

**Embassy of India  
Kuwait  
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**Weekly Economic & Commercial Report  
12 July to 18 July 2024**

### **KOC discovers huge oil reserves**

Kuwait discovered new oil reserves at offshore Al-Nokhatha field, located east of Kuwait's Failaka Island. The discovery is estimated to have reserves of 2.1 billion barrels of light oil and 5.1 trillion standard cubic feet of natural gas. Discovered reserves are close to the waters of Iran and the Divided Zone, which is shared by Kuwait and Saudi Arabia. Kuwait Petroleum Corporation (KPC) states that it is pushing ahead with the development of the field in partnership with Saudi Arabia.

### **KOC tenders 2 upstream projects of US\$2.1 bn**

Kuwait Oil Company (KOC) has tendered 2 upstream projects worth total of US\$2.1bn. The tenders come amid a major push to increase oil and gas production capacity in the country. The first project worth KD333m (US\$1bn) is focused on the installation of Separation Gathering Centre 1 (SGC1) and Water Injection Plant 1 (WIP1) in East Kuwait 1. The 2<sup>nd</sup> project worth KD341m (US\$1.1bn) is focused on the installation of Separation Gathering Centre 3 (SGC3) and Water Injection Plant 3 (WIP3) in the area known as South Kuwait 1. Project scope includes installing associated gathering manifolds and high pressure injection manifolds for primary oil, water and gas separation. . The companies that have been pre-qualified to bid are from South Korea, L&T of India, USA, China, Spain, Japan, UK and Italy

### **Kuwait plans 23% increase in oil rigs**

Kuwait Oil Company (KOC) is planning to increase the number of oil rigs operating in Kuwait by 23% over the next year. The total number of operating rigs in Kuwait is expected to rise from 172 to 212 by 2025-26. Currently, there are 86 drilling rigs in Kuwait as well as 86 work-over rigs. The sharp rise in the number of rigs comes amid a push to boost oil and gas production in the country. As part of KOC's 5-year plan, the total number of drilling rigs will rise by 38% by the 2028-29 financial year. In light of the

latest discovery, estimated 3.2 billion barrels, KOC could adjust its plans for oil rig acquisitions.

### **KOC approved for KD105 million oil tenders**

The Kuwait Oil Company has received approval from the Central Agency for Public Tenders (CAPT) to proceed with two tenders worth KD 105 million (US\$ 342 million) These include the Gas Desalination Facility and Sulfur Processing Unit - worth KD 85 million (US\$ 277 million), and Construction of main receiving stations in Burgan oil field - worth KD 20 million (US\$ 65.2 million). The Gas Desalination Facility and Sulfur Processing Unit will be implemented the BOT system, with the operational phase including operating, maintaining the facility, ensuring safety, quality control, environmental protection etc. For the main receiving stations, the contractor is Mohammed Nasser Al Baddah Company (NBTC).

### **KISR obtains patent for poultry project**

The Kuwait Institute for Scientific Research (KISR) declared its Environment and Life Sciences Research Center has obtained a patent for a project to develop a new bio product to support the poultry industry and food safety in Kuwait without the use of antibiotics (probiotics). KISR explained that the probiotic product includes a mixture of bacteria in the form of a powder that can be added to water or food to support the food industry. It is one of the safest alternatives to antibiotics to control infections that cause intestinal diseases. KISR added that this project will contribute to enhancing national food security and opens new horizons for the development of the domestic poultry industry

### **Kuwait hikes clean energy production to 30%**

Kuwait currently has a maximum consumption of electricity of 17,360 megawatts, a record high as recorded on 13 July 2024 due to severely high temperatures. Kuwait has made considerable investments in renewable & Clean energy, and is looking at increasing its ratio to 30% of total consumption in the next decade. Kuwait's Minister of Electricity, Water and Renewable Energy and Minister of State for Housing, Dr. Mahmoud Bushehri, spoke at the Arab Japanese Economic Forum held in Tokyo, Japan, and emphasized that the use of renewable and clean energy in producing electricity will help protect the environmental system from pollution and greenhouse gas emissions.

## **Kuwait's non-oil exports surge 8% in first five months of 2024**

Kuwait's non-oil exports experienced a remarkable 8% increase during the first five months of 2024 compared to the same period in 2023. Total exports reached approximately 227 million dinars, up 10 million dinars from 217 million dinars in the same period last year. The exports were distributed across various regions: Gulf Cooperation Council (GCC) Countries: 85 million dinars, a 5% increase; Arab Countries: 36 million dinars, a substantial 33% increase; European Countries: 4.3 million dinars, a 37% jump; African Countries: Increasing by 63% to 523 thousand dinars; Asian and Australian Continents: surged by 40% to 221 million dinars; Two American Continents: Increased by 61% to 592 thousand dinars.

## **PAHW signs US\$ 136.2 m contracts for buildings in Al-Mutlaa city**

Kuwait's Public Authority for Housing Welfare (PAHW) signed two contracts worth KD 41.8 million (about USD 136.8 million) for the set-up of 25 service buildings in Al-Mutlaa residential city. These contracts include facilities such as shops, schools and kindergarten buildings, and are to be implemented in 900 days.

## **Kuwait's GDP declined by 4.4% YOY in Q4 of 2023**

The oil sector remained constrained by OPEC-mandated crude oil production cuts, posting a decline of 6.4% YOY, while the non-oil GDP was seen to have contracted by 2.3% YOY. Kuwait has maintained oil production rates of 2.55 million bpd in line with the OPEC+ production cuts. It is expected that oil GDP will increase in the next quarter after Kuwait ramps up production when the production cuts will be reversed gradually from October 2024.

## **NBK announces profit of US\$ 953.6 m**

National Bank of Kuwait (NBK) has announced a net profit of KD 292.4 million (USD 953.6 m) in the first half of 2024. Total bank assets grew by 4.4% year-on-year to reach KD 37.7 billion (US\$ 122.9 bn) by end June 2024 while total loans and advances increased by 5.4% year-on-year to reach KD 22.7 billion (US\$ 74.1 bn). Bank's vision is to increase international operations' contribution to profits, expanding its global banking services, its commitment to providing exceptional mortgage solutions and tailored service that meet the investment needs of its clients in international real estate. NBK opened this year the first international mortgage loan

center of its kind in Kuwait dedicated to serving clients intending to buy or finance real estate in the United Kingdom, France and the UAE.

### **Kuwait and China discuss renewable energy projects**

The Minister of Electricity, Water, and Renewable Energy and the Minister of State for Housing Affairs, Dr Mahmoud Boushehri discussed renewable energy projects with Mr Ma Shao, CEO of State Power Investment Corporation (SPIC) and Representative of China in the Middle East and North Africa. The meeting covered bilateral relations and energy cooperation between Kuwait and China and discussed exploring ways to enhance this cooperation on the lines of agreed strategic Memorandum of Understanding between the Kuwait and China for developing the electrical energy system and renewable energy. They also discussed some quick and applicable solutions to boost electricity production for the summer of 2025.

### **CAPT finalized international firms for railway project study**

The Central Agency for Public Tenders (CAPT) has taken a significant step forward in the GCC railway project by approving the technical offers from four international companies for the study and detailed design work. The approved companies include Systra from Spain, China Railway Siyuan from China, Proyapi from Turkey and Systemas from France. Next, the agency plans to proceed with opening the financial offers from these companies, which have passed the technical evaluation phase. This process aims to select one company to carry out the comprehensive study necessary for the railway project.

With regards,

**(Davinder Punj)**  
Second Secretary (Commerce)