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Kuwait to integrate oil companies by 2025

The Kuwait Petroleum Corporation (KPC) is overseeing the transfer of shares from the KGOC to KOC. The merger is being meticulously managed to avoid any disruption to the operations of the eight oil companies involved in the consolidation. The merger is expected to yield significant financial benefits, with an estimated annual savings of approximately $1.25 billion. These savings will be achieved through reduced costs, streamlined maintenance operations and efficiency.

KPC to invest $22.92 billion in 'Al-Durra' field over five years

Kuwait Petroleum Corporation (KPC) plans to invest KD 7 billion ($22.92 billion) on its upstream operations over the next five years to boost production in the Al-Durra offshore field. Durra holds an estimated 20 trillion cubic feet in proven reserves. Kuwait has begun steps to build an onshore gas processing receiving facility, part of a Durra-related agreement with Saudi Arabia for each country to build those facilities. Kuwait will reach its production capacity of 3.2 million barrels per day before the end 2024, and plans to increase it to 4 million by 2035. Al-Durra field's engineering studies will be updated by the end of the summer, and actual work will begin in the field before the end of 2024. KPC is seeking the cheapest financing options for its projects, relying on a combination of self-financing, borrowing, and partnerships with other entities.

KOC sets Kuwait renewable hydrogen plan

Kuwait Oil Company (KOC) has awarded KBR of USA an advisory consulting contract to develop a country-wide master plan for the production of 17GW of renewables and 25GW of green hydrogen by 2050. The 18-month contract will involve developing a market analysis and the techno-commercial feasibility studies, as well as the training of Kuwaiti nationals. According to KBR, the renewable power capability will be linked to the production of green hydrogen for internal industrial use and for export

purposes. KNPC was the original procuring entity for the 1.5GW Al-Dibdibah solar project before it was transferred to the Kuwait Authority for Partnership Projects.

Kuwait-Saudi rail link – initial design begins

The rail link connecting Saudi Arabia and Kuwait has made further advances after the two countries announced that preparations are under way to launch the initial designs for the project. Project Management Committee of Kuwait and Saudi Arabia have approved the outcomes of the financial, economic, technical and social feasibility study for the railway link project which aims to transport passengers and goods. The project involves constructing a 700-kilometre railway line from southern Kuwait to Riyadh. In April 2024, the authorities have completed the 80% of the studies. It has also been reported that Saudi Arabia Railways had appointed France's Systra to complete the feasibility study for a high-speed rail link connecting Saudi Arabia and Kuwait.

Kuwait remediation projects worth US$391m pushed ahead

It has been reported that two key soil remediation projects in North and South Kuwait with a value of US$391m are making good progress. KOC awarded both contracts to a joint venture by Kuwaiti Khalid Ali Al-Kharafi & Bros Co and Finland's Lamor Corp. as part of the Kuwait Environmental Remediation Programme (KERP) in June 2021. The soil had oil contamination of 1% to 5% and scope of work involves excavation, transportation & remediation at Sabria and Greater Burgan areas of Kuwait with the value of US$194 and US$197 respectively. Under the new model, state-owned companies are managing more of the tender processes, and a member of the Central Agency for Public Tenders CAPT committee is sitting in on their meetings to ensure following up of processes.

Kuwait's real estate sales reach 2-year high in Q2-2024

Real estate sales in Kuwait hit a two-year high in Q2 2024 helped by sizable one-off deals across the main three segments. The level of overall sales rose 22% q/q in Q2 to KD853 million. Residential sales dropped by -4.7% q/q to KD337 million (US$1100 mn), following minimal growth in Q1 and just below the 2023 quarterly average.

PIC records a net profit of KD 39m (US$ 127 m)

The Petrochemical Industries Company (PIC) achieved a net profit of KD 39 million (around $127m) in the 2023-24. PIC managed to conserve expenditure and increase profits via a series of initiatives in the last fiscal year and the company is currently coordinating with Kuwait Petroleum Corporation (KPC) on the Olefins IV project to get approval. The strategic projects include an international-standard petrochemical complex producing "ethylene, polyethylene, ethylene glycol, and specialized petrochemical products." PIC is also eager to boost partnerships with global companies through its mid and long-term strategies, including acquisition of established factories and shares of companies.

Kuwait, China advance renewable energy projects

Minister of Finance Dr. Anwar Al-Mudhaf met with Ma Zhao, the Commissioner-General of the Rep Office for the Middle East and Africa in the People's Republic of China, to discuss enhancing cooperation in the electric power system and developing renewable energy. The Ministry of Finance stated the meeting focused on joint efforts and bilateral work to begin implementing and translating the agreements and memoranda of understanding signed during the visit of Amir Sheikh Mishal AlAhmad Al-Jaber Al-Sabah to China in September 2023.

NBK focuses on Kuwait's mega-projects and international expansion

National Bank of Kuwait (NBK) continues to implement diversification strategy utilizing adaptable business models against the volatile macroeconomic environment to maintain strong performance. Recently, NBK reported net profits of KD 292.4 million in the first half of 2024, a growth of 6.2%.

PAHW awards tenders for construction of girls centers in Sabah Al-Ahmad, Saad Al-Abdullah

The Public Authority for Housing Welfare has awarded two tenders for the construction of girls hostel in Sabah Al-Ahmad and Saad Al-Abdullah cities, worth approximately 17 million dinars (US$51 mn). The contracting committee meticulously evaluated the submitted offers from legal, procedural, and financial perspectives.

Kuwait withdraws upstream tenders worth $2.1bn

Kuwait Oil Company (KOC) has withdrew tenders for 2 upstream projects worth an estimated total of $2.1bn because of non following of normal procedure as companies were not given the normal 30-day notice about the upcoming tender. It is expected that it will be re-tendered after a period of 30 days. Scope of projects included installation of Separation Gathering Centre 1 (SGC1) and Water Injection Plant 1 (WIP1) in the area known as East Kuwait 1 worth KD333m ($1bn) and 2nd project relates to installation of Separation Gathering Centre 3 (SGC3) and Water Injection Plant 3 (WIP3) in the area known as South Kuwait 1 estimated to be worth KD341m ($1.1bn).

With regards,

(Davinder Punj)
Second Secretary (Commerce)