-based Heavy Engineering Industries & Shipbuilding Company (Heisco), as part of Kuwait's multibillion-dollar Kuwait Environmental Remediation Programme (Kerp). The contract is for Zone 2 of the South Kuwait excavation, transportation and remediation project.

The scope of the package includes:

- Identifying and quantifying contaminated soil volumes.
- Excavating contaminated material and assessing total petroleum hydrocarbon (TPH) levels for remediation.
- Conducting the necessary pretreatment procedures, based on the remediation methods.
- Restoration of contaminated soils/materials with a TPH of 7-10% and as directed by the company, a TPH of 10-15% as defined in Portion 4 of the technical specification.

Kuwait, France's Nice University signs scholarship agreement

Kuwait Institute for Medical Specialization (KIMS) signed a five-year agreement with Nice University in France to enable Kuwaiti doctors to study medicine and receive fellowships in several medical specialties.

The agreement, came after 2 years of efforts between the two sides, which involves sending 50 Kuwaiti doctors on scholarships to Nice, a number that could increase in the coming years. The deal was signed with presence of Kuwait Health Minister.

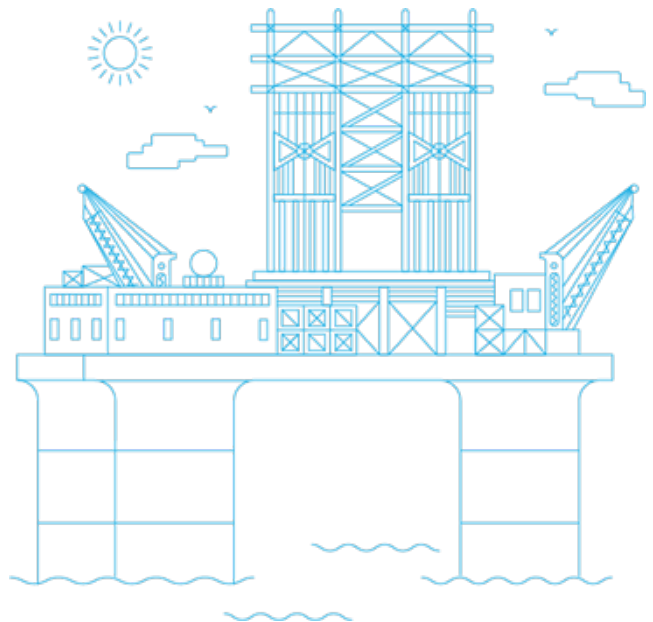
Kuwait, United Nation signs MoUs

The Kuwait Chamber of Commerce and Industry (KCCI) and the United Nations (UN) in Kuwait have signed a Memorandum of Understanding (MoU) outlining a strong partnership that would support Kuwait's private sector actively participating in national, regional and international collective actions to promote sustainable development.

The partnership is based on goodwill, active collaboration, as well as mutually beneficial activities including:

- Promoting sustainable development in Kuwait's private sector. Strengthening partnerships and cooperation to support youth-led innovation in Kuwait.
- Information exchange and organizing joint events in a manner deemed appropriate by both parties (webinars, workshops, training and forums) to promote sustainable development in Kuwait, including, but not limited to, environmental, social and governance (ESG) practices to make sure that sustainable business practices are used as per the UN Secretary General's call for financing for development.
- Development of joint policies for advancing sustainable development among businesses and industries and development of and support for partnerships for raising Kuwaiti children and youth's skills for the 21st century, from and early age to ensure relevance and competitiveness in the job market.

In the presence of KCCI Board of Directors of Directors, UN Secretary-General, and the UN Resident Coordinator in Kuwait, the deals were signed by the two parties.



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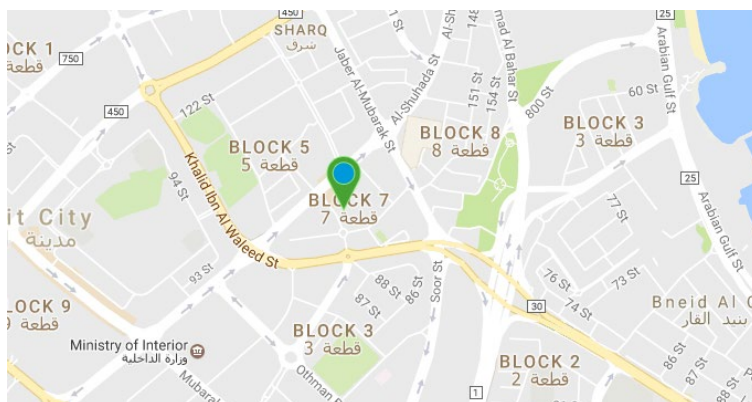
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