

**Embassy of India
Kuwait

**Weekly Economic & Commercial Report
07 February – 13 February 2025**

Kuwait eyes infrastructure leap with new fiscal budget

Kuwait Minister of Finance & Minister of State for Economic Affairs and Investment during an extraordinary session presented draft budget focusing on projects for the fiscal year 2025-26 to the Council of Ministers for approval. The budget included an unprecedented 69 projects for ministries and government departments, 21 projects for affiliated bodies and 34 projects for independent institutions. These initiatives are expected to contribute significantly to the country's development across vital sectors such as roads, sanitation, education, health, water and transportation. The capital expenditure for 2025-26 has been allocated as KD 1.9 billion for Ministries, KD 1.5 billion for affiliated bodies, KD 118 million for independent institutions and KD 253 million for other agencies.

Cooperative Societies' new plan to create jobs, slash prices in co-ops

Vice President of the Kuwait Union of Cooperative Societies unveiled a new strategy that will shape the future of the cooperative economy in Kuwait, aligning with Kuwait Vision 2035. The strategy is built on four key development pillars aimed at enhancing citizen welfare and ensuring real economic sustainability. A key goal of the plan is to reduce unemployment by generating 10,000 job opportunities for graduates within the cooperative sector over the next five years. The strategy also focuses on reducing consumer goods prices by 15-40% to ease the financial burden on citizens. Cooperative Societies control around 70% of Kuwait's retail trade and operate major central markets serving various sectors, with financial reserves exceeding KD250 mln and annual sales surpassing KD 1 bln.

PAHW opens bids for road building, repairs in Mutla'a

Kuwait's Public Authority for Housing Welfare (PAHW) has opened bids for the construction and maintenance of the asphalt surface layer and related works in Mutla'a City. Nine companies participated in the bidding and the lowest bid was KD19.5 million. The bids will undergo a comprehensive technical and financial study in preparation for awarding the contract. It was ascertained that the objective of the project is to improve the infrastructure of the city's road networks. The lowest bid opened for management, supervision, construction, completion and maintenance of infrastructure in N4 suburb in Mutla'a housing project was KD1.092 million.

KOC expands green energy efforts, cuts CO2 emissions

The Kuwait Oil Company (KOC) revealed that the company has made significant strides in adopting green energy and reducing its environmental footprint. In collaboration with the Kuwait National Petroleum Company (KNPC), KOC has installed solar panels at various project sites across southern and northern Kuwait, particularly in areas involved with the

United Nations program for reclaiming lands that were contaminated during the Iraqi invasion. This initiative has successfully reduced carbon dioxide emissions by more than 16 tons and boosted the use of renewable energy for these projects. In northern Kuwait, the renewable energy contribution has reached 36 percent, while in southern Kuwait, it stands at 15 percent. Additionally, KOC has begun conducting specialized technical studies on the condition of oil reservoirs in its fields. These studies are aimed at aligning the production capacities of these reservoirs with the facilities' capabilities to process the oil and gas produced. In a separate development, KOC is renewing previous contracts with the same contracting companies for current and future projects. This decision, made in accordance with a unanimous agreement, is expected to result in significant savings.

Kuwait public debt stays below 60 percent of GDP

Kuwait's Minister of Finance, Minister of State for Economic Affairs and Investment affirmed that Kuwait has taken serious steps in implementing its development vision (Kuwait 2035), especially achieving financial balance and economic reforms. The Minister pointed out that the forum will showcase Kuwait's successful experience in the process of issuing bonds and sovereign debt for the state, which achieved success in 2017 as Kuwait entered the international financial markets by issuing bonds worth US\$8 billion. Given the high credit rating of Kuwait, this issuance received great demand and was covered at a rate of 3.6 times the total value of the issuance itself, and orders now exceeded US\$29 billion, with more than 500 foreign and international investors participating in the issuance, which reflects strong confidence in the creditworthiness of Kuwait and its economic policies. On the public debt, it does not exceed 60 percent of the country's gross domestic product, with Kuwait having the lowest debt percentage on a regional level.

PAHW signs KD785 mln deals for major housing project 6,455 homes

Kuwait's Public Authority for Housing Welfare (PAHW) has signed four contracts for the construction and maintenance of 6,455 houses and public buildings. PAHW also confirmed the signing of six contracts with local and international companies to implement the city works with a total value of KD 785,372,093 with implementation period of 1,095 days. PAHW also informed that the affordable housing project consists of 9,800 houses with public buildings and connected projects.

Wafra operations to boost production to 230,000 bpd

The joint Wafra operations between the Kuwait Gulf Oil Company and Saudi Chevron Company aim to boost the field's production capacity to 230,000 barrels per day by 2027, up from the current 170,000 barrels per day. Meanwhile, the management overseeing the joint Khafji field operations between Kuwait Gulf Oil Company and Saudi Aramco plans to raise the field's production capacity from 270,000 to at least 360,000 barrels per day by early 2028. To achieve this, Khafji operations are increasing offshore drilling platforms. A contract was recently signed with a leading digital transformation company to integrate artificial intelligence into the development of Khafji field facilities. The contract also aims to enhance cybersecurity and protect Khafji field data through artificial intelligence, and establish an advanced digital systems monitoring center to track potential threats or violations of information security laws and regulations.

Kuwait oil projects worth \$2bn suffer delays

Two oil projects in Kuwait that are estimated to be worth a total of \$2bn are encountering delays at pre-tender clarification process. The bid submission deadline for projects is set for 2 March 2025, but contractors are expecting further extensions and if the deadline is extended, it could be a for a significant period. In December, it was found that seven companies were considering bidding on the projects. The two schemes consist of a project to develop Separation Gathering Centre 1 (SGC-1) and Water Injection Plant 1 (WIP-1), and a separate project to develop SGC-3 and WIP-3. Each project is estimated to be worth KD300m (US\$970m).

Contractors prepare to submit Kuwait gas project bids

Contractors are preparing to submit bids for a key gas sweetening and sulphur recovery facility in West Kuwait. The bid deadline for the project has been extended several times in the past, but no further extensions are expected now. In June, it was ascertained that China's Jereh, US-based SLB and Kuwait's Spetco had an interest in winning the contract. Other companies that have shown interest in the project included Mechanical Engineering & Contracting Company (Kuwait) Al-Khorayef (Saudi Arabia) HBP (China) and Megha Engineering & Infrastructures Limited (MEIL, India)

With regards,

(Davinder Punj)
Second Secretary (Commerce)