

**Embassy of India
Kuwait

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Kuwait oil profits set to surge in 2025-26 budget KPC targets 4 mln bpd production

The profits of local oil companies affiliated with Kuwait Petroleum Corporation (KPC) is expected to improve remarkably in the 2025-26 budget. The expected improvement is attributed to Kuwait's gradual increase in its OPEC Plus share, scheduled to begin in April 2025. The share of Kuwait will increase from 2.413 million barrels to 2.421 million barrels per day, reaching 2.548 million barrels per day by September 2026. This gradual increase is expected to positively impact the profits of KPC and its subsidiaries. KPC continues to advocate for a larger share in OPEC Plus, especially considering Kuwait's strong commitment to the voluntary reduction initiated in 2023. Kuwait Oil Company (KOC) which owns the Burgan field - the world's second-largest oil field - is also actively involved in marine exploration as part of its plan to solidify Kuwait's oil leadership. These efforts, combined with those of other companies aim to support KPC's 2024 plan to increase oil production from four million barrels per day and raise gas production from 499 million cubic feet per day of non-associated gas to two billion cubic feet per day.

Kuwait's Health Ministry updates medicine prices for better access

Kuwait's Minister of Health approved the prices of 146 medicines, pharmaceutical formulas, and nutritional supplements with the aim of enhancing medicine control, ensuring patient safety, and striking a balance between quality and cost. The new prices will take effect after they are published in the official gazette. This is in line with the ministry's vision of supporting access to high-quality, efficient pharmaceutical preparations and nutritional supplements. In this regard, the Ministry of Health stated that the medicines and formulas listed in the attached document will be added to ministerial Decision No. 74/2023 to ensure integration in pharmaceutical policies and enhance the stability of the pharmaceutical market. It emphasized the ongoing efforts of the Medicine Pricing Committee to review and approve prices based on well-studied scientific and economic principles for achieving a balance between quality and cost, and enhancing the economic efficiency of the pharmaceutical sector. This is part of the ministry's commitment to developing the health system in accordance with the latest international standards.

GPIC sees strong 'exports' in 2024

Kuwait's Gulf Petrochemical Industries Company (GPIC) shipped about 62 vessels of products in 2024 -37 carrying methanol, 20 carrying urea and five carrying ammonia. This resulted in total exports of 1,161,725 metric tons from January to December 2024. The company achieved high sales figures despite the ongoing disruptions in maritime navigation due to Houthi attacks on ships since Oct 7, 2023. GPIC is owned by Kuwait Petrochemical Industries Company, the Bahraini Bapco Energy Company, and the Saudi SABIC Agri-Nutrients Investment Company. The last year witnessed an increase in the number of export

ships by two compared to 2023; but despite this, 2023 sales were relatively higher than 2024. GPIC exported its products through 60 ships in 2023; 33 of which carried methanol, 22 carried urea, and five carried ammonia; while the total exports marketed were about 1,246,049 metric tons, although the company's actual production in 2023 was about 1,674,227 metric tons. GPIC exports its products to many countries like India, China, Thailand, Kuwait, Singapore, Indonesia, South Korea, Iraq, Mexico, Australia, Brazil and America.

Salaries & expenses continue to dominate Kuwait's budget

The item 'salaries and similar expenses' consistently constitutes the largest expenditure in Kuwait's general budget, surpassing all other budgetary items. The above-mentioned item frequently becomes a point of controversy due to its continuous increase, which often outpaces the growth in overall revenues. This issue is compounded by the dependency on fluctuating oil prices, as well as global supply and demand dynamics or geopolitical disturbances that can drive oil prices up. Ministry of Finance clarified that 'employee compensation' refers to the total cash and in-kind benefits paid to employees for work performed during the relevant period. However, 'salaries and similar expenses' encompasses employee compensation in various sectors like ministries and government departments, judicial affairs, affiliated entities, independent institutions, social security contributions, support for national employment in the non-governmental sector, and social care under the Ministry of Social Affairs. In the final accounts for five fiscal years (2019-20 to 2023-24), the item 'salaries and similar expenses' amounted to KD 64.56 billion over this period, accounting for 57.16 percent of the total budget, which was KD112.94 billion.

Project to boost capacity CAPT approves 4 bids for Shuwaikh Water Complex

The Central Agency for Public Tenders (CAPT) on 12 March 2025 approved four bids for the construction, completion, maintenance and development of the Shuwaikh Water Distribution Complex, along with the associated works. The tender documents will be forwarded to the ministry for review. The ministry will then evaluate the bids and present recommendations within 30 days. This tender is a major project for the ministry, as it is aimed at developing the country's water storage capacity by 71 million imperial gallons and boosting the daily pumping capacity of low-salinity water by 23 million gallons. Following approval from CAPT, the ministry will refer the tender to the State Audit Bureau (SAB) for further study and approval. Once the contract is approved, the ministry will proceed with implementing the project. The ministry has allocated an estimated budget of KD 7.1 million for the project.

CITRA sets new licensing fees for internet providers

The Communications and Information Technology Regulatory Authority (CITRA) has prepared two draft regulatory decisions regarding the requirements and controls for licensing wireless Internet service providers and Internet service providers. The annual license fee for wireless Internet service providers is set at KD 75,000. Meanwhile, the annual license fee for Internet service providers is set at KD 98,000, and applicants must provide a guarantee letter of the same value from the bank. The draft of the second resolution on the foundations and controls for licensing wireless Internet service providers

stipulates that mobile telecommunications companies must obtain a license from CITRA before offering wireless Internet services. Companies are required to submit an application to CITRA to obtain a license for providing wireless Internet services, in accordance with the conditions and regulations stipulated in the resolution. Additional documents or data may be requested by CITRA to complete the application review process. The announcement further specifies that CITRA will issue its decision within 60 working days.

SAB okays PACI's KD 23mn ID deal

Kuwait's Public Authority for Civil Information (PACI) has received approval from the State Audit Bureau (SAB) to proceed with a contract for the supply of smart civil identification card models and packaging requirements, valued at KD 23.005 million for a three-year period. PACI had earlier submitted a request for reapproval to SAB on Feb 24, 2025 which previously granted approval. Following its review, the SAB communicated to PACI, its no objection to the proposed contract with the specified amount and duration. The approval is valid for a maximum of 90 days. With this approval, PACI is now authorized to finalize the contract and begin supplying the quantities outlined in the agreement.

Financial outlook robust Fitch affirms Kuwait's 'AA-' rating

Fitch Ratings has confirmed Kuwait's LongTerm Foreign-Currency Issuer Default Rating (IDR) at 'AA-' with a stable outlook. The Central Bank of Kuwait (CBK) said the rating is underpinned by Kuwait's robust financial and external balance sheets, despite the country's reliance on oil and a large public sector that could exert long-term fiscal pressure. The agency expects Kuwait's sovereign net foreign assets to increase to 601% of GDP in 2025, up from an estimated 582% of GDP in 2024. The majority of these assets are managed by the Kuwait Investment Authority (KIA) and are held in the Future Generations Fund and the General Reserve Fund (GRF), the government's treasury account. Kuwait has introduced a 15% domestic minimum top-up tax (DMTT) on multinational companies, effective from January 1, 2025. This tax is expected to generate about 0.5% of GDP annually, with collections expected to start by 2027. The government is also aiming to pass a liquidity/debt law, which would allow Kuwait to raise new debt, following the expiry of the previous debt law in 2017.

Partnership to revolutionize public services and workforce - Kuwait and Microsoft forge AI pathway to economic prosperity

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 deal will help transform the country into a regional AI center in keeping with Kuwait Vision 2035. 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. The government will provide the civil servants with access to the Microsoft 365 Copilot, thus making Kuwait one of the first countries in the region using these solutions which contribute to enhancement of productivity and improvement of the state services. Microsoft is committed to upgrading the

cloud infrastructure of Kuwait and helping the state institutions promote innovation and investment. The Corporation will work with the Kuwaiti government for launching the Cybersphere initiative aiming to enhance cybersecurity at the government sector and guard against cyberattacks.

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PAHW signs road lighting contracts for Mutlaa City

The Public Authority for Housing Welfare (PAHW) has signed two contracts worth KD 5,311,924 for the supply, installation, implementation, and maintenance of road lighting in six residential suburbs of the Kuwait's Mutlaa Residential City project. PAHW is closely monitoring the implementation of the first and second contracts for the supply, installation, and maintenance of road lighting in the remaining six suburbs, which include lighting poles of various heights. Work is proceeding at a good pace without any delays as per the schedule, with 38 percent of the work already completed.

Extensions expected for \$1.3bn of Kuwait oil projects

State-owned upstream operator Kuwait Oil Company (KOC) is expected to extend the bid deadlines for two strategic oil projects worth a total of \$1.3bn. The first contract, estimated to be worth KD292m (\$951m), is focused on developing a separation facility in the NK SA/BA Area, close to Gathering Centre 23 (GC-23) and GC-24. The scope of the contract also includes a new injection facility at GC-31 and effluent water injection networks in north Kuwait. The second contract, estimated to be worth KD104m (\$338m), is focused on developing separation facilities at GC-25 and a water injection facility at GC-30. Both of the projects are using the build-own-operate contract model. The current bid submission deadline for both projects is 16 March 2025, but deadline extensions are expected for the two projects as KOC has yet to respond to queries from contractors.

With regards,

(Davinder Punj)
Second Secretary (Commerce)