

Kuwait Quarterly Newsletter

Economy & Projects update – Issue 5/(April 2021)



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MACROECONOMIC UPDATE

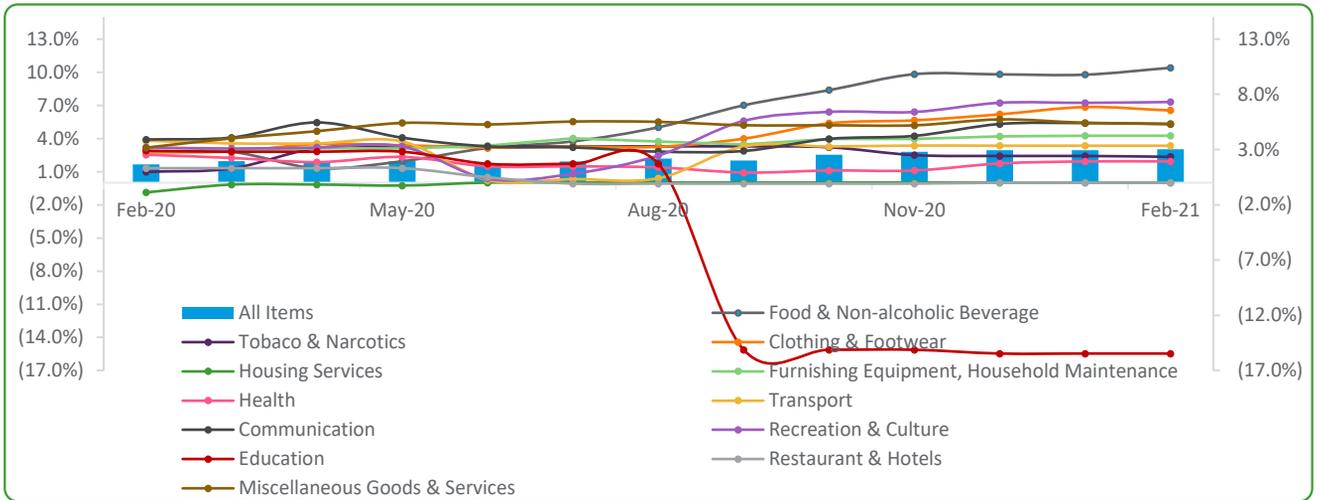
Consumer Price Inflation (CPI)

The Kuwait inflation levels measured by the Consumer Price Index (CPI) edges up to 3.0% YoY in February 2021, compared to a growth of 2.8% YoY in November 2020.

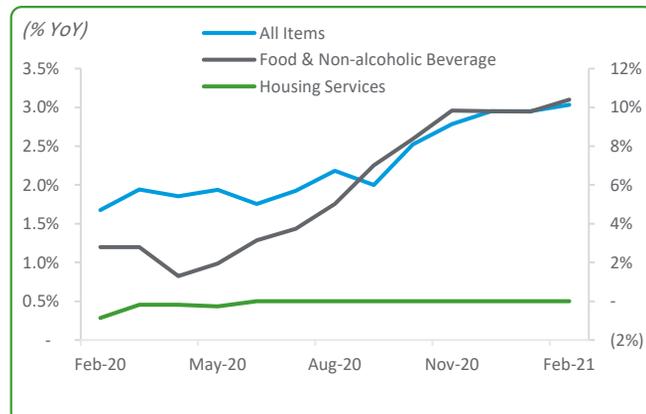
- The pick-up in inflation has likely been driven by **rising prices in the food and beverage component, increased to 0.6% points from November 2020 to reach 10.4% YoY in February 2021**. This increase is mainly due to pandemic linked supply chain issues, higher international food prices and pent-up consumer demand after lockdown measures were eased in recent months.
- **Inflation in education declined further by (-15.5% YoY) in February 2021** as compared to a decline of (15.1% YoY) in November 2020. The decline in education costs reflects the Ministry of Education's decision to reduce tuition fees by 25% for private schools following the implementation of an online learning system for the academic year 2020/2021.
- **Inflation in the recreation & culture segment increased to 7.3% YoY** in February 2021 as compared to 6.4% YoY in November 2020 mainly due to a considerable rise in the costs of information processing equipment (personal laptops/computers), led by the continued shift to computer-based learning and remote working caused by the Covid-19 pandemic. Clothing & footwear prices were up to 6.5% YoY, while health and communication prices rose to 1.9% YoY and 5.3% YoY respectively.
- In contrast, **housing services remained flat at 0.0% in February 2021** for the ninth consecutive months.



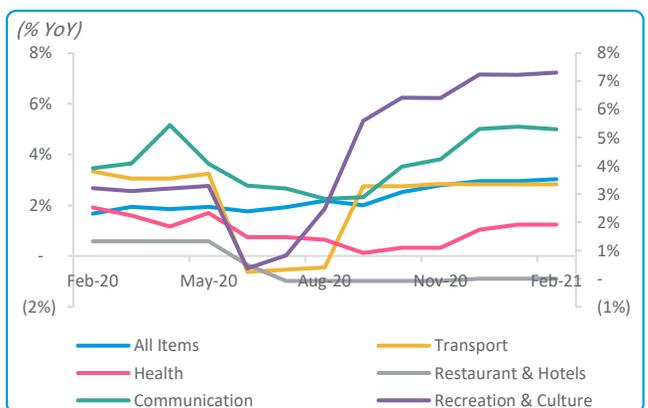
Consumer Price Inflation (%YoY)



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.

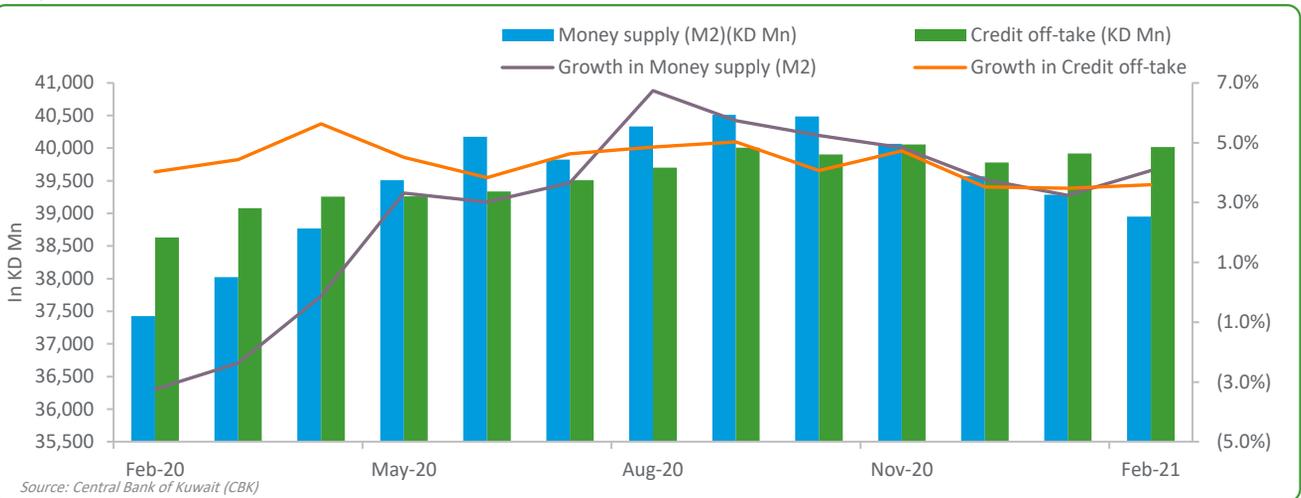
Money Supply and Local Bank Deposits

Slowdown in YoY growth of broad money and credit facilities in February 2021

- Kuwait's broad measure of money supply (M2) dropped by KD 1.12 billion from November 2020 to reach KD 38.95 billion in February 2021, with a YoY growth of 4.1%. The reduction in M2 is mainly attributed to the reduction in quasi-money by KD 1.24 billion from November 2020 to reach KD 26.17 billion in February 2021. On the other hand, the narrower measure (M1) and the sight deposit increased to KD 0.12 billion and KD 0.18 billion, respectively during the same period.
- Further, credit facilities extended by local banks to residents decreased by KD 0.04 billion from November 2020 to reach KD 40.02 billion in February 2021. Whereas, the personal facilities were up by KD 0.19 billion from November 2020 to reach KD 17.35 billion in February 2021, mainly due to an increase in installment loans by KD 0.24 billion during the same period.



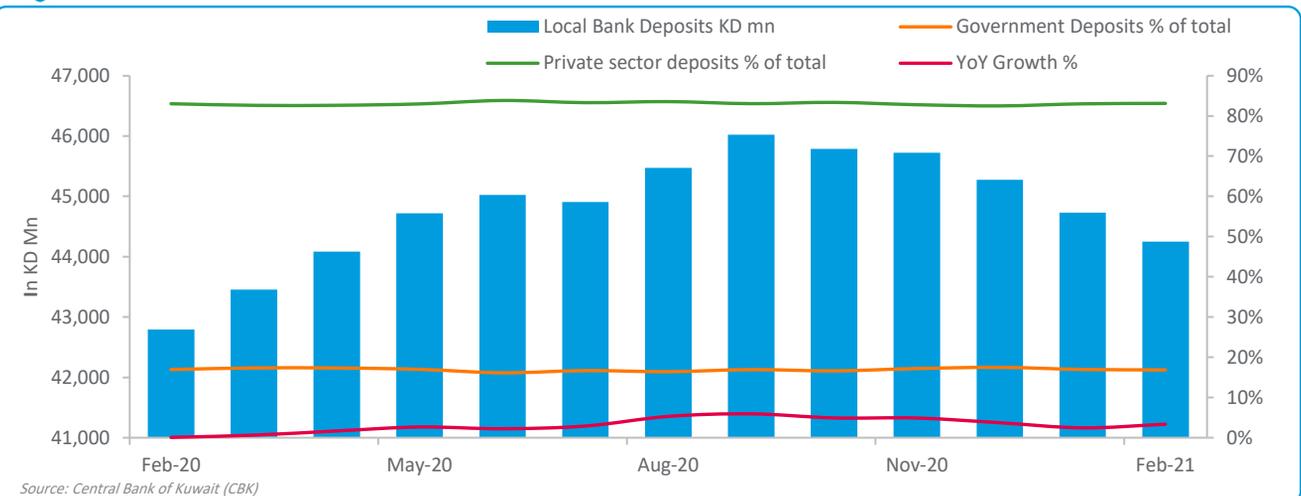
Growth in Money Supply and Credit Off-Take



- Bank deposits at local banks decreased by KD 1.47 billion from November 2020 to reach KD 44.25 billion in February 2021. This is mainly due to a reduction in private sector deposits by KD 1.06 billion, forming which constitute 83.1% of the deposit. Time deposits formed a major part of decrease in private sector deposits. The government deposits decreased by KD 0.41 billion from November 2020 to reach KD 7.48 billion in February 2021.



Local Bank Deposits





MACROECONOMIC UPDATE... CONT'D.

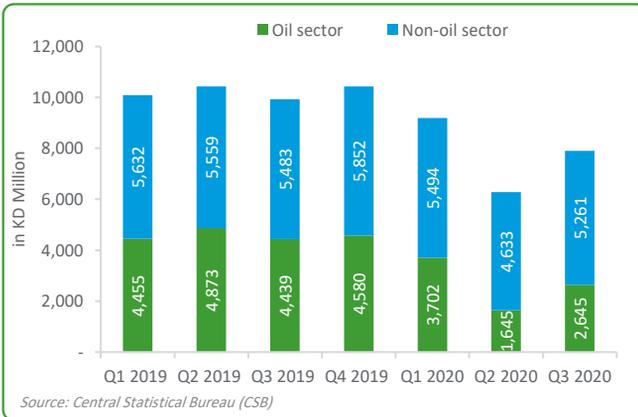
Gross Domestic Product and Trade Balances

Quarterly GDP at current prices for 2020 show the extent of the economic recession caused by the Covid-19 pandemic.

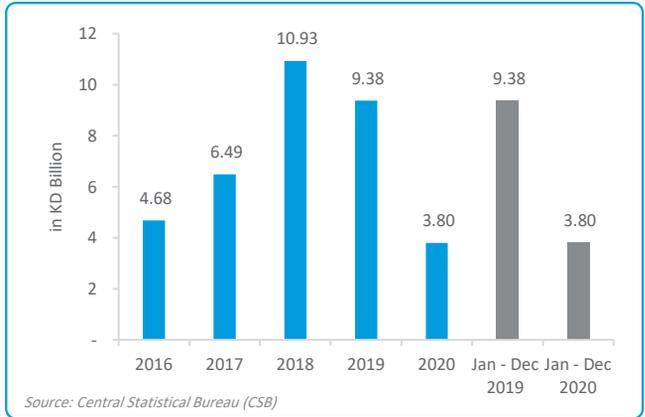
- Kuwait's economy remained in recessionary territory in Q3 2020. Total GDP (at current prices) declined by 20.3% YoY to reach KD 7.91 billion, compared to KD 9.92 billion in Q3 2019, driven by a 40.4% YoY drop in oil economic sector.
- Oil GDP at current prices fell by 40.4% YoY in Q3 2020 to reach KD 2.65 billion, largely due to the impact of Covid – 19 that hard hit in Q1 2020. While, the Non-oil GDP, decreased by 4.0% YoY in Q3 2020 to reach KD 5.26 billion.
- Kuwait's trade surplus over 2020 (January – December) declined by 59.5% YoY mainly as a result from the impact of Covid-19 to reach KD 3.80 billion, from KD 9.38 billion during the same period in 2019.
- Total exports were down by 37.1% YoY from KD 19.54 billion in 2019 (January – December) to KD 12.29 billion in 2020 (January – December), mainly due to lower oil prices.
- While total imports recorded KD 8.49 billion in 2020 (January-December), a decrease of 16.5% YoY.



GDP Breakup at current prices (KD Mn)



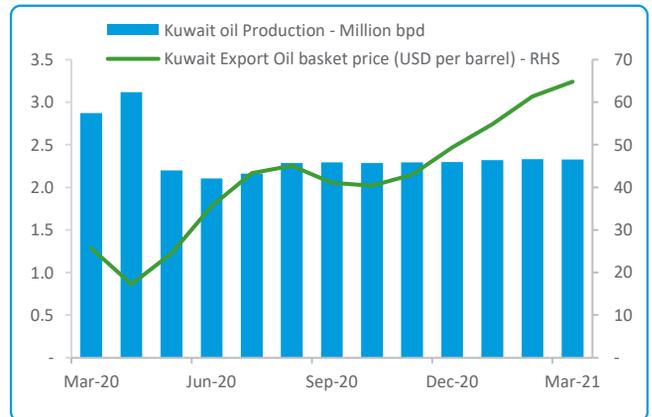
Trade Balances (KD Bn)



Monthly Production and Oil Price

Kuwait's export oil prices rebounded sharply in March 2021.

- The average price of Kuwait crude oil increased for the 5th consecutive month in March 2021 by around USD 15.50 per barrel (p/b) to reach USD 64.86 per barrel (p/b), compared to the December 2020 price average of USD 49.36 per barrel (p/b) amid signs of improving oil market fundamentals.
- Kuwait's crude oil production averaged 2.327 million b/d in March 2021, an increase of 0.03 mb/d as compared with 2.297 million b/d in December 2020.
- 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.





SUMMARY OF MAJOR PROJECTS IN KUWAIT

Project Owner	Rank	Project Name	Sector	Project Value (USD Mn)	Status/Progress	Award Date	Completion Year
 Kuwait Authority for Partnership Projects (KAPP)	1	Kuwait City Metropolitan Rapid Transit	Transportation	18,000	Design	Jul-2021	Dec - 2030
	2	Az-Zour North IWPP	Power	15,000	Study	Nov - 2013	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	Dec - 2021	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	Jan - 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	Main Contract Bid	June - 2021	Jul - 2024
	10	Services and Entertainment Center in Egaila	Construction	120	Bid Evaluation	Jan - 2021	Dec - 2024
 Kuwait Ministry of Public Works (MPW)	1	Mubarak Al-Kabeer Seaport Development	Transport	10,500	Execution (13%)	Nov - 2019	Oct - 2030
	2	Bubiyan Island Development	Mixed-Use	6,000	Design	Oct - 2021	Dec - 2040
	3	Kuwait Airport Expansion: New Passenger Terminal 2:	Transport	5,350	Execution (78%)	May - 2016	Aug - 2022
	4	Improvement of Fahaheel Expressway Route 30	Infrastructure	3,000	Design	Jul - 2021	Dec - 2024
	5	North & East Regional Highway	Infrastructure	2,037	Execution	May - 2017	Dec - 2024
	6	South Surra Road Upgrade	Infrastructure	1,236	Execution	Mar - 2017	Dec - 2025
	7	Regional Road South Part	Infrastructure	980	Execution	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	Aug - 2021	Dec - 2025
	10	New Maternity Hospital	Healthcare	817	Execution (30%)	May - 2016	Sep - 2022
	11	Upgrade of Al Ghouse Road	Infrastructure	800	Execution (25%)	Jun - 2020	Mar - 2024
	12	Upgrading the Existing & Developing North Kabd Sewage Treatment Plant	Treatment	700	FEED	Jun - 2022	Jan - 2026
	13	Upgrade of Nawaseeb Road (Route 40)	Infrastructure	700	Execution (80%)	Aug - 2015	Nov - 2021



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 (44%)	Jul - 2013	Dec - 2030
	6	Gathering Centre 33 SEK at Burgan Field	Oil Extraction	1,500	Execution (93%)	Mar - 2017	Jan - 2021
	7	JPF 4 & 5 Off-plot Works & Production Facilities: Production Facilities	Oil Extraction	900	Bid Evaluation	May - 2021	Jul - 2024
	 Kuwait Ministry of Electricity & Water (MEW)	1	Shagaya Renewable Energy Complex	Power-Generation	6,846	FEED	Apr - 2022
2		Nuwiseeb Power and Water Desalination Plant	Power-Generation	2,500	Study	Jun - 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	Power-Generation	1,800	Study	Oct - 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 (33%)	Jun - 2016	Dec - 2030
	2	Al Khiran Residential City Development	Residential	13,900	Study	May - 2022	Dec - 2035
	3	Sabah Al Ahmed Township	Residential	6,209	Execution (56%)	Aug - 2008	Dec - 2030
	4	Jaber Al Ahmed Residential City Development	Mixed-Use	2,900	Execution (26%)	Feb - 2020	May - 2024
	5	Nawaf Al Ahmed City	Mixed-Use	2,434	Study	May - 2022	Dec - 2030
	6	West Abdullah Al-Mubarak Master Plan	Mixed-Use	2,000	Execution (98%)	Jul - 2015	Jun - 2021
	7	Jahra & Sulaibiya Low-cost Housing Development	Residential	1,666	Execution (19%)	Jan - 2019	Dec - 2030
	8	PAHW - Wafra Housing Expansion	Residential	1,000	Completed (100%)	Nov - 2017	Feb - 2021
	9	Northwest Sulaibikhat Residential City Development	Mixed-Use	600	Execution (98%)	Jul - 2009	Jun - 2021
	10	South Abdullah Al Mubarak Township	Infrastructure	500	Execution (84%)	Feb - 2018	Nov - 2021
	11	Jaber Al Ahmed Township: Residential & Retail Development (J3)	Infrastructure	510	Execution (18%)	Aug - 2020	May - 2024

Source: MEED Project, updated as of 20th April 2021

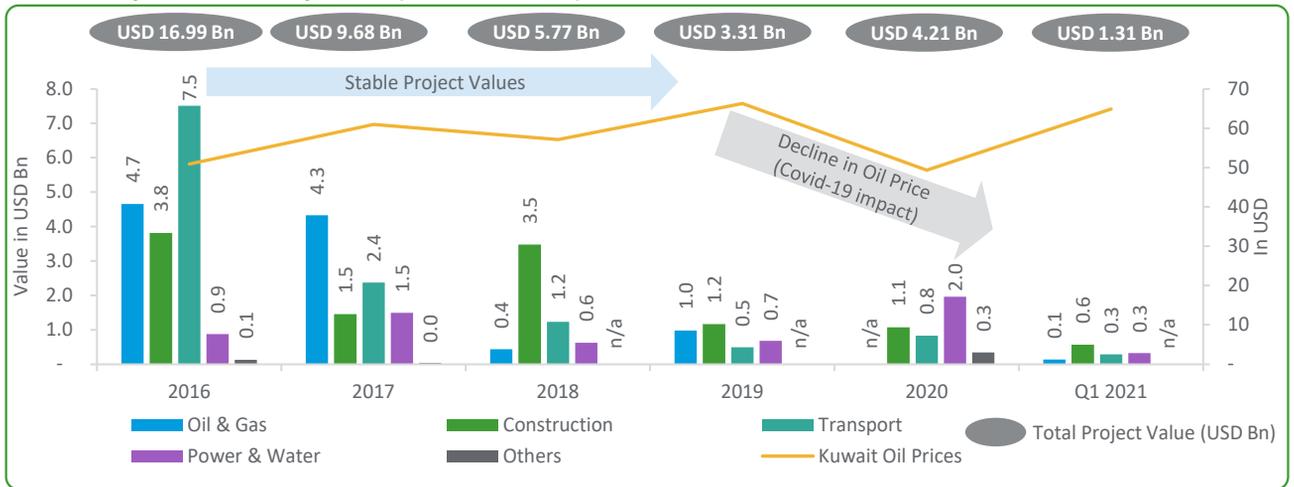


MAJOR PROJECTS UPDATE

Kuwait Projects Market (2016 – Q1 2021)

- Annual project contract awards peaked in 2016 at USD 16.99 billion but fell every year thereafter in line with oil prices. Total contracts awarded over the last five years valued at USD 39.95 billion, which is the largest by a considerable margin over transport at USD 12.44 billion and construction at USD 10.99 billion.
- The pace of project awards in 2020 reached USD 4.21 billion, a year heavily affected by the coronavirus pandemic. The bulk of project awards in 2020 were in the power and water sectors (USD 1,961 million), followed by construction sector (USD 1,072 million) and transport sector (USD 833 million).
- 72% of the total projects awarded (USD 39.95 billion) between 2016 and 2020 are currently in progress.

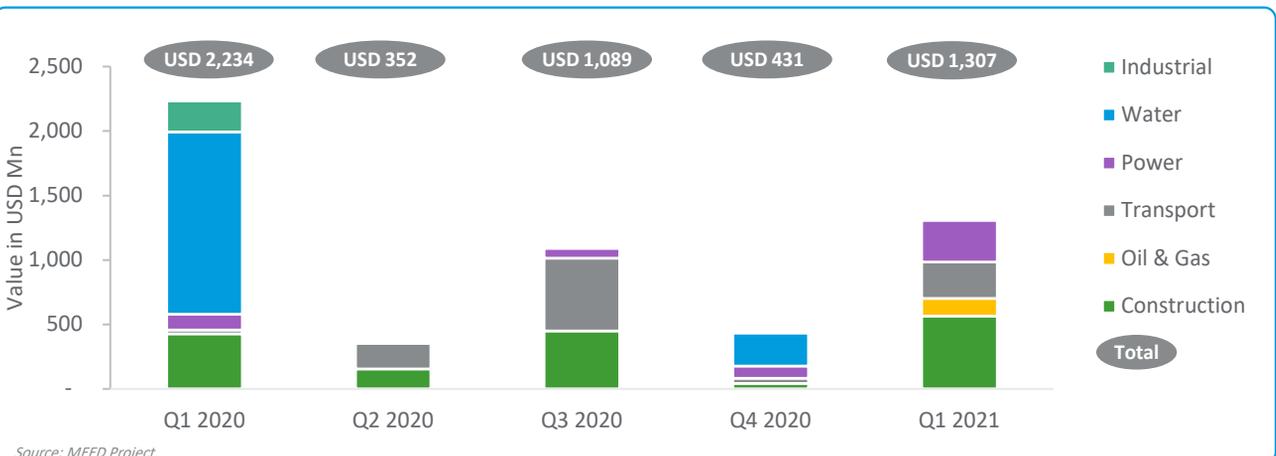
Annual Project Awards – By Sector (2016 – Q1 2021)



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

- The total value of project contract awards fell about 41% in Q1 2021 compared to the same period in Q1 2020 as a result of Covid-19, lower oil prices and cuts in project spending.
- Total Q4 2020 projects awarded shrunk by 18.5% to USD 431 million down from USD 529 million in Q4 2019.
- However, during Q1 2021 shows recover with a significant increase at USD 1,307 million compared with just USD 431 million in Q4 2020, despite the severe disruption caused by the Pandemic.
- Oil & Gas sector saw the least activity in Q1 2021, with only USD 137 million worth projects awarded, followed by the transport sector with USD 281 million. By contrast, the construction sector saw decent activity, with nearly USD 565 million awards during Q1 2021.

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



Source: MEED Project

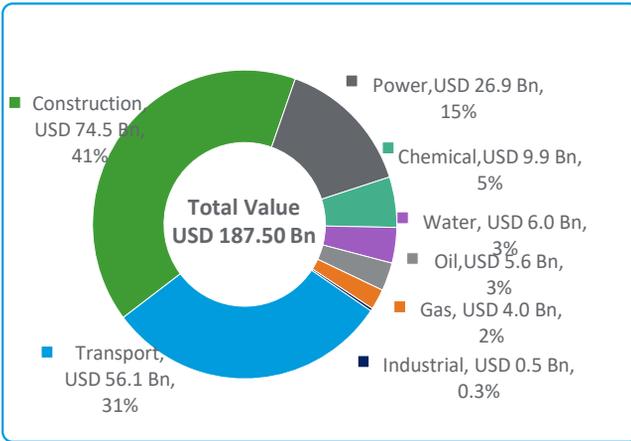


MAJOR PROJECTS UPDATE

Future Projects – Planned or underway

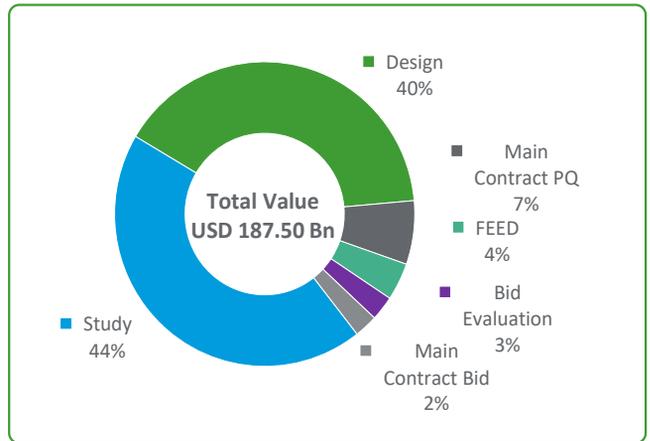
- Meanwhile, despite the economic challenges and Covid-19 pandemic, Kuwait remains largely positive with just over USD 187.50 billion worth of projects in the pipeline. Construction projects lead the way with 41%, followed by transport and power with 31% and 15% respectively. All sectors have a significant pipeline of projects.
- Further, these projects include partly put-on hold or canceled due to the disruption. However, considering the current pandemic crisis, it is expected that projects likely to be delayed further.

Planned or underway Projects – By Sector



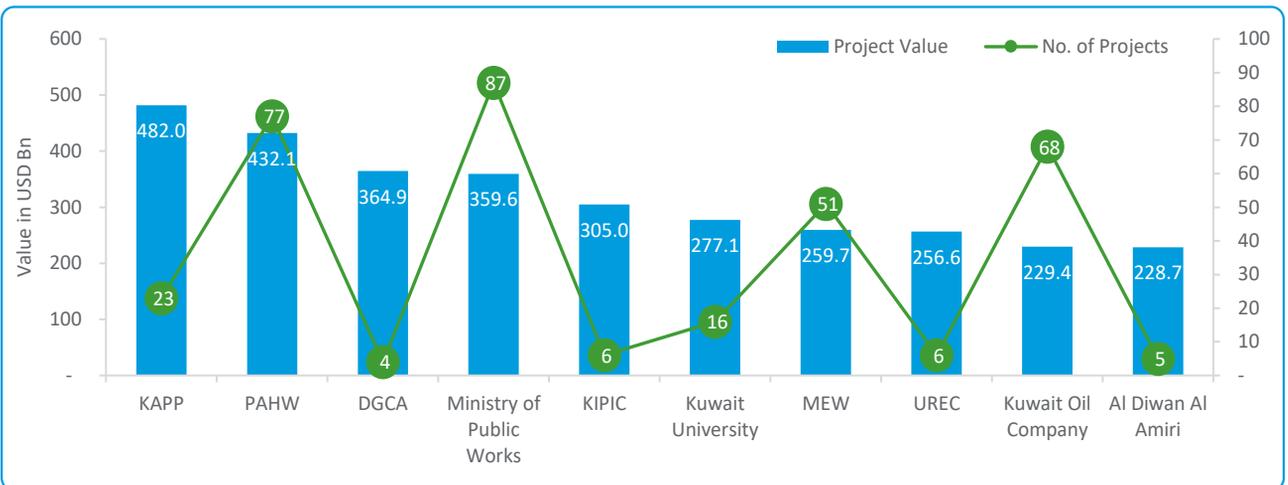
Source: MEED Project, updated as of 20th April 2021

Planned or underway Projects – By status



- The top 10 leading project owners in Kuwait have a varying degree of exposure to the project market's immediate challenges in the Country. The highest risk is likely to be the local contractor's dependent on government spending as Kuwait is likely to reduce spending in light of both Covid-19 and the collapse in oil prices.

Top 10 Project Owners



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

- KAPP - Kuwait Authority for Partnership Projects, PAHW – Kuwait Public Authority for Housing Welfare, DGCA - Directorate General of Civil Aviation
- KIPIC – Kuwait Integrated Petrochemical Industries Company, MEW – Ministry of Electricity & Water, and UREC - United Real Estate Company



MAJOR PROJECTS UPDATE... CONT'D.

A. Kuwait Authority for Partnership Projects (KAPP)

Kuwait approves consultancy award for 2 IWPPs advisory contracts

The Kuwait Authority for Partnership Projects (KAPP) was granted the approval of the State Audit Bureau to award the transaction advisory service contracts for the planned Al-Zour North 2 and 3 and Al-Khiran 1 independent water and power producer (IWPP) projects in Kuwait to a consortium led by the UK-based Ernst & Young (EY). KAPP opened the financial envelopes on 21st October 2020.

The Al-Zour North Phase 2&3 IWPP will merge the previously planned phase 2&3 and will have a generation capacity of 2,700MW and a desalination capacity of 165 million imperial gallons a day (MIGD), while the Al-Khiran Phase 1 IWPP will have a power capacity of 1,800MW and a desalination capacity of up to 125 MIGD.

2 approved Lowest bidders for the 2 IWPPs Schemes

- Ernst & Young (EY) (finance) / Atkins (technical) / Addleshaw Goddard (legal) (all UK-headquartered) – KD 1.2 million (USD 3.9 million)
- KPMG Advisory (finance, Kuwait) / DLA Piper (legal, UK) / ILF Consulting (technical, Austria) – (KD 1.6 million)

Kuwait saves billions of dollars on the Kuwait Metro scheme

As per the news report, KAPP conducted a study comparing the life cost of the planned Metropolitan Transit System (KMRT) project, and it found that Kuwait would save an amount of USD 2.9 billion if it built its planned Kuwait Metro project using private finance instead of using traditional procurement, as indicated below findings:

- 1) Traditional Procurement approach - The construction of 1st Phase would cost KD 4 billion (USD 13.2 billion) if implemented by the Government with an additional KD 1.3 billion for operation and maintenance annually for a period of 30 years.
- 2) Public-Private Partnership (PPP) approach - This would involve a 1st Phase cost of KD 3.476 billion, in addition to KD 934.8 million for operation and maintenance annually for a period of 30 years.

The KMRT scheme was originally envisaged as a PPP project with construction due to start in 2017, but it has suffered a series of setbacks.



B. Infrastructure and Development Projects

Kuwait extends deadline for Package 3 of T2 project

Kuwait's Ministry of Public Works (MPW) has further extended the bid submission deadline for package 3 of the Terminal 2 project at Kuwait International airport by 20th April 2021. Bids were initially due on 21st March, which was also extended from 21st February 2021.

The scope of the contract includes the construction, completion, furnishing and maintenance of aprons, taxiways and service buildings for Terminal 2, one of the projects for which Kuwait has budgeted spending in 2021/22.

Kuwait-based Gulf Consult, UK-based Penspen and Netherlands Airport Consultants are consultants for the project.

Kuwait invites firms for Messilah beach contract

Kuwait's Touristic Enterprises Company has invited firms to bid for the contract worth USD 50 million for the planned construction of the New Messilah Beach by 2nd March 2021.

The proposed project will be built on the existing Messilah Beach facility, which will cover approximately 71,000 square metres, and the scope of works includes demolition of all existing facilities, landscaping and underground utilities.

Invited firms for a consultancy contract for refinery upgrade

- Ahmadiyah Contracting & Trading
- Associated Construction Company
- Bayan National Trading Company
- Combined Group Contracting
- Enshaat Al-Eman
- HOT E&C
- Kuwait Company for Process Plant Construction & Contracting
- Mohammed Abdulmohsin al-Kharafi & SonsMushrif Trading & Contracting
- Real Estate Construction and Fabrication Company
- Sadeem Al-Kuwait
- United Gulf Construction Company

Kuwait's URC awards Byout Hessah scheme

Kuwait-based United Real Estate Company (URC) has awarded a contract worth KD 16.7 million (USD 55.2 million) to a local contractor Alghanim International General Trading & Contracting Company to develop Byout Hessah Projects located on plots 158 and 159 ,at the Northwest side of the master planned Hessah al-Mubarak district under development by URC.

The contract will cover civil and structural works for 40 townhouses, two 12-storey buildings comprising 104 apartments and completion is expected a timeline spanning 690 calendar days. The contract agreement had been signed with the contractor through Mena Homes Real Estate Company, an associate of URC with 33.33% ownership.

Kuwait receives bids for Al-Mutlaa wastewater project

Kuwait's Ministry of Public Works (MPW) has received four bids for the construction of Al Mutlaa WasteWater Treatment Plant (WWTP) located in Kuwait's Al-Jahra governorate.

The scheme 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.

Bidders for Al-Mutlaa wastewater projects

- The Arab Contractors-Osman Ahmed Osman & Company (Egypt)
- China State Construction Engineering Corporation
- Kuzu Toplu Konut (Turkey)
- Mohammed Abdulmohsin Al-Kharafi & Sons For General Trading (Kuwait)

30% accomplished in the New Maternity Hospital project in Kuwait

As of March 2021, Kuwait-based architecture and engineering firm, PACE has announced that it reaches 30% completion milestone on the construction works for the New Maternity Hospital project in Kuwait. Meanwhile, structural works are 95% complete, progressing simultaneously with façade, interior finishing, and MEP works.

The project is estimated to be valued at USD 817 million and expected to be completed by September 2022.





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

Kuwait extends airport road contracts

Kuwait's Ministry of Public Works (MPW) has extended the bid deadline for a contract worth USD 150 million for the plan to build and maintain a major roads and bridges linking Kuwait City to Terminal 2 of the Kuwait International airport by 17th February 2021 from 17th January 2021, which was extended over 2020 due to disruptions of the Covid-19 pandemic.

Prequalified firms for the road contracts (originally in 2018)

- Al-Ayuni (Saudi Arabia)
- Cengiz Insaat (Turkey)
- China Harbour Engineering (China)
- China State Construction Engineering (China)
- China Xingxing Group (China)
- Combined Group Contracting (Kuwait, UAE)
- Corsan Corviam Construction (Spain)
- Consolidated Contractors Group (CCC) (Lebanon)
- Galfar Engineering (Oman)
- Itinera (Italy)
- Kolin Insaat (Turkey)
- Larsen & Toubro (India)
- Limak Insaat (Turkey)
- Makyol Insaat (Turkey)
- Orascom Construction Industries (Egypt)
- Sacyr (Spain)
- Societa Italiana Per Condotte d'Acqua (Italy)
- Strabag (Austria)
- Teixeira Duarte Engenharia (Portugal)

50% completed on Al Andalus project in Hawalli

As of February 2021, the construction works on the mixed-used tower named Al Andalus located in Beirut Street, Hawalli is 50% completed, as confirmed by Ajial Real Estate Entertainment Company (AREEC).

The project is estimated to be valued at USD 76 million and expected to be completed by August 2021. The projects includes construction of a 30-storey tower, shopping mall, 11 cinema halls, construction of a hotel, office complex, medical clinics, and associated facilities.

65% completed on Kuwait Palace of Justice works

As of March 2021, the construction works on the design for the New Palace of Justice of Kuwait, owned by the Amiri Diwan, the building which is currently under construction at the site is 65% completed and are expected to be completed by March 2020.

Upon completion, the project is set to be the largest judicial building in the Middle East, once completed. It covers 33,384sqm which will include the construction of 141 courtrooms, and around 131,000sqm of office space.

95% completed on the road linking Mina Abdulla City and Wafra

As of February 2021, the General Authority for Roads and Land Transport announced that, the construction works of roads and bridges connecting Mina Abdulla City and Wafra, Kuwait have progressed up to 95%, which consists of 4 sections and the total length of roads is 41 km.

As per the news report, the initial handover and completion of the project is scheduled in March or early April 2021. The project is estimated to be valued at USD 350 million.





C. Oil & Gas sector projects

Kuwait prequalifies firms for USD 10 billion Prize scheme

Kuwait Integrated Petroleum Industries Company (Kipic) has prequalified bidders for the planned worth USD 10 billion, Al-Zour petrochemicals complex. The prequalified firms will be eligible to bid on the 3 main packages of the project, which is sometimes referred to as the Petrochemical Refinery Integration Al-Zour Project (Prize).

The scope of **Package 1**, includes gasoline and olefins units. It is estimated to cost USD 4 billion, and is also known as Gasoline EPC package 5011.

The scope of **Package 2**, includes aromatics units. It is also known as Petrochemical EPC package 5012.

7 Prequalified Group for Packages 1 & 2

- A consortium led by Tecnicas Reunidas (Spain) that includes Sinopec Engineering Company (China)
- A consortium led by Samsung Engineering Company (South Korea) that includes CTCI (Taiwan) and Consolidated Contractors Company (Lebanon)
- A consortium led by Fluor (US) that includes Daewoo Engineering (South Korea) and China Huanqiu Contracting & Engineering Corporation
- A consortium led by Saipem (Italy) that includes Hyundai Engineering & Construction Company (South Korea)
- TechnipFMC (UK)
- A consortium led by SK Engineering & Construction Company (South Korea) that includes Petrofac International (UK)
- JGC Corporation (Japan)

The scope of **Package 3**, includes port and export facilities as well as onshore and offshore pipelines. It is estimated to cost USD 1.5 billion, and is also known as Marine EPC package 5013.

4 Prequalified Groups for the Package 3

- A consortium led by China Harbour Engineering Company (China) that includes Saipem (Italy)
- A consortium led by SK Engineering & Construction Company (South Korea) that includes Larsen & Toubro (India)
- A consortium led by Hyundai Engineering & Construction Company (South Korea) that includes Hyundai Engineering Company (South Korea)
- A consortium led by Eiffage Genie Civil Marine (France) that includes Afcon Infrastructure (India) and Daewoo Engineering & Construction Company (South Korea)

CGCC wins Kuwait’s upstream oil and gas contract

Kuwait Oil Company (KOC) has awarded worth KD 41.9 million (USD 138.4 million) contract to Kuwait-based Combined Group Contracting Company (CGCC) for the external works for Jurassic Production Facilities (JPF) located at North of Kuwait.

The scope of the project includes; laying of flowlines, installation of wellhead hook-ups, installation of inlet manifolds, and construction of associated facilities. The project completion period is 60 months.

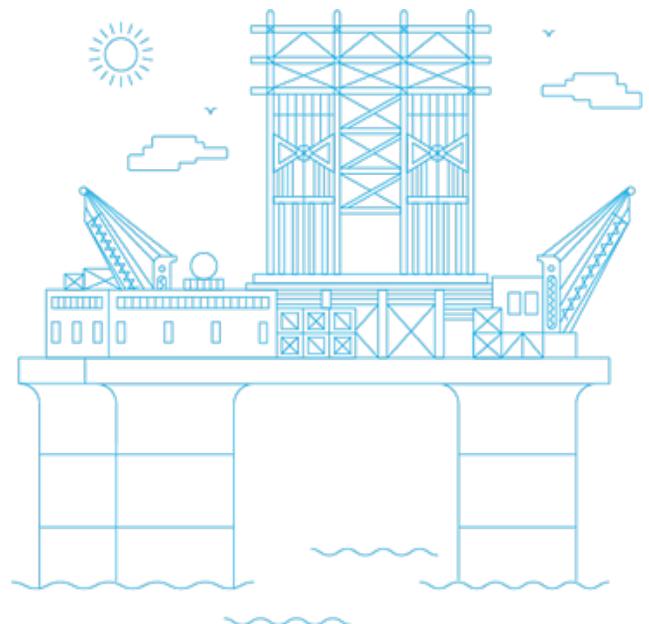
Kuwait receives bids for Jurassic gas JPF-4 and JPF-5

Kuwait Oil Company (KOC) received lowest bidders for the planned Jurassic Production Facilities (JPF) projects known as JPF-4 and JPF-5 contract on 4th April 2021. Both projects are estimated to have a total value of more than USD 1 billion combined.

The facility, known as JPF-4 is due to be located close to the Sabriyah field in the north of Kuwait and 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.

Latest lowest bidders for JPF 4 & JPF5 contracts

- | | |
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| <ul style="list-style-type: none"> ▪ Spetco (Kuwait) <ul style="list-style-type: none"> ○ JPF-4: USD 489.45 million ○ JPF-5: USD 489.45 million ▪ Jereh (China) with Napco (Kuwait) <ul style="list-style-type: none"> ○ JPF-4: USD 490.65 million ○ JPF-5: USD 490.65 million ▪ Gofesco (Kuwait) <ul style="list-style-type: none"> ○ JPF-4: USD 529.30 million ○ JPF-5: USD 529.21 million | <ul style="list-style-type: none"> ▪ Al-Khorayef Group (Saudi Arabia) <ul style="list-style-type: none"> ○ JPF-4: USD 530.13 million ○ JPF-5: USD 530.13 million ▪ NBTC (Kuwait) <ul style="list-style-type: none"> ○ JPF-4: USD 546.15 million ○ JPF-5: USD 549.17million |
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C. Oil & Gas sector projects... Cont'd.

Kuwait extends pipeline project bid deadlines

Kuwait Oil Company (KOC) has pushed back the bid deadline for many of its flowline projects, which includes the following:

- 1) A contract worth a total of USD 150 million to install flowlines for injector wells in north Kuwait had seen their bid deadlines pushed back. The new deadline for bid submission for the project is set on 26th April 2021, which were initially scheduled 12th April and 15th March 2021.

The project to install flowlines for injector wells in north Kuwait is one of several flowline schemes that have been tendered recently by KOC.

Prequalified contractors to bid for Project

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

- 2) KOC has further extended the bid deadline for several oil and gas flowline projects to 19th April 2021. The deadline for the project has seen several extensions which were initially scheduled 5th April, 29th March, and 15th March 2021.

The delayed projects include a USD 30 million work to reroute flowlines and associated works for the facility known as Gathering Centre 32 (GC-32) in southeastern Kuwait.

Other flowline projects, estimated to be worth USD 150 million each includes:

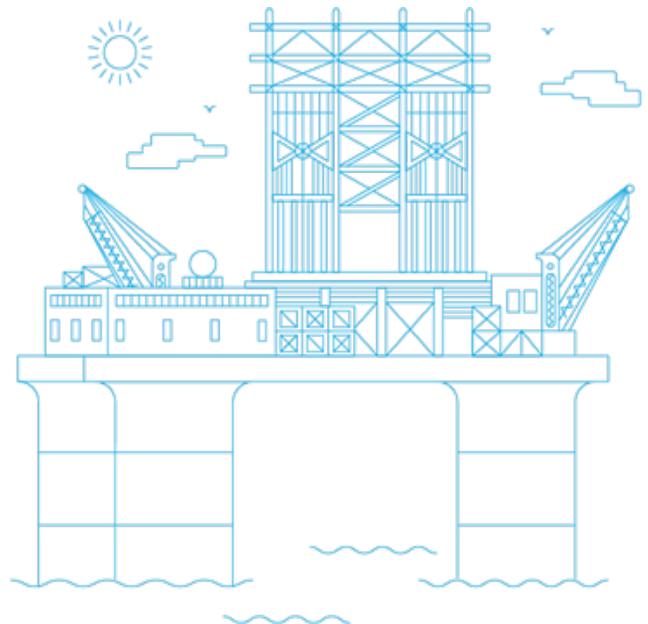
- Installation of flowlines and associated works in Kuwait's Burgan and Magwa area.
 - Installation of flowlines and associated works for new oil field wells in the west Kuwait area.
 - Installation of flowlines for producer wells in north Kuwait.
 - Installation of flowlines for producer wells in Um Niqa.
 - Installation of flowlines and associated works in west Kuwait.
- 3) KOC has also extended the bid deadline for worth USD 150 million contract to install flowlines for producer's wells in Kuwait's Umm Niqa oil field by 22nd March 2021 which were initial scheduled 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 and wellhead hook-ups
- Extension of existing headers/manifolds
- Shut down tie-in works for the flowlines and pipelines of carbon steel
- Piping works, Fabrication, and Welding works
- Installation of thrust boring, micro-tunneling, and cathodic protection system, and associated facilities.

Invited firms for the Refinery Consultancy contract

- Consolidated Contractors Company (Lebanon)
- Heavy Engineering Industries & Shipbuilding Company (Kuwait)
- Combined Group Contracting (Kuwait)
- Saipem (Italy)
- Larsen & Toubro (India)
- China Petroleum Engineering & Construction Corporation (China)
- Sicim (Italy)
- Citra Panji Manunggal (Indonesia)
- Galfar Al-Misnad Engineering & Contracting (Qatar)
- Mechanical Engineering & Contracting Company (Kuwait)
- HOT Engineering & Construction (Kuwait)
- Gulf Spic General Trading & Contracting Company (Kuwait)
- Alghanim International General Trading & Contracting (Kuwait)
- Almeer Technical Services Company (Kuwait)





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

Kuwait tenders two refinery consultancy contract

Kuwait National Petroleum Company (KNPC) has invited firms to submit bids for a consultancy contract for the following:

- 1) Invited 9 firms to submit a bid for a consultancy contract for a project to upgrade desalinated water import and storage facilities at the Mina al-Ahmadi refinery by 15th April 2021.

Invited firms for a consultancy contract for refinery upgrade

- Engineers India (India)
- Toyo Engineering (Japan)
- ILF Consulting Engineers (Austria)
- Asprofos Engineering (Greece)
- Gulf Spic General Trading & Contracting (Kuwait)
- Larsen & Toubro (India)
- Triune Energy Services (India)
- Worley (Australia)

- 2) KNPC has also invited 12 firms to bid for another contract for consultancy and engineering services at the Mina Abdullah Refinery. The Mina Abdullah Refinery is being upgraded as part of Kuwait's USD 12 billion clean fuels project. The closing date for bids is 10th June 2021.

Invited firms for the Refinery Consultancy contract

- Gulf Spic General Trading & Contracting (Kuwait)
- Toyo Engineering (Japan)
- Technip (France)
- Kentz (UK)
- Amec Kuwait Project Management & Contracting Company (Kuwait)
- KBR (US)
- Triune Energy Services (India)
- Sener Ingeniería Sistemas (Spain)
- Mott Macdonald (UK)
- Engineers India (India)
- Penspen (UK)
- McDermott International (US)

Kuwait extends the deadline for LNG terminal study

Kuwait Integrated Petroleum Industries Company (KIPIC) has extended the bid deadline for a contract to conduct a study for its planned worth USD 2.9 billion liquefied natural gas (LNG) import facility in Al-Zour by 9th February 2021, which were initially set on 26th January 2021.

The scope of the project includes marine works, such as jetties and unloading arms, and construction of an LNG terminal. As per 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 & Construction Company and Korea Gas Corporation for USD 2.93 billion.

Technip wins Kuwait Oil contract

Kuwait Integrated Petroleum Industries Company (Kipic) has awarded worth KD 68 million (USD 223 million) contract to French Engineering Company Technip for a consultancy contract for project engineering and management services.

The scope of the contract covers consultancy for project engineering and management services for various projects at Kuwait's Al-Zour refinery, the Al-Zour petrochemicals complex, the nearby liquefied natural gas import facilities and other facilities belonging to Kipic.

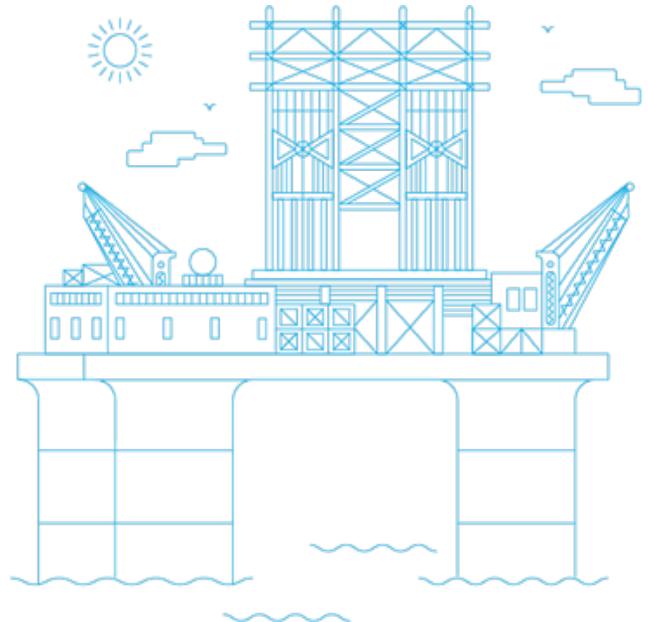
Lowest bidders for Al-Zour Refinery Consultancy Services

- Technip (France), KD 68 million (USD 223 million)
- KBR (US), KD 73 million
- Worley (Australia), KD 84 million
- Wood Group (UK), KD 98 million

Sinopec wins Kuwait's oil contract

Kuwait Oil Company has awarded worth USD 360 million contract to a subsidiary of China Petroleum & Chemical Corporation (Sinopec) for 10 workover rig service project contract for a contract period of five years with the option to extend for an additional sixth year.

The expected to support Kuwait's efforts to boost crude oil production and consolidate Sinopec's position as a drilling contractor in Kuwait.





D. Other sector projects

Kuwait to tender oil storage contracts

Kuwait Oil Company (KOC) is planning to tender two maintenance service contracts for hydrocarbon storage tanks. First contracts, relates to tanks in Kuwait’s South Tank Farm and in the west Kuwait area. The 2nd contract, relates to tanks in Kuwait’s North Tank Farm and the north Kuwait area.

Prequalified firms for oil storage contracts

- Al-Magwa Engineering & Contracting (Kuwait)
- Consolidated Contractors Company (Lebanon)
- Tariq al-Ghanim General Trading & Contracting Co. (Kuwait)
- Mark Technologies Company for General Trading & Contracting (Kuwait)
- Integral Services Company for Mechanical Contracting & Instrumentation (Kuwait)
- SKS Group General Trading & Contracting (Kuwait)
- Naser Mohamed al-Baddah & Partners General Trading & Contracting Company (Kuwait)
- Heavy Engineering Industries & Shipbuilding Co. (Kuwait)
- Gulf Spic General Trading & Contracting Co. (Kuwait)
- ACME International Trading & Contracting Co. (Kuwait)
- Finesco International Trading & Contracting Co. (Kuwait)

Kuwait tenders in-house PMC contract

Kuwait Oil Company (KOC) has invited firms to submit a bid for in-house project management consultancy (PMC) contracts by 18th April 2021 and a pre-bid meeting was held on 4th March 2021.

As per the news report, the winner of the contract will be expected to act as a consultant on front-end engineering and design (feed), project management and associated services for KOC’s major projects.

Invited firms for the Refinery Consultancy contract

- Flour (US)
- Technip FMPC (UK)
- KBR (US)
- Worley (Australia)
- Wood Group (UK)

Kuwait receives bid for Shuwaikh Port utilities projects

Kuwait Ports Authority (KPA) received bids from 13 groups for a contract worth USD 714 million for the construction of New Utilities Systems at Shuwaikh Port. Kuwait-based, Boodai constructions W.L.L has submitted the lowest bid of KD 10.8 million (USD 35.6 million). KPA issued the tender during September 2020.

The project scope of works includes design, construction, and maintenance of structural, architectural, electrical, mechanical, and infrastructure facilities at the existing Shuwaikh Port. The design consultant for the project is Meinhardt

Kuwait invites EoI for Sulphur processing projects

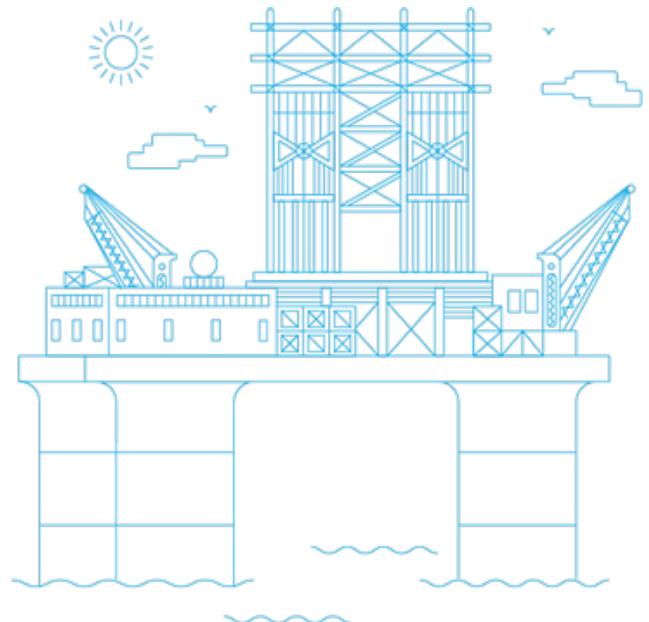
Kuwait Petroleum Corporation (KPC) has invited firm to submit Expression of Interest (EoI) for the development of new projects to process the sulphur produced as a by-product from the country’s refineries and oil processing facilities. The deadline for expression of interest (EoI) set on 25th March 2021.

As per the news report, the KPC wants to sell sulphur through long-term contracts and is initially offering to sell 30-40 thousand tonnes a year.

US-based Halliburton wins Digital Solutions contracts

Kuwait Oil Company has awarded a contract to US-based oil & gas service provider, Halliburton Company to collaborate on their digital transformation through the maintenance and expansion of digital solutions for KOC’s North Kuwait Project.

The project will allow KOC to accelerate data-to-decisions cycle by designing and operating digital twins of the field to automate work processes, supported by DecisionSpace® 365, a cloud-based subscription service for E&P applications.





D. Other sector projects... Cont'd.

Kuwait awards KD 13.94 million contract for distribution substations

Kuwait Ministry of Electricity and Water (MEW) has awarded worth KD 13.94 million (USD 46 million) contract to Kuwait-based Al-Ahleia Switchgear Company for an Engineering, Procurement, and Construction (EPC) contract which involves manufacturing, supply, and installation of Ring Main 11/0.433 kV distribution substations. The Contract duration is 36 months starting from the date of signing the contract.

Kuwait awards 300kV Cables Project

Kuwait Ministry of Electricity and Water (MEW) has awarded a contract worth KD 4.71 million (USD 15.5 million) to Shubaily International General Trading and Contracting Company for the project "Supply and Installation of 300kV Underground Cables to connect the FRRD'W' and SDIQ'W' substations".

The project scope of work involves supply and installation of a 300 kV cable circuits in a concrete trough each comprising six 1600 sq.mm. 1 Core 300 kV XLPE cable (2 cable/ph), one bonding and earthing cables, and one optical fiber cable (UGOP) containing 48 fibers (G655) including all accessories, (12) SF6 indoor sealing end terminations, joint pits, road crossing, cable cover tiles, cable protection net, warning tapes, link boxes. The period of the contract will be 36 months starting from signing the contract.

Kuwait invites bid for 132kV Shuwaikh Substation

Kuwait Ministry of Electricity & Water (MEW) has invited bids for the Replacement of 132kV circuit breakers and their accessories at Shuwaikh substation related to Shuwaikh Power and Water Desalination Station.

The major scope of work includes: 24 bays of 132kV GIS, 110V DC system, LV Switchboards, Civil Works, Electro Mechanical Works, 2MVA, 11.5/0.415kV Auxiliary Transformers, 15kV Switchgears, New Protection/control panels, Cabling and terminations, and Demolition works. As per the news report, Contractor needs to handover the substation in 3 years, and the bid submission is scheduled 13th April 2021.

Kuwait to tender EPC contract

Kuwait's Ministry of Electricity & Water (MEW) plans to tender an engineering, procurement and construction (EPC) contract for power generation plants with a capacity of 1,000MW.

The contract would be for a 750MW combined-cycle gas turbine (CCGT) power plant and for converting an existing 250MW open-cycle into a combined-cycle plant in Subiya.

Kuwait prepares to award soil remediation projects

Kuwait Oil Company (KOC) is expecting to award an estimated worth USD 900 million contract for oil pollution clean-up operation in North and South Kuwait to three firms that have won the deals.

The two major soil remediation projects are known as the North Kuwait excavation, transportation and remediation project, and the South Kuwait excavation, transportation and remediation project, which are part of the multibillion-dollar Kuwait Environmental Remediation Programme (KERP).

KERP is the largest environmental remediation project in the world and was established by the United Nations Compensation Commission (UNCC) to help Kuwait address the environmental damage resulting from the 1990-91 Gulf War.

Firms that have won for two the Soil Remediation Project

- Al-Sayer General Trading & Contracting
- Khalid Al-Kharafi Group, and
- The Kuwait Company for Process Plant Construction & Contracting



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