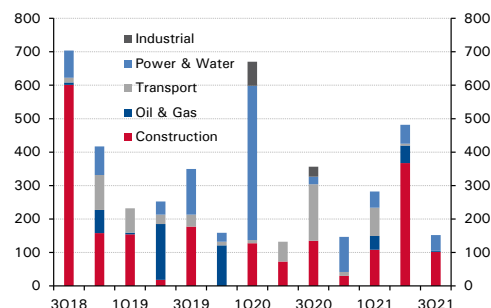


## Kuwait Projects

# Kuwait project activity dips in 3Q21 amid delays and supply chain constraints

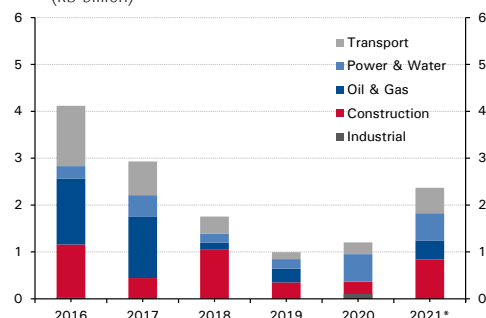
- Project activity declined significantly in the third quarter of 2021.** The total value of awarded projects fell to KD152 million (-68% q/q; -57% y/y), according to MEED projects. (Chart 1.) This brings the total value of projects awarded in 2021 to a cumulative KD916 million so far. With the fourth quarter underway already, the full-year figure is likely to fall a long way short of the KD2.4 billion earlier projected by MEED. (Chart 2.) The decline is due to delays in government tendering and approvals amid cutbacks in capital spending as well as pandemic-linked supply chain constraints that have led to increases in the cost of materials and labor.
- Construction sector awards came in considerably weaker than in the previous quarter (-72% q/q).** It was, though, the strongest performing sector, both in 3Q21 with KD102 million worth of projects awarded and in the year so far with 63% of all projects falling in this sector. (Chart 3.) KOC and KERP's Excavation Transportation & Remediation Project: Zone-3, worth KD75 million, was the largest project awarded during the quarter, followed by PAHW's Al-Mutlaa City: Soil Works contract, worth KD26 million. Several project awards are expected in 4Q21, including the PAHW's Public Buildings at South Abdullah Al-Mubarak: Blocks 1-6 (KD 96 million) and a portion of the Sabah Al-Ahmed Township project (KD75 million).
- The power and water sectors also witnessed a slowdown in project activity in 3Q21,** with awards falling 17% q/q to KD47 million. Two contracts under the PAHW's Extension & Maintenance of Medium & Low Tension Cable Networks project were awarded. The fourth quarter of the year should see KD431 million worth of projects awarded, including several contracts related to the MEW's Fresh Water Pipeline project (KD105 million) and smaller scale projects in the power sector worth around KD258 million.
- No projects were awarded in the transport sector in 3Q21.** This is the second consecutive quarter of minimal activity, following 2Q21's outturn of KD5 million. Looking ahead, KD452 million of transportation awards, including two parts of MPW's Northern Regional Road (KD189 million) and the Crossroads for New Passenger Terminal 2 (KD120 million) are expected by the end of 2021.
- Activity in the oil and gas sectors also slowed significantly.** Total awards declined by 93% q/q to KD4 million, which was essentially KOC's Installation of Flow Lines for Producer Wells project. Kuwait's oil and gas sector has KD308 million in awards planned for 4Q21, including KOC's JPF 4 & 5 Production Facilities (KD294 million) and several smaller scale oil projects. However, given recent trends, we could see this project pushed back into early 2022.
- Lastly, Kuwait's chemical sector, which has been quiet for the past few years,** should finally see some movement, with the contracts expected for the Al-Zour Petrochemical Complex (KD2.85 billion) by Kuwait Integrated Petroleum Industries Company (KIPIC). This is not likely before early 2022, though.
- MEED Projects sees KD1.5 billion worth of projects awards coming through in 4Q21.** (Chart 4.) For 2021 as a whole, however, project activity is likely to be softer than initially expected.

▶ **Chart 1: Project awards (quarterly)**  
(KD million)



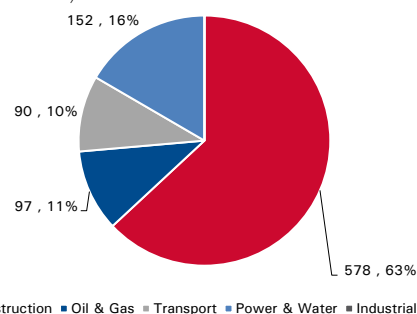
Source: MEED Projects, as of 24-October

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



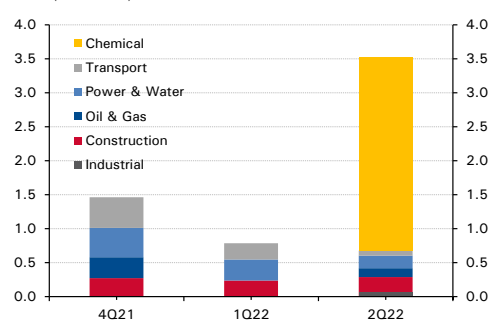
Source: MEED Projects; \*as of 24-Oct and including planned projects

▶ **Chart 3: 1Q21-3Q21 project awards by sector**  
(KD million)



Source: MEED projects, as of 24-October

▶ **Chart 4: Planned projects**  
(KD billion)



Source: MEED projects, as of 24-Oct, \*excludes awarded projects

▶ **Table 1: Projects awarded in 3Q21**

Project Name	Sector	Value (KD million)	Award Date
KOC - KERP: South Kuwait Excavation Transportation & Remediation Project: Zone-3	Construction	75	3Q21
PAHW - Al Mutlaa City: Soil Works	Construction	26	3Q21
PAHW - Extension & Maintenance of Medium and Low Tension cable network (N6,N7,N8)	Power	24	3Q21
PAHW - Extension & Maintenance of Medium & Low Tension cable network (N9,N10,N11)	Power	23	3Q21
KOC - Installation of Flowlines for Producer Wells In North Kuwait	Oil	3.6	3Q21

Source: MEED projects, as of October 24

▶ **Table 2: Major project awards planned in 4Q21**

Project Name	Sector	Value (KD million)	Expected Award
KOC - JPF 4 & 5 Off-Plot Works & Production Facilities: Production Facilities	Gas	294	4Q21
MPW - Crossroads for New Passenger Terminal 2 at Maqwa Road	Transport	120	4Q21
MPW - Northern Regional Road from Crossroad No.82 To Crossroad No.58	Transport	99	4Q21
MPW - Northern Regional Road from Crossroad 58 to Salmi Border Check Post	Transport	90	4Q21
PAHW - Sabah Al Ahmed Township : Residential, Commercial Center & Kids Club (S1)	Construction	75	4Q21
PAHW - South Abdullah Al-Mubarak : Public Buildings at Block 1,4,5, and 6	Construction	60	4Q21
KOC - Installation of Flowlines for Producer Wells in Umm Niqa	Oil	45	4Q21
MEW - Upgrade & Development of Doha Western Power Station	Power	45	4Q21
MEW - Fresh Water Pipeline from the Abdullah Water Distribution Complex	Water	45	4Q21
MPW - Kuwait Airport Expansion: New Passenger Terminal 2: Air-side Works	Transport	42	4Q21

Source: MEED projects, as of 24-October

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).

## Head Office

### Kuwait

National Bank of Kuwait SAKP  
Shuhada Street,  
Sharq Area, NBK Tower  
P.O. Box 95, Safat 13001  
Kuwait City, Kuwait  
Tel: +965 2242 2011  
Fax: +965 2259 5804  
Telex: 22043-22451 NATBANK  
[www.nbk.com](http://www.nbk.com)

## International Network

### Bahrain

National Bank of Kuwait SAKP  
Zain Branch  
Zain Tower, Building 401, Road 2806  
Seef Area 428, P. O. Box 5290, Manama  
Kingdom of Bahrain  
Tel: +973 17 155 555  
Fax: +973 17 104 860

National Bank of Kuwait SAKP  
Bahrain Head Office  
GB Corp Tower  
Block 346, Road 4626  
Building 1411  
P.O. Box 5290, Manama  
Kingdom of Bahrain  
Tel: +973 17 155 555  
Fax: +973 17 104 860

### United Arab Emirates

National Bank of Kuwait SAKP  
Dubai Branch  
Latifa Tower, Sheikh Zayed Road  
Next to Crown Plaza  
P.O.Box 9293, Dubai, U.A.E  
Tel: +971 4 3161600  
Fax: +971 4 3888588

National Bank of Kuwait SAKP  
Abu Dhabi Branch  
Sheikh Rashed Bin Saeed  
Al Maktoom, (Old Airport Road)  
P.O.Box 113567, Abu Dhabi, U.A.E  
Tel: +971 2 4199 555  
Fax: +971 2 2222 477

### Saudi Arabia

National Bank of Kuwait SAKP  
Jeddah Branch  
Al Khalidiah District,  
Al Mukmal Tower, Jeddah  
P.O Box: 15385 Jeddah 21444  
Kingdom of Saudi Arabia  
Tel: +966 2 603 6300  
Fax: +966 2 603 6318

### Jordan

National Bank of Kuwait SAKP  
Amman Branch  
Shareef Abdul Hamid Sharaf St  
P.O. Box 941297, Shmeisani,  
Amman 11194, Jordan  
Tel: +962 6 580 0400  
Fax: +962 6 580 0441

### Lebanon

National Bank of Kuwait  
(Lebanon) SAL  
BAC Building, Justinien Street, Sanayeh  
P.O. Box 11-5727, Riad El-Solh  
Beirut 1107 2200, Lebanon  
Tel: +961 1 759700  
Fax: +961 1 747866

### Iraq

Credit Bank of Iraq  
Street 9, Building 187  
Sadoon Street, District 102  
P.O. Box 3420, Baghdad, Iraq  
Tel: +964 1 7182198/7191944  
+964 1 7188406/7171673  
Fax: +964 1 7170156

### Egypt

National Bank of Kuwait - Egypt  
Plot 155, City Center, First Sector  
5th Settlement, New Cairo  
Egypt  
Tel: +20 2 26149300  
Fax: +20 2 26133978

### United States of America

National Bank of Kuwait SAKP  
New York Branch  
299 Park Avenue  
New York, NY 10171  
USA  
Tel: +1 212 303 9800  
Fax: +1 212 319 8269

### United Kingdom

National Bank of Kuwait  
(International) Plc  
Head Office  
13 George Street  
London W1U 3QJ  
UK  
Tel: +44 20 7224 2277  
Fax: +44 20 7224 2101

### France

National Bank of Kuwait France SA  
90 Avenue des Champs-Elysees  
75008 Paris  
France  
Tel: +33 1 5659 8600  
Fax: +33 1 5659 8623

### Singapore

National Bank of Kuwait SAKP  
Singapore Branch  
9 Raffles Place # 44-01  
Republic Plaza  
Singapore 048619  
Tel: +65 6222 5348  
Fax: +65 6224 5438

### China

National Bank of Kuwait SAKP  
Shanghai Office  
Suite 1003, 10th Floor, Azia Center  
1233 Lujiazui Ring Road  
Shanghai 200120, China  
Tel: +86 21 6888 1092  
Fax: +86 21 5047 1011

## NBK Capital

### Kuwait

NBK Capital  
34th Floor, NBK Tower  
Shuhada'a street, Sharq Area  
PO Box 4950, Safat, 13050  
Kuwait  
Tel: +965 2224 6900  
Fax: +965 2224 6904 / 5

### United Arab Emirates

NBK Capital Limited - UAE  
Precinct Building 3, Office 404  
Dubai International Financial Center  
Sheikh Zayed Road  
P.O. Box 506506, Dubai  
UAE  
Tel: +971 4 365 2800  
Fax: +971 4 365 2805

## Associates

### Turkey

Turkish Bank  
Valikonagl CAD. 7  
Nisantasi, P.O. Box. 34371  
Istanbul, Turkey  
Tel: +90 212 373 6373  
Fax: +90 212 225 0352