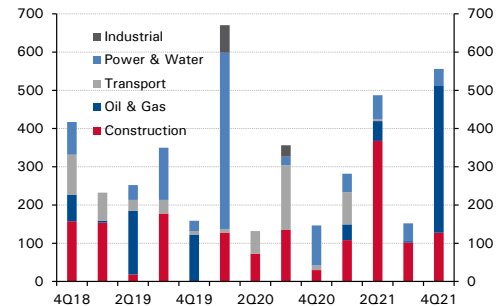


Kuwait Projects

Project activity picked up slightly in 2021 and should improve further in 2022

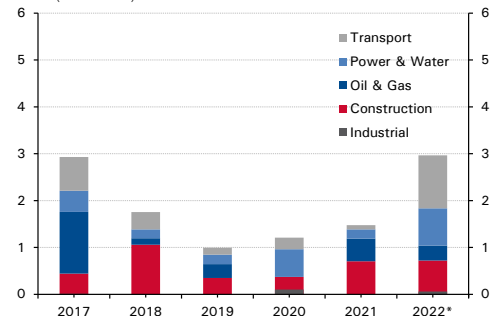
- Project activity gathered pace in the fourth quarter of 2021.** The total value of project awards surged to KD556 million (+265% q/q; +279% y/y), according to MEED projects. (Chart 1.) This brings the total value of awards in 2021 to KD1.5 billion, up 13% on 2020. The figure falls short of the KD 2.4 billion that was forecast earlier, a likely outcome of government tendering delays amid cutbacks in capital spending and pandemic-linked supply chain constraints. (Chart 2.) The surge in project awards in 4Q21 stemmed from the oil and gas sectors, while, for the year as a whole, the construction sector accounted for almost 50% of all awards, followed by the oil and gas sector with 32%. (Chart 3.) MEED Projects anticipates activity accelerating in 2022, with about KD3.0 billion worth of projects set to be awarded.
- Project awards in the construction sector amounted to KD128 million in 4Q21.** The bulk of awards came from the Hessah Al-Mubarak-Low Rise Commercial Buildings project (KD42 million) and the KOC-KERP: Soil Remediation project (KD36 million). Meanwhile, total 2021 construction sector awards reached KD705 million, up 89% from 2020. In 2022, a similar value of construction contracts are expected to be awarded (KD723 million). These include the CMGS-Development of Four Sites at Sheikh Jaber Al-Ahmad Al-Sabah Causeway (KD165 million) and KOC's Kuwait Excavation, Transportation, and Remediation Project (KD150 million), both currently scheduled for 2Q22.
- Project activity in the power and water sectors slowed down again in 4Q21,** with awards falling 5% q/q to KD45 million. Several small-scale projects were awarded last quarter, including two of PAHW's Feeding Main Transformer Stations cables projects valued at KD30 million. Activity in the power and water sectors should, however, pick up in 2022, with about KD798 million in the project pipeline. Several large-scale water projects are expected in the first half of 2022, including MPW's Wastewater Treatment Plant (KD173 million) and phase 2 of MEW's Doha Desalination Plant (KD130 million).
- The transport sector saw no projects awarded in 4Q21.** This is the third consecutive quarter of minimal activity, following 2Q21's outturn of only KD5 million. Looking ahead, a recovery could be around the corner if the KD1.1 billion worth of transportation projects, including PAHW's South Sabah Al-Ahmed Township (KD300 million) and MPW's Regional South Road (KD130 million) projects are awarded in 1H22.
- Oil and gas sector activity recovered in 4Q21,** after several quarters in which it was relatively subdued. Oil and gas awards came in at KD383 million in 4Q21, accounting for nearly 70% of all awards in the quarter. This was mainly KOC's JPF4 & 5 Off-Plot Works & Production Facilities (KD246 million) and 11 Patterns Well Hook-Up (KD123 million) projects. In 2022, KD315 million worth of awards could materialize, including several KOC-related oil projects (KD150 million).
- Project activity in Kuwait's chemical sector, which has been relatively quiet since 2011, is not expected until 2023,** when the contract for KIPIC's Al-Zour Petrochemical Complex (KD2.85 billion) is expected to be awarded.

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



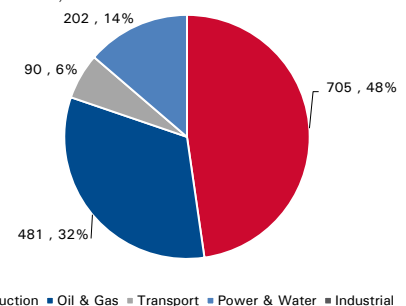
MEED Projects, updated on 9 January 2022

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



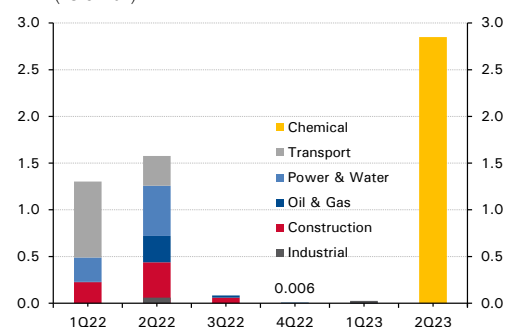
Source: MEED Projects, *as of 9 Jan 2022, includes planned projects

▶ **Chart 3: 2021 project awards by sector**
(KD million)



Source: MEED Projects, updated on 9 January 2022

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



Source: MEED Projects, updated on 9 January 2022

► **Table 1: Projects awarded in 4Q21**

Project Name	Sector	Value (KD million)	Award Date
KOC - JPF 5 Off-Plot Works & Production Facilities	Gas	126.9	4Q21
KOC - 11 Patterns Well Hook-up Installation & Associated Works	Oil	122.7	4Q21
KOC - JPF 4 Off-Plot Works & Production Facilities	Oil	119.4	4Q21
United Real Estate - Hessah Al Mubarak - Low Rise Commercial buildings	Construction	42.3	4Q21
KOC - KERP: Soil Remediation Project	Construction	36	4Q21
PAHW - South Abdullah Al-Mubarak: Public Buildings at Block 2 and 3	Construction	25.8	4Q21
PAHW - South Abdullah Al-Mubarak: Public Buildings at Block 1,4,5, and 6	Construction	18	4Q21
PAHW - South Al Mutlaa City: 400kV Feeding Main Transformer Stations Z6	Power	15.3	4Q21
PAHW - 400kV Feeding Main Transformer Stations Z5	Power	15	4Q21
PAHW - Extension & Maintenance of 132kV Ground Cables in N3,N4 at Al Mutlaa city	Power	8.4	4Q21

Source: MEED Projects, updated on 9 January 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	1Q22
MPW - Wastewater Treatment Plant in South Al-Mutlaa Area	Water	173.4	2Q22
CMGS - Development of Four Sites at Sheikh Jaber Al-Ahmad Al-Sabah Causeway	Construction	165	2Q22
KOC - South Kuwait Excavation, Transportation, and Remediation Project SKETR-II	Construction	150	2Q22
MEW - Doha SWRO Desalination Plant Phase 2	Water	129.6	2Q22
MPW - Regional Road South Part Project: Central Section	Transport	129	2Q22
MPW - Crossroads for New Passenger Terminal 2 at Maqwa Road	Transport	120	1Q22
MPW - Northern Regional Road from Crossroad No.82 To Crossroad No.58	Transport	99	1Q22
PAI - Shaddadiya Industrial Area Infrastructure Package	Transport	90	1Q22
KPA - Rehabilitation of Berths in Shuwaikh Port	Transport	90	1Q22

Source: MEED Projects, updated on 9 January 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) .

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