Embassy of India
Kuwait
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Weekly Economic & Commercial Report
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Kuwait Railway Project phase 1 gets Kuwait SAB's Approval

The Kuwait State Audit Bureau (SAB) approved the contract of the Public Authority for Roads and Transportation (PART) for the detailed design study and preparation of railway tender documents (first phase) at a cost of KD 2.426 million for a period of 365 days. SAB also stipulated that the amended financial offer for the tender dated Feb 13, 2025 should be an integral part of the contract documents; including the costs of basic and optional services. The first phase of the project is the connection with the Gulf, the path of which extends from the southern border with the Kingdom of Saudi Arabia (Nuwaiseeb) to the passenger station in Kuwait City, behind Kuwait International Airport on the Seventh Ring Road and extends North through the Silk City to Mubarak Al-Kabeer Port.

Kuwait Airways ranked 20th among the world's best airlines in 2024

Kuwait Airways has been ranked 20th among the top 109 airlines in the world and 5th in the Middle East, according to the annual report issued by the AirHelp website for the best and worst performing airlines in 2024. The airline achieved 88% in On-Time performance, 85% in customer opinions, 43% in claim processing, and a 72% score on the AirHelp website. The report was based on collecting the opinions of passengers from more than 54 countries around the world, rating airlines on five factors consisting of cabin crew service, aircraft comfort during travel, aircraft cleanliness, quality of food menus, and entertainment programs onboard during the period from beginning of January to end of October 2024.

KPI gears up for 'Europe-wide' reach and clean fuel leadership

After acquiring the companies 'Agriferr' and 'Arma', which specialize in the production of biogas, biomethane and bioliquefied natural gas in Italy; Kuwait Petroleum International (KPI) is now aiming to expand the distribution of its petroleum derivatives throughout Europe. KPI intends to increase its reach from 22 to approximately 26 European countries within the next two years, with the longer-term goal of covering all 27 European Union countries. The company is exerting tremendous efforts to develop hydrogen fuel distribution outlets in Italy, underscoring the environmental benefits of hydrogen-powered vehicles.

European firm to help Kuwait meet FATF demands

Kuwait's Financial Investigations Unit (FIU) is in the final stages of completing procedures to contract directly with Financial Transparency Advisors (FTA) – an advisory firm based in Vienna, Austria. The firm will provide expert advice and technical assistance to support Kuwait's ongoing efforts to combat money laundering and terrorism financing, particularly during the follow-up process conducted by the Financial Action Task Force (FATF) and the International Cooperation Review Team. The State Audit Bureau (SAB) reviewed the direct contracting documents and raised no objections to proceeding with the contract with FTA for

a total amount of 6.1 million euros within a period of 19 months, set to conclude on March 31, 2026.

Kuwait Real estate deals increase in February 2025

Kuwait's real estate trading activity in February 2025 showed a remarkable growth, with 30 percent increase in the value of transactions and 15.6 percent in the number of deals from Feb 2-24. During this period, 479 deals were conducted with a total value of KD363 million, compared to 404 deals worth KD252.4 million in January, 2025. There was a significant rise in both the number and value of real estate deals in various sectors compared to February 2024. All real estate sectors -- private, investment, commercial and craft -- witnessed remarkable growth in the value and volume of transactions compared to February 2024 as follows: Private real estate: 29.7 percent increase in value and 33.2 percent in the number of deals; Investment real estate: 56.7 percent increase in value and 33.9 percent in the number of deals; Commercial real estate: 86 percent increase in value and 44.4 percent in the number of deals.

Eight OPEC+ countries confirm gradual output rise

Eight OPEC+ countries, namely Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria, and Oman, reaffirmed Monday's their decision to voluntary raise their production as of April 1, 2025, and proceed with a gradual and flexible return of the 2.2 mbd voluntary adjustments. Accordingly, this gradual increase may be paused or reversed subject to market conditions. This flexibility will allow the group to continue to support oil market stability. The eight countries reiterated their collective commitment to full conformity with the additional voluntary production adjustments as agreed under the 53rd JMMC meeting on April 3, 2024 and also confirmed their intention to fully compensate for any overproduced volumes since January 2024, in accordance with the compensation plans submitted to the OPEC Secretariat, ensuring that all compensations are completed by June 2026.

PAHW finalizes major contracts for South Saad Al-Abdullah City project

Kuwait's Public Authority for Housing Welfare (PAHW) signed contracts related to the construction, completion and maintenance of road works and infrastructure networks for residential suburbs, irrigation tanks works and substations in the South Saad Al-Abdullah City project. The contracts are valued at a total of KD 261,772,505, with an implementation period of 1,095 days for each contract. The project involves the establishment of 23,551 residential plot boundaries, the application of the first and second layers of asphalt for all roads in the city's residential suburbs, and the construction of essential infrastructure networks, including rainwater drainage, sewage, irrigation, treated and fresh water systems, telephone networks, road lighting, traffic systems, and electrical cables.

The China Gezhouba Group Company Limited (CGGC) signed two major contracts worth a total of US$557 million with PAHW. The contracts cover the construction and maintenance of road networks, infrastructure, irrigation reservoirs, and substations in South Saad Al-Abdullah New City, located about 25 kilometers southwest of the capital Kuwait City. The

two projects are valued at KD 77.25 million (US$250 million) and KD94.88 million (US$307 million) respectively.

Separately, it has also been informed that Kuwait Company for Process Plant Construction & Contracting (KCPC) has won a KD89.6m ($290m) infrastructure development deal for the South Saad Al-Abdullah residential project. KCPC and PAHW signed contract and the project scope covers the construction of infrastructure works for residential suburbs NFU7, NFU8, NFU9, NFU10, NFU11 and NFU17-11-12. The contract also covers the irrigation tank building and substation works.

Kuwait targets 1b imperial gallons water output by 2035

Kuwait's water production is expected to reach approximately one billion imperial gallons per day by 2035, in line with the ministry's future plan. Senior Official of the Ministry of Electricity, Water, and Renewable Energy affirmed that the challenges in the country's water security sector still continue, particularly the high rates of consumption. The Ministry has taken serious steps toward improving water management and conservation, including adopting modern, advanced technologies with high efficiency in water production, treatment, transportation, and storage. Kuwait's participation in Arab Water Day highlights its commitment to securing its water needs through innovative methods dating back to 1951 when the country's first seawater desalination station, the Shuwaikh Station, was established, being the world's first of its kind at that time.

Kuwait inks AI partnership deal with Microsoft

Kuwait's Central Agency for Information Technology (CAIT) and the Communications and Information Technology Regulatory Authority (CITRA) signed a strategic partnership agreement with Microsoft Corporation to speed up the digital transformation and enhance the artificial intelligence (AI) applications in Kuwait. The partnership marks a milestone in leveraging the AI applications in Kuwait to support the government drive for economic diversification, and promotion of innovation and entrepreneurship, as well as contribute to rehabilitation of the national workforce. The deal envisages launching AI data center, an integrated AI system, center for promoting the digital economy and state service, and center for excellence in cloud auditing. Microsoft is committed to upgrading the cloud infrastructure of Kuwait and helping the state institutions promote innovation and investment, and will also work with the Kuwaiti government for launching the Cybersphere initiative aiming to enhance cybersecurity at the government sector and guard against cyberattacks.

Kuwait non-oil sector growth slows to 51.6 in February 2025

The Purchasing Managers' Index (PMI) for Kuwait's non-oil private sector fell to 51.6 in February 2025, down from 53.4 in January, marking the weakest performance since last September, although still indicating growth. Employment fell for the first time in six months, and despite a sharp rise in input costs, selling prices fell. Overall business conditions in Kuwait's non-oil private sector continued to improve in February, although the pace of expansion slowed from the peaks seen at the end of 2024. The renewed decline in employment and purchasing activity painted a less favorable picture. Firms reduced output prices for the second time in three months, despite a sharp increase in input costs. Output

continued to rise strongly, extending the current expansion phase that began in February 2023. However, the growth slowed for the third consecutive month, reaching its slowest pace since October.

Menzies Aviation secures 'major' Air India contract

Menzies Aviation, owned by Agility Global, has signed a major contract with Air India, India's leading global carrier. Under the new three-year agreement, Menzies will deliver a full suite of ground handling and cargo services at eight locations across four continents. The company will provide a mixture of passenger, ramp, de-icing and cleaning services at London Heathrow (LHR), Copenhagen Airport (CPH), Toronto Pearson International Airport (YYZ), Kuwait International Airport (KWI) and Los Angeles International Airport (LAX). In the first year alone, Menzies is set to manage at least 4,100 turnarounds, with significant growth anticipated over the course of the three years.

KPI enhances commitment to sustainable mobility with acquisition

Kuwait Petroleum International (KPI) has announced that it signed, through its subsidiary Kuwait Petroleum Italy (KUPIT), a purchase agreement to fully acquire Agriferr and ArMa companies. KPI, known as Q8, add that the two companies are working in producing biogas, biomethane gas and bio-LNG in Italy. The move is part of the company's goals aiming to achieve technologies of low carbon and sustainable energy solution, expecting the process to be completed in the beginning of the upcoming fiscal year. It is a key step to confirm the company's commitment to the guidelines strategies of the Kuwait Petroleum Corporation.

KFAED inks KD 3mn deal with Cameroon

Kuwait Fund for Arab Economic Development (KFAED) signed a loan deal worth KD3 million (around USD 9.7 million) with Cameroon to contribute to financing a rice production development project. The project is aimed at promoting economic and social development in three regions in Cameroon through the reclamation of roughly 5,000 hectares of farmland to develop rice production. The project will also contribute to finding marketing and distribution centers with a view to ensuring partial rice self-sufficiency, creating new job opportunities for women and youth, and cutting poverty rates.

Lowest bidder emerges for Kuwait's Al-Mutlaa City project

Kuwait Company for Process Plant Construction & Contracting (KCPC) has emerged as the lowest bidder for a contract to develop infrastructure and public buildings in the N6 suburb of Al-Mutlaa City in Kuwait. KCPC submitted the lowest bid, valued at $64.32m. The Al-Mutlaa City project is a housing scheme located 38.3 kilometres northwest of the Kuwait metropolitan area. It covers approximately 104 square kilometres and is expected to house up to 400,000 people. The mixed-use development will include residential, social, commercial and light industrial areas.

With regards,

(Davinder Punj)
Second Secretary (Commerce)