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Kuwait
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New MNEs tax law takes effect Jan 1

Kuwait issued a Decree No. 157 of 2024, pertaining to the tax law regulating Multi-National Entities (MNEs) operating in Kuwait. The law consists of 41 articles and is designed to align Kuwait's tax system with global standards, particularly the OECD's "Pillar Two" international tax reform initiative aimed to ensuring multinational companies pay a minimum tax rate on profits earned in each country they operate, thus curbing tax avoidance strategies such as profit shifting to low-tax jurisdictions. Minister of Finance and Minister of State for Economic Affairs and Investment emphasized that the implementation of this tax law reaffirms Kuwait's commitment to fostering economic development, financial sustainability and fair international tax practices. Minister highlighted that it aims to reduce dependency on oil revenues, diversify income sources and build a flexible economy capable of overcoming future challenges. Ministry of Finance plans to reach out to the affected companies to provide knowledge on the new law through workshops and meetings, with a dedicated timeline to ensure all relevant entities are informed.

MEW signs contracts worth KD238 mln for power and water stations

Kuwait's Minister of Electricity, Water and Renewable Energy Dr. Mahmoud Bushehri signed two maintenance and modernization contracts for power and water distillation stations. Value of the contracts has been estimated at about KD 238 million. Scope of the the first contract includes the provision of high-precision and efficient engineering services for gas and steam turbine units used in electricity generation, as well as regular and major maintenance works to ensure their safe and reliable operation. The second contract is for the development and modernization of steam boilers used in power production and water distillation at the West Doha Station. The goal is to extend the lifespan of the boilers for 20 years, while enhancing their efficiency. These improvements are expected to contribute to the reduction of operating costs and carbon emissions to protect the environment.

KOC discovers heavy oil in 'Al-Ratqa' field

Kuwait Oil Company (KOC) has announced the addition of 90,000 barrels of heavy crude to its production, with more to come. KOC revealed the discovery of heavy oil in the northern part of Kuwait, specifically in the Al-Ratqa field. It anticipates that production will exceed 100,000 barrels per day in the second half of next year. It is the heavy type of crude, with an API gravity of 17. The Al-Zour Refinery is equipped to break down heavy oil into lighter products, and the Shuaiba Refinery, built in 1967, was the first of its kind among OPEC countries to convert heavy oil into lighter products. This adds value and profit over crude oil. Kuwait has traditionally produced a single type of crude, which is called Kuwait Export Crude (KEC). Kuwait's six refineries are specifically designed to process KEC, but they are also capable of handling other types of crude without any limitations. With this new discovery, Kuwait's production is expected to reach three million barrels per day in the

second half of next year. Following this, Kuwait will seek an increase in its production quota, similar to the recent adjustments made by other OPEC members such as Iraq and Abu Dhabi, with the goal of obtaining organizational consensus.

KNET achieves record growth in e-payments

Chairman of the Kuwait's Board of Directors of the Shared Electronic Banking Services Company (KNET), revealed that KNET is set to achieve record breaking growth in the fiscal year ending. Notably, KNET's point-of-sale service, which has become a cornerstone of Kuwait's payment system, recorded a 20 percent increase in transaction volumes and a 5% growth in the number of POS devices. KNET has strategic partnerships with top financial technology firms to further innovate and improve customer experiences. ATM withdrawals decreased by 14% in volume, the value of these transactions fell by 15%, indicating a shift towards digital payments. He also praised the Central Bank of Kuwait's support for KNET, which plays a crucial role in enhancing the payments sector and promoting financial inclusion. KNET, founded in 1992, is a leading Kuwaiti company in electronic payment services, linking local banking systems to provide efficient, secure and innovative payment solutions across the country, aiming to reduce reliance on cash transactions.

Kuwaiti real estate liquidity up 13.8% in 2024

The Kuwaiti real estate sector has experienced significant changes and milestones throughout 2024, impacting liquidity, price levels and market dynamics. The sector's liquidity increased by 13.8 percent in the first 11 months of 2024, reaching 3.07 billion dinars, compared to 2.70 billion dinars during the same period in 2023. Among the notable developments this year was the Mangaf fire, which affected the investment in warehouse sectors, alongside the approval of several real estate-related laws and decisions. A survey has been conducted seeking insights from real estate professionals regarding the market's outlook for 2025. Survey expects downward trend to persist into 2025, though at a more gradual pace, especially in areas with speculative pricing in recent years. Survey found the decline in residential prices to continue in 2025, particularly in areas previously affected by speculation. Survey also outlined several challenges for the sector in 2025, including the implementation of new laws, increased fees and regional geopolitical factors.

KOC floats tender for provision of technical services

The Kuwait Oil Company (KOC) floated a tender for the provision of unified technical software services, with the application submission deadline set for December 29, 2024, and the final date for the tender is January 28, 2025, according Central Agency for Public Tenders (CAPT) website. Separately, Kuwait Integrated Petroleum Industries Company (KIPIC) has also issued a tender for provision of catalyst loading and unloading services at the Al-Zour Refinery. The deadline for tender submission is January 21, 2025, with the preliminary meeting scheduled for January 6, 2025.

KUFPEC maintains strategic role in Pakistan's oil sector

Kuwait Foreign Petroleum Exploration Company (KUFPEC) announced that its subsidiaries, KUFPEC Pakistan Holdings B.V., KUFPEC Pakistan B.V., and Kirthar Pakistan B.V., have

successfully divested their non-operated assets in Pakistan. The divestment was made in favor of Petroleum Exploration (Pvt) Limited, a leading private sector exploration and production company in Pakistan with a significant local and international presence. KUFPEC emphasized that despite this divestment, it continues to be a strategic partner to the Pakistani government in oil and gas exploration and production. The company also reaffirmed its ongoing role as the operator of the Makhad Block in Pakistan. KUFPEC further noted that it is working to diversify and expand its operations in Pakistan, adding that in collaboration with the Directorate General Petroleum Concessions and major exploration and production companies, it is preparing for the upcoming offshore bidding round. This strategic involvement demonstrates KUFPEC's commitment to strengthening its presence and continuing to grow within Pakistan's energy sector. KUFPEC is a wholly owned subsidiary of Kuwait Petroleum Corporation, engaged in the exploration, development, and production of crude oil and natural gas outside the State of Kuwait.

Acwa Power-GIC and others bid for Al-Zour North 2 & 3

A joint team of Saudi Arabia's ACWA Power and Kuwait's Gulf Investment Corporation (GIC) have submitted a bid for the contract to develop Kuwait's second Independent Water and Power Project (IWPP). Kuwait's Ministry of Electricity, Water & Renewable Energy (MEWRE) received the bid through Kuwait Authority for Partnership Projects (KAPP) to develop the Al-Zour North 2 and 3 IWPP. Project will have a generation capacity of 2,700MW and a desalination capacity of 120 million imperial gallons a day (MIGD). In addition to the above two companies other consortiums and companies qualified to bid, include: (1)Abu Dhabi National Energy (Taqa) / AH Al-Sager & Brothers Company (local) / Jera (Japan) (2) China Power International Holding (China) / Malakoff International (Malaysia) / Abdulaziz Al-Ajlan & Sons (Saudi Arabia) (3) Nebras Power (Qatar) and (4) Sumitomo Corporation (Japan).

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