Embassy of India
Kuwait
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KAPP secures conditional approval for North Zour project

Kuwait Authority for Partnership Projects (KAPP) has obtained conditional approval from the State Audit Bureau (SAB) to award the tender for the North Zour Power and Water Desalination Plant project (phases two and three) at a total cost of KD118.219 million. The authority referred the tender to the bureau on July 21, 2025 for study, audit and review; followed by the approval of the contract. The project aims to meet the growing electricity and water needs of the country, improve the grid, provide the basic infrastructure for implementing other State projects included in the national development plan, encourage private sector participation, and benefit from the expertise of the private sector in the implementation of construction and development projects. This will reduce the costs of constructing and operating power plants, expedite completion, and optimally utilize the natural resources of the country. The project will be implemented according to the design, build, finance, operate and transfer model for an electricity generation plant with a capacity of 2,700 megawatts; using combined-cycle technology, and a water desalination plant with a capacity of 120 million imperial gallons.

Civil aviation revamp takes flight in Kuwait

Kuwait has officially renamed the Directorate General of Civil Aviation (DGCA) as the “Public Authority for Civil Aviation”, with the step being in line with requirements of the International Civil Aviation Organization (ICAO) and affiliated regional organizations. The law comes 65 years after the enactment of Laws No. 20/1960 and 27/1960, regulating civil aviation and aircraft accidents in Kuwait. The new law is expected to help reinforce the independence of the aviation sector in Kuwait and to accommodate the best international civil aviation practices, organization and administration. The authority aims to promote transparency and self-auditing to serve the national interests of Kuwait in international arenas and provide services to travelers, aviation companies, and all entities working at Kuwait International Airport.

Massive budget allocation to address rising energy needs

Allocations for the second item (purchase of goods & services) in the general budget for the current fiscal year (2025-26) increased by about KD304 million. These allocations are for 36 government agencies and amounted to KD3.87 billion, compared to KD3.56 billion in the general budget for fiscal 2024-25. It was ascertained that that budget for the goods and services item for the Ministry of Electricity, Water and Renewable Energy alone amounted to KD1.74 billion or 44.9 percent of the total. This allocation is only for fuel needed to operate power plants and water distillation plants. The Goods and Services Item includes expenditures of government entities in the operation and conduct of their business, particularly the

acquisition of necessary goods and services. It is divided into two sections: one is ‘goods’ -- the materials and goods acquired by the government entity to achieve the objectives for which it was established or to assist it in achieving these objectives, and ‘Services’, which include the costs of services provided by third parties and are necessary for the government entity to perform its activities and conduct its business like transportation, rentals, media and commercial services, research, studies and consultations.

KNPC gains full control of LNG filling plants from KOTC

Kuwait National Petroleum Company (KNPC) has officially announced, through its website, that it received two liquefied gas cylinder filling factories in Shuaiba and Umm Al-Aish from Kuwait Oil Tanker Company (KOTC) - the previous owner of the two factories. This project marks the beginning of a new phase of cooperation and integration that will develop the projects and operations of the oil companies and open future prospects that will enhance the leading position of Kuwait in the global oil industry. The transfer of ownership of the two factories includes the transfer of all employees and all of the factories’ assets and operations, including the marketing and distribution of liquefied natural gas in the local market, to be fully owned and directly managed by KNPC.

Kuwait’s growth continues in July PMI

Kuwait’s non-oil private sector continued to show solid growth in July 2025, with the support of strong increases in new orders and business activity, according to the latest S&P Global Purchasing Managers’ Index (PMI) report. The S&P Global Kuwait Purchasing Managers’ Index is a composite indicator measuring the overall performance of the non-oil private sector, and is based on five main factors - new orders, output, employment, suppliers’ delivery times, and inventory levels. In July 2025, the PMI rose slightly to 53.5 from 53.1 in June, indicating a solid monthly improvement in the health of Kuwait’s non-oil private sector. However, employment levels were largely unchanged following a record surge in hiring in the previous survey period. At the same time, inflationary pressures eased as the third quarter began. Business conditions in the non-oil private sector have now strengthened for 11 straight months. The latest improvement was achieved by a sharp accelerated rise in new orders, extending the growth period that began in February 2023. Export orders also increased, though the pace of growth slowed to a three-month low. This was attributed to a rise in overall demand primarily to advertising campaigns and price discounts.

KNPC and KIPIC launch feasibility study on renewable energy, emission reduction

The Kuwait National Petroleum Company (KNPC) and the Kuwait Integrated Petroleum Industries Company (KIPIC) have initiated a preliminary feasibility study exploring renewable energy sources and their alternatives, with the goal of increasing returns and supporting Kuwait’s energy transition strategy toward net-zero emissions by 2050. The initial feasibility study on local biofuel has already been completed, and the results were presented in March 2025 to the steering committee overseeing implementation of the corporation’s energy transition roadmap. A specialized task force has also been formed to examine options for minimizing gas flaring at the Al-Zour Refinery, focusing on identifying flare sources and eliminating unnecessary emissions. As part of this sustainability effort, an energy management

services contract was awarded in Q3 of fiscal year 2024-25 for the Al-Zour complex. This initiative is designed to enhance energy efficiency and reduce environmental pollutants. Separately, a technical study to reduce hydrogen gas burning during steam shortages has also been successfully implemented.

'Visit Kuwait' platform to unify tourism efforts and elevate national identity

Kuwait has announced the launch of the "Visit Kuwait" platform, a national initiative aimed at unifying tourism-related messages and activities under one umbrella. This digital platform seeks to create a seamless and integrated tourism experience that boosts tourist attraction and aligns with the objectives of Kuwait Vision 2035 and is described as a strategic step in building a modern tourism infrastructure through active partnerships between the public and private sectors. As part of Kuwait's current presidency of the United Nations Tourism Organization's Regional Committee for the Middle East, preparations are underway to host the 52nd session of the committee in early 2026. This event will be a key opportunity for Kuwait to strengthen regional partnerships, share experiences, and contribute to shaping the future of tourism in the region.

Kuwait races to strengthen anti-money laundering framework ahead of FATF evaluation report

As Kuwait awaits the results of the Financial Action Task Force (FATF) Mutual Evaluation (MEME) scheduled for release in November, the regulatory authorities are intensifying efforts to implement sweeping legal and institutional reforms. These steps aim to address identified deficiencies and prevent the country from being placed on FATF's "grey list." The grey list includes jurisdictions under increased monitoring due to weaknesses in their anti-money laundering (AML) and counter-terrorism financing (CTF) frameworks. The Ministry of Commerce and Industry has taken serious steps to rectify FATF-related concerns, especially those linked to sectors under its supervision. Ministry officials recently held strategic meetings with UAE authorities to study their approach to addressing FATF observations. The discussions focused on regulatory enhancements, particularly concerning the identification of beneficial ownership, oversight of currency exchange and real estate firms, and monitoring of gold, precious metals, and gemstones trading - areas deemed medium to high risk.

Kuwait amends law on companies developing residential cities, economic zones

A new decree-law has been issued amending certain provisions of Law No. 118 of 2023, which governs the establishment of companies tasked with developing residential cities and areas and promoting their economic growth. As per the amendment, Article 4 now authorizes the Public Authority for Housing Care to bear part of the costs related to infrastructure, public buildings, and residential care units. The article also firmly states that any change in the financial obligations borne by the PAHW after a contract has been awarded, whether an increase or decrease, will be deemed absolutely null and void. Meanwhile, Article 5 of the amended law allows the institution to offer residential or non-residential development areas for investment. It is also empowered to define investment models in accordance with the outcomes of feasibility studies. Additionally, the law underscores the importance of removing obstacles that may hinder private sector participation in the implementation of these projects.

Oman and Kuwait to jointly develop wind projects

OQ Alternative Energy, a subsidiary of Oman's state energy holding company OQ, has signed an agreement with Kuwait-based Naqaa Sustainable Energy to jointly develop 1,100MW of wind power projects across the wilayats of Duqm, Mahout and Sadah in Oman's Dhofar and Al-Wusta governorates. The projects will use locally manufactured wind turbines from Mawarid Turbine, a company expected to be established in Duqm following a memorandum of cooperation signed between OQ and Mawarid in April , 2025. In May, it was ascertained that OQ Alternative Energy is expected begin acquiring shares in Oman's renewable energy independent power projects (IPPs), starting with the Ibri 3 solar scheme.

Bilfinger wins feed contract for Kuwait refinery pier

State-owned downstream operator Kuwait National Petroleum Company (KNPC) has awarded Bilfinger Middle East, the regional subsidiary of Germany-headquartered Bilfinger, the contract for front-end engineering and design (feed) services on a project to develop the new north oil pier at the Mina Al-Ahmadi refinery. The engineering team at Bilfinger Engineering & Maintenance Middle East will provide feed services, which include site surveys, feasibility studies, conceptual and detailed engineering, cost estimation and risk assessment, among others. These services aim to help optimise the pier's operations, minimise resource consumption, and ensure compliance with the highest environmental standards. With the current oil piers at Mina Al-Ahmadi nearing the end of their operational lifespan by 2030 and deemed unsuitable for further rehabilitation, KNPC is taking proactive measures to secure the future of Kuwait's petroleum exports.

With Regards,

(Davinder Punj)
Second Secretary (Commerce)