

**Embassy of India
Kuwait

**Weekly Economic & Commercial Report
13 September to 19 September 2024**

Kuwait sets fresh deadline for gas pipeline bids

State-owned upstream operator Kuwait Oil Company (KOC) has extended the bid deadline to 8 October 2024 for a contract for a gas export pipeline estimated to be worth about \$200m. The pipeline will extend from the Wafra Joint Operations (WJO) area to the booster station known as BS-171. The WJO area is located in the Partitioned Zone between Kuwait and Saudi Arabia. The area is operated jointly by Kuwait Gulf Oil Company, which represents Kuwait, and Saudi Arabian Chevron, which represents Saudi Arabia. Earlier this year, chief executive of Kuwait Petroleum Corporation (KPC), Sheikh Nawaf Al-Sabah, reiterated that his company is planning to increase its oil production capacity to 4 million barrels a day by 2035.

Public Works unveils major health infrastructure plan in 2025

The Ministry of Public Works has included a contract for the study, design and supervision of the construction of the Public Authority for Food and Nutrition (PAFN) headquarters in its plan for fiscal 2024/2025. Sources affirmed this project is one of the ministry's most important construction projects, considering the role of PAFN in protecting public health and that it will be implemented for the benefit of the Health Ministry. Sources revealed the design contract will be offered for bidding in December, indicating the implementation period for the design work is 24 months and 39 months for supervising the implementation phase.

Kuwait aims to energize private sector with new power projects

The Development Plan Report 2024-25 specified the legislative requirements to enhance the Dynamic Private Sector Program, including the proposed public electricity and water corporation. The report stated that the Ministry of Electricity and Water's share of the strategic projects is three -- North Zour Power Station (phases two and three) to produce 2,700 megawatts; Khairan Power Station (phase one) to produce 1,800 megawatts; and the supply and installation of turbine units at Subiya Power Station to produce 900 megawatts (phase four). The report explained that the goal of the Dynamic Private Sector Program is to transform Kuwait into an attractive environment for investments in various fields, especially in the energy and water fields, led by the private sector through the creation of an easy business environment, fair competition and smooth government procedures.

KPC adjusts strategy amid global oil market volatility

In response to recent fluctuations in the global oil market and concerns about potential price declines, the Kuwait Petroleum Corporation (KPC) is implementing strategic adjustments to optimize operations and financial performance. As oil prices face downward pressure, with concerns that they could fall below \$70 per barrel, KPC has taken decisive action to streamline its practices and focus on core production activities. Since August, the KPC has emphasized the need to eliminate unnecessary practices and redirect resources toward increasing production capacity and reducing inefficient spending. With regards to this initiative, the key measures include screening and canceling tenders. Following directives from Sheikh

Nawaf Al-Saud AlSabah, CEO of KPC, the corporation's affiliated companies are reviewing and canceling tenders and practices deemed non-essential. This move aims to prioritize urgent and financially beneficial projects while reducing extraneous costs. The KPC is focusing on projects that offer significant financial returns, ensuring that investments are directed towards initiatives that will yield the highest benefits.

Kuwait's industrial loans reach KD 390 mln in 2024

From January to July 2024, Kuwaiti banks issued loans totaling approximately 390 million dinars to support industrial activities. In July alone, financing surged to 57 million dinars, marking a significant 61.4 percent increase from the 35.3 million dinars granted in June. Despite this monthly boost, annual comparisons reveal a drop of 40.7 percent, as financing in July 2023 had reached 96.2 million dinars. The overall balance of industrial loans, however, showed a decrease of 0.69 percent, falling from 2.657 billion dinars in June to 2.639 billion dinars in July. This reduction is even more pronounced on a yearly basis, down 4.5 percent from 2.764 billion dinars in July 2023.

Fitch affirms Kuwait credit rating at 'AA-' with stable outlook

The Central Bank of Kuwait (CBK) welcomed the report released on Friday by Fitch Ratings, which affirmed Kuwait's long-term foreign-currency issuer default rating (LTFC IDR) at "AA-" with a stable outlook. A CBK statement, received by KUNA, carried the following highlights from Fitch report: "Kuwait's heavy dependence on oil, its generous welfare system and large public sector that could be challenging to sustain in the long term. "Kuwait's external balance sheets remain the strongest of all Fitch-rated sovereigns," the CBK statement quoted the report as saying. Fitch forecasts Kuwait's sovereign net foreign assets will rise to 538 percent of GDP in 2024 and average 553 percent in 2025-2026, more than 10x the AA median, according to the statement.

KGOC & Saudi Chevron aim to double Wafra field production

Kuwait Gulf Oil Company (KGOC) and Saudi Chevron Company are working hard to double the production capacity of Wafra field to reach 320,000 barrels before the end of 2028. Acting Chief Executive Officer (CEO) of KGOC Abdul Wahab Al-Mazen and Deputy CEO for Joint Operations Bader Al-Munifi had earlier discussed the company's action plan with those in charge of operations. They deliberated on all means to improve the company's performance. the concerted efforts of KGOC and Kuwait Oil Company (KOC) in the drilling operations in KGOC projects are part of the preliminary procedures for merging the two companies like Kuwait National Petroleum Company (KNPC) and Kuwait Integrated Petroleum Industries Company (KIPIC).

With Regards,

Commercial Section
Embassy of India,
Kuwait