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KOC extends major tender to expand southern oil capacity

Kuwait's Central Agency for Public Tenders (CAPT) has extended the deadline for bids on a significant Kuwait Oil Company (KOC) tender. This tender, which includes the construction and installation of the third Oil Separation Gathering Center and third Water Injection Station in South Kuwait, is now due on July 22 instead of June 22, 2025. This tender is a strategic component of KOC's broader initiative to develop oil fields in the southern part of the country. This development is crucial due to the abundant oil reserves in the South, and its need for enhancements to ensure sustained and increased production.

Kuwait launches first local public debt issuance of 500 million dinars with one year maturity

In a strategic move to activate its Financing and Liquidity Law, Kuwait's Ministry of Finance, in coordination with the Central Bank of Kuwait, has announced plans to issue its first local public debt instrument for the 2025-26 fiscal year, worth 500 million dinars in bonds and Murabaha instruments with a one-year maturity. This marks the beginning of a larger plan to raise 2 billion dinars in local debt during the current fiscal period. The Central Bank has approached local banks to assess their interest and potential contributions to this first issuance. This comes ahead of an anticipated government promotional campaign aimed at raising 3 billion dinars from international debt markets, with a focus on Asia and Europe. The international fundraising effort is part of Kuwait's broader financial strategy to finance development projects and cover the budget deficit without drawing from the General Reserve Fund.

Kuwaiti bank ratings unaffected by domestic minimum top-up tax

Kuwaiti banks' Viability Ratings were unaffected by the domestic minimum top-up tax (DMTT) for multinational companies operating in Kuwait, which took effect on 1 January 2025, according to Fitch Ratings. Fitch does not expect the tax to pressure affected banks' internal capital generation or capital ratios as it is small relative to their risk-weighted assets and common equity Tier 1 capital. However, it may challenge some banks' profitability or slow their expansion outside Kuwait. The DMTT aims to support fiscal revenue by ensuring that multinational companies

operating in Kuwait, including those headquartered there, pay an effective tax rate of at least 15% on their consolidated operations.

Kuwait PM reviews strategic energy and water projects

Kuwait's PM chaired a meeting to review the latest progress on the country's strategic energy and water desalination projects. The discussions focused on key future ventures including Shagaya and Al-Abdaliya renewable energy projects, as well as Al-Zour North (phase 1 and 2), Al-Khiran Phase 1, Al-Nuwaiseeb phase 1, Subiya expansion power plants. He stressed on the importance of harnessing all resources and overcoming obstacles to ensure they are accomplished within the time frame, and expressed appreciation for the efforts taken by Ministry of Electricity, Water and Renewable Energy and other involved bodies.

Kuwait opens door for oil firms to build solar power plants under new energy law

Kuwait's Ministry of Electricity, Water and Renewable Energy announced recent amendments to legislation governing electricity generation projects that will now permit oil companies to build solar power plants to meet future energy demands. The Ministry is open to any initiative that contributes to increasing electricity production capacity, provided that such projects align with applicable legal frameworks. All electricity projects will move forward in accordance with the ministry's established timelines. Meanwhile, progress is also being made in the water sector. The committee tasked with developing specifications and standards for the upcoming smart water meter tender is close to completing its work. The tender will soon be submitted to the Central Tenders Agency for implementation.

National Investments Company expands regionally

As part of its ambitious expansion strategy and to strengthen its presence in leading global financial hubs, Kuwait's National Investments Company (NIC) has announced the launch of its first regional office in the United Arab Emirates, specifically at the Dubai International Financial Centre (DIFC). This step supports NIC's vision to cement its position as a leading provider of integrated investment services across the region and comes after securing official approvals from the Dubai Financial Services Authority.

MEW unveils plan to upgrade Kuwait's power infrastructure

Kuwait's Ministry of Electricity, Water and Renewable Energy announced the addition of 214 contracts to its annual plan for the current fiscal year, bringing the total to 371 contracts being implemented by its technical and administrative sectors. The added

contracts include 162 for the Electricity Distribution Networks Sector, 43 for the Technical Services and Main Workshops Sector, and nine for the Monitoring and Control Sector. In general, these contracts include the repair and installation of electrical transformer stations and cables in new and urban areas to provide electricity to new consumers. This is in addition to constructing buildings affiliated with the ministry to accommodate the growing number of employees and customers, particularly in new areas.

Kuwait signs strategic pacts with Saudi Arabia, Qatar, Mongolia for social, economic cooperation

Kuwait has formalized three key international agreements to enhance cooperation in social development, social insurance, and aviation services. The official gazette Kuwait Alyawm has published two memoranda of understanding —one with Saudi Arabia in the field of social affairs and development, and another with Qatar on social insurance cooperation — as well as an air services agreement with Mongolia. The Kuwait-Saudi memorandum emphasizes collaborative efforts in supporting productive family projects, micro-enterprises, and financial empowerment initiatives. It also includes areas of mutual concern such as the welfare of juveniles, the elderly, and children of unknown parentage. The implementation will be facilitated through data exchange, professional visits, and joint events such as seminars and conferences. Kuwait and Qatar have agreed to a comprehensive partnership in the field of social insurance. Represented respectively by the Public Institution for Social Security (Kuwait) and the General Retirement and Social Insurance Authority (Qatar), both parties aim to deepen bilateral cooperation in legislative development, research, training, and system modernization.

With Regards,

(Davinder Punj)
Second Secretary (Commerce)