

## Kuwait Projects

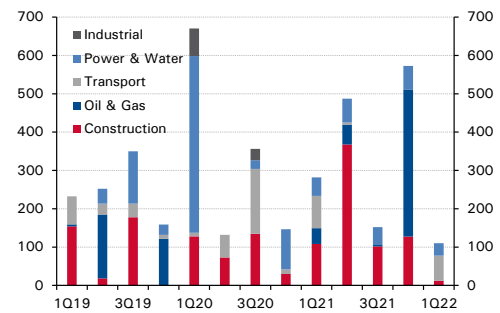
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## Project activity eases in 1Q22, should pick up in 2Q22

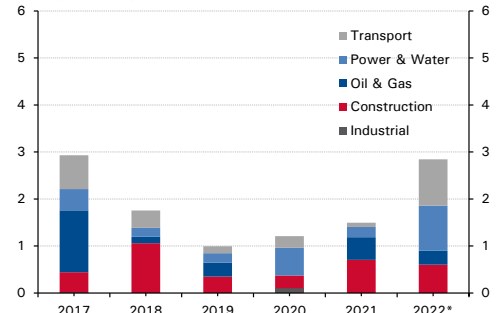
- The pace of project awards slowed significantly in 1Q22 compared to 4Q21, according to MEED projects. The total value of project awards came to just KD110 million, falling around 81% q/q. (Chart 1). This figure falls substantially short of the KD1.3 billion that was expected, likely due to the continued slow approvals process and cost rationalization well as on-going supply chain issues that have raised the costs of materials and labor. Last year saw about KD1.5 billion in projects awarded in the full year. (Chart 2.)
- Project awards in 1Q22 stemmed mainly from the transport sector, with KD66 million approved (60% of total project awards). The value of contracts awarded in the power and water sectors was the next highest at KD32 million (29% of awards). (Chart 3).
- Activity in the construction sector dropped nearly 90% q/q, with only KD12 million worth of projects awarded. This was mainly Touristic Enterprise Company's (TEC) development of the New Messila Beach project.
- Transport sector awards recovered in 1Q22, after several quarters of relatively subdued activity. The total value of contract awards came in at KD66 million, the highest in a year. This was mainly due to the signing off of KPA's Shuaiba Port Upgrade and Expansion (KD18mn) project and the Rehabilitation of Berths in Shuwaikh Port (KD48mn) project.
- Project activity in the power and water sectors retreated again in 1Q22, with the value of awards falling 45% q/q to KD32 million. Two small-scale projects were awarded in the previous quarter: MEW's Supply & Installation of 132kV OHL to Sheikh Salem Al-Sabah Camp (KD27mn) and PAI's Water Cooling Drainage Network (KD5.4mn).
- No oil and gas projects were awarded in 1Q22. This is in marked contrast to 4Q21 when KD383 million worth of contracts were signed (70% of total).
- Looking ahead to the rest of the year, project activity could in theory accelerate amid greater system liquidity and business confidence, though the government's recent resignation has to be seen as a setback. MEED Projects' estimate for the year of KD3 billion worth of awards is looking doubtful.
- The expected pipeline of awards include KD986 million worth of transportation projects, the largest of which are the PAHW's South Sabah Al-Ahmed Township (KD300mn) and MPW's Regional South Road (KD130mn) projects, expected in 3Q22. KD453 million worth of construction sector awards are expected, including two larger scale project awards due in 4Q22. In the power and water sectors, around KD907 million is forecast, the largest of which are the MPW's Wastewater Treatment Plant (KD173.4mn) and the Upgrade & Development of Doha Western Power Station (KD45mn) projects, both scheduled for 3Q22. Projects awards in the oil and gas sector, though, are likely to remain subdued, with only KD251 million worth of relatively small scale projects planned for the year. As for Kuwait's chemical sector, project activity is not likely to pick up again until 2023 at the earliest, when KIPIC's Al-Zour Petrochemical Complex (KD2.85bn) project is expected to be awarded.

▶ Chart 1: Project awards  
(KD million)



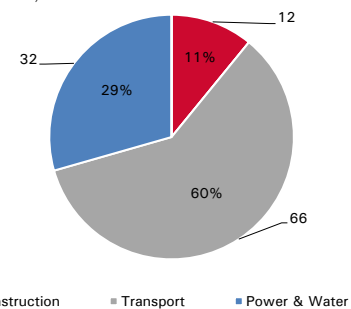
Source: MEED Projects; updated on 5 April 2022

▶ Chart 2: Project awards (annual)  
(KD billion)



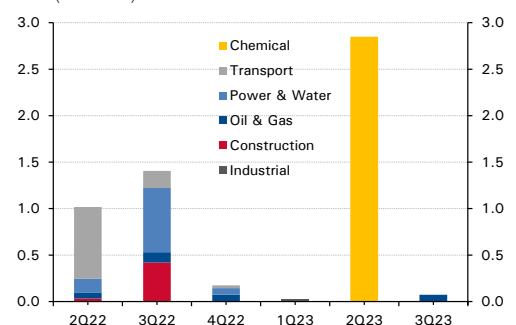
Source: MEED Projects, \*as of 5 April 2022, includes planned projects

▶ Chart 3: 1Q22 project awards by sector  
(KD million)



Source: MEED Projects, updated on 5 April 2022

▶ Chart 4: Planned projects  
(KD billion)



Source: MEED Projects, updated on 5 April 2022

► **Table 1: Projects awarded in 1Q22**

Project Name	Sector	Value (KD million)	Award Date
KPA - Rehabilitation of Berths in Shuwaikh Port	Transport	48	1Q22
MEW - Supply & Installation of 132kV OHL to Sheikh Salem Al-Sabah Camp	Power	27	4Q21
KPA - Shuaiba Port Upgrade and Expansion	Transport	17.7	4Q21
TEC - New Messilah Beach	Construction	12	4Q21
PAI - Water Cooling Drainage Network	Water	5.4	4Q21

Source: MEED Projects, updated on 5 April 2022

► **Table 2: Major project awards planned in 2022**

Project Name	Sector	Value (KD million)	Expected Award
PAHW - South Sabah Al Ahmed Township : Infrastructure Package (S3)	Transport	300	2Q22
MPW - Wastewater Treatment Plant in South Al-Mutlaa Area	Water	173.4	3Q22
CMGS - Development of Four Sites at Sheikh Jaber Al-Ahmad Al-Sabah Causeway	Construction	165	3Q22
KOC - South Kuwait Excavation, Transportation, and Remediation Project SKETR-II	Construction	150	3Q22
MEW - Doha SWRO Desalination Plant Phase 2	Water	129.6	3Q22
MPW - Regional Road South Part Project: Central Section	Transport	129	2Q22
Kuwait MPW - Crossroads for New Passenger Terminal 2 at Maqwa Road	Transport	120	2Q22
PAI - Shaddadiya Industrial Area Infrastructure Package	Transport	90	2Q22
MPW - Northern Regional Road from Crossroad 58 to Salmi Border Check Post	Transport	90	3Q22

Source: MEED Projects, updated on 5 April 2022

Notes: Kuwait Authority for Partnership Projects (KAPP); Kuwait Investment Authority (KIA); Kuwait National Petroleum Company (KNPC); Kuwait Oil Company (KOC); Kuwait Petroleum International (KPI); Kuwait University (KU); Ministry of Public Works (MPW); Ministry of Health (MOH); Public Authority for Housing Welfare (PAHW); Petroleum Industries Company (PIC) Kuwait Environmental Remediation Program (KERP); Ministry of Electricity and Water (MEW); Kuwait Integrated Petroleum Industries Company (KIPIC), Council of Ministers General Secretariat (CMGS) Kuwait Port Authority (KPA), Public Authority for Industry (PAI), Touristic Enterprises Company (TEC) .

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