

# Kuwait project awards higher in 2Q21, lifted by the construction sector

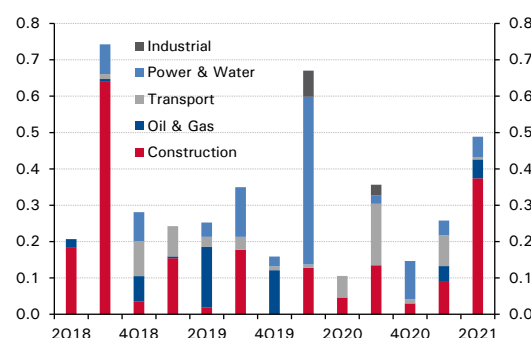
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### Highlights

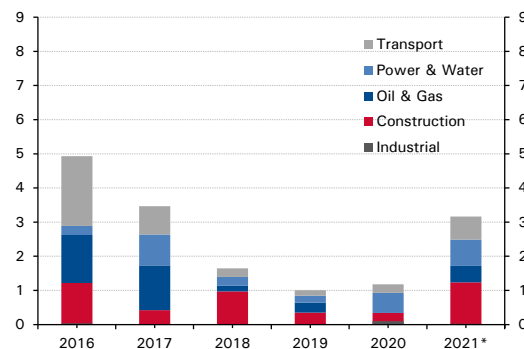
- Project awards picked up in 2Q21 compared to both Q1 and a year earlier, reaching almost KD 0.5 billion.
  - The majority of awards came from the construction sector, which accounted for over 60% of total project awards in 1H21.
  - MEED figures show a planned awards figure of KD 2.0 billion for 2H21.
- The pace of project awards picked up in 2Q21 compared to both Q1 and last year's pandemic related low. According to MEED projects, the total value of project awards reached KD 488 million in the second quarter, up 90% from 1Q21. This brings 1H21 awards to KD 746 million. Total 2021 project awards (actual and planned) are now projected by MEED at just over KD 3 billion, which would be the highest since 2017 though smaller than initial estimates earlier in the year which showed around KD 4 billion.
  - The construction sector made up about 76% of total project awards in Q2 with KD 374 million in awards, up strongly from the previous quarter. Awards stemmed mainly from one part of the Public Authority for Housing Welfare's (PAHW) Sabah Al Ahmed Township (KD 78 million) and several parts of Kuwait Oil Company (KOC) and Kuwait Environmental Remediation Program's Kuwait Excavation Transportation & Remediation Project (KD 229 million). The construction sector is showing signs of revival after several years of subdued activity and has made up the bulk of project awards so far this year (62%). Looking ahead, there are several smaller scale projects in the pipeline for 2H21 including PAHW's Jaber Al Ahmed Township (J1) valued at KD 90 million.
  - Activity in the power and water sectors also picked up in Q2, reaching KD 57 million from KD 41 million in the previous quarter. Awards came from the power sector with several parts of PAHW's Extension & Maintenance of Ground Cables at Al Mutlaa City (KD 32 million). MEED figures show KD 570 million in the pipeline for 2H21, not including the KD 102 million still listed as planned for Q2, which is likely to be rolled over into the coming quarters. Planned projects include the Ministry of Public Works (MPW) Wastewater Treatment Plant in South Al-Mutlaa (KD 173 million) and several parts of the Ministry of Electricity and Water's Fresh Water Line (KD 105 million), scheduled for 3Q and 4Q respectively.
  - Transport sector awards came in muted compared to last quarter, despite pressing concern for the country's infrastructure maintenance. Awards totaled just KD 5 million, a steep drop compared to the previous quarter's KD 85 million. The award stemmed from a roads package of the PAHW's Sabah Al Ahmed Township. Looking forward, expected awards in the transport sector amount to about KD 581 million. Notable upcoming awards include the MPW's Regional Road South Part Project (KD 129 million) and the Crossroads for New Passenger Terminal 2 (KD 120 million).
  - The oil and gas sector witnessed a slight pick-up in project activity in 2Q21, with KD 52 million in awards. These included KOC's Jurassic Non Associated west field upgrade at KD 35 million along with several smaller scale projects. Kuwait's oil and gas sector has KD 347 million in awards planned for 3Q21 including KOC's JPF 4 & 5 Production Facilities, valued at KD 294 million and several smaller scale oil projects. Nonetheless, according to recent reports,

▶ **Chart 1: Quarterly project awards**  
(KD billion)



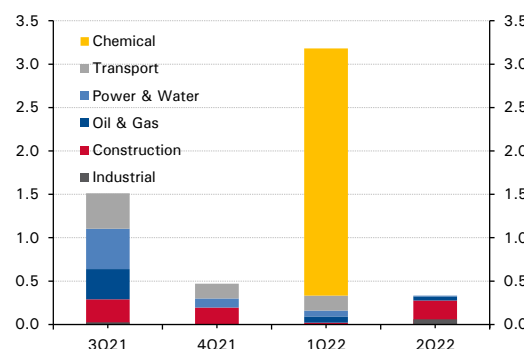
Source: MEED Projects, as of July 1

▶ **Chart 2: Annual project awards**  
(KD billion)



Source: MEED Projects, as of July 1. \*includes planned projects

▶ **Chart 3: Planned projects\***  
(KD billion)

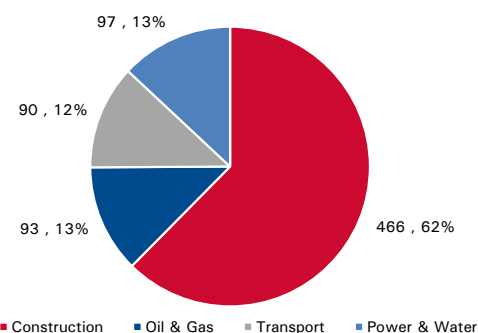


Source: MEED projects, as of July 1, \*excludes awarded projects

JPF 6 and 7 have been canceled due to spending cuts on capital projects by the Kuwaiti government.

- Finally, Kuwait's chemical sector has seen next to no activity in recent years. Nevertheless, with the coming Kuwait Integrated Petroleum Industries Company - Al Zour Petrochemical Complex project (KD 2.85 billion), the sector is poised to see some highly awaited developments in early 2022. Further delays cannot be ruled out, though.
- Across all sectors, MEED Projects forecasts around KD 2.0 billion worth of projects planned for the rest of the year, including many that have been rolled over from 1H21. However, given the ongoing pattern of delays and the cuts to spending, it is very likely that a much smaller figure will come to fruition.

► **Chart 4: 1H21 Project Awards Breakdown by Sector**  
(KD million)



Source: MEED projects, as of July 1

► **Table 1: 2Q21 Highest Valued Project Awards**

Project Name	Sector	Value (KD million)	Award Date
PAHW – Sabah Al Ahmed Township: Residential Complex (587 Houses)	Construction	78	2Q21
KOC - KERP: South Kuwait Excavation Transportation & Remediation Project: Zone-1	Construction	59	2Q21
KOC - KERP: North Kuwait Excavation Transportation & Remediation Project: Zone-1	Construction	58	2Q21
KOC - KERP: North Kuwait Excavation Transportation & Remediation Project: Zone-2	Construction	56	2Q21
KOC - KERP: South Kuwait Excavation Transportation & Remediation Project: Zone-2	Construction	56	2Q21
KOC - Jurassic Non Associated: Phase 2: West Raudhatain field Upgrade	Oil	35	2Q21
PAHW - 0.433 / 11 kV Secondary Substations at Al-Mutlaa Residential City	Power	15	2Q21

Source: MEED projects, as of July 1

► **Table 2: 2021 Major Planned Projects**

Project Name	Sector	Value (KD million)	Expected Award
KOC - JPF 4 & 5 Off-plot Works & Production Facilities: Production Facilities	Gas	294	3Q21
MPW - Wastewater Treatment Plant in South Al-Mutlaa Area	Water	173	3Q21
MPW - Regional Road South Part Project: Central Section	Transport	129	4Q21
Kuwait MPW - Crossroads for New Passenger Terminal 2 at Maqwa Road	Transport	120	3Q21
MPW - Northern Regional Road from Crossroad No.82 To Crossroad No.58	Transport	99	3Q21
KOC - KERP: South Kuwait Excavation Transportation & Remediation Project: Zone-3	Construction	90	3Q21
PAHW - Jaber Al Ahmed Township: Residential & Retail Development (J1)	Construction	90	4Q21
MPW - Northern Regional Road from Crossroad 58 to Salmi Border Check Post	Transport	90	3Q21
PAHW - South Abdullah Al-Mubarak : Public Buildings at Block 1,4,5, and 6	Construction	60	3Q21

Source: MEED projects, as of July 1

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