

Infrastructure & Construction Sector

Sector Overview

Kuwait invests substantially in infrastructural projects to meet the rising demand of the growing population, and economic growth. Infrastructure is also prioritized by the development of several new economic and industrial zones in the country that are expected to cater to different competitive industries and businesses. Numerus subsectors are linked to this sector such as Desalination plants, Power Generation plants based on both fuel & renewable energies and Economic & Industrial Zones.

Pillars of Kuwait National Vision 2035

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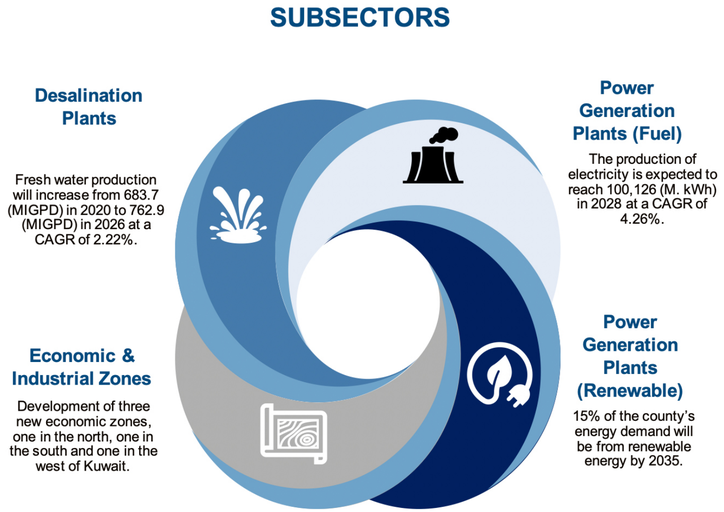
Developed Infrastructure Pillar
Sustainable Living Environment

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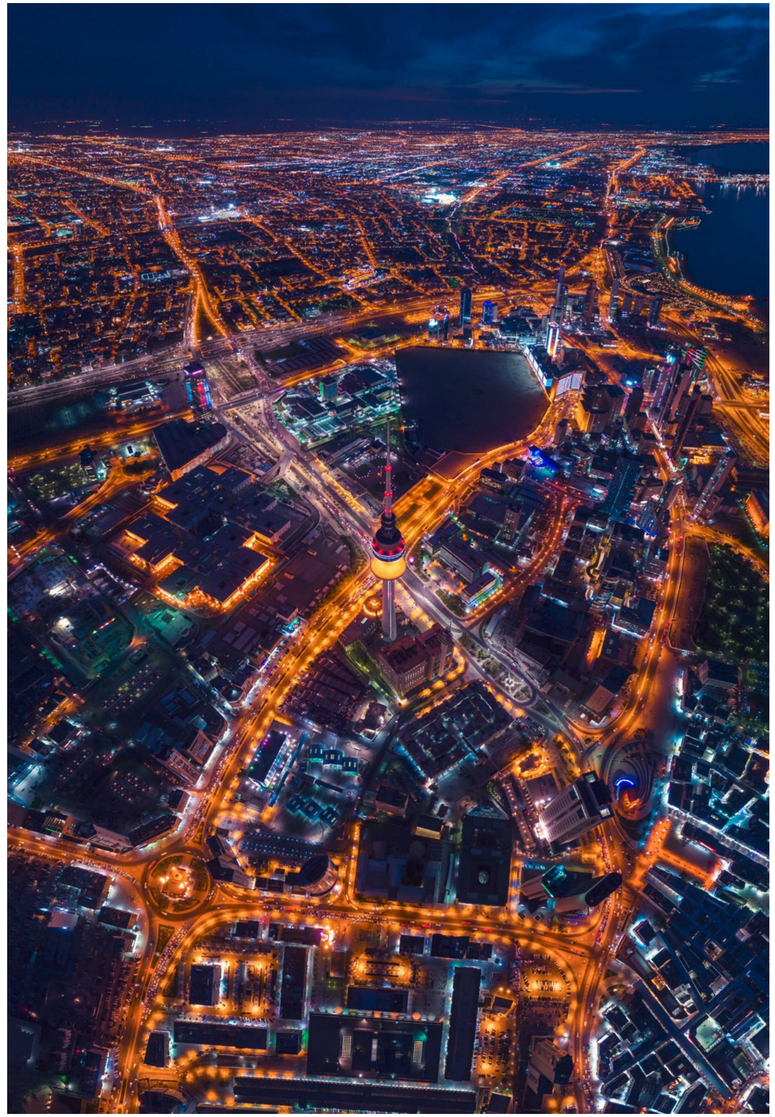
Sustainable Development Goals (SDGs) 2030

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Goal 6: Sustainable Management of Water Resources & Sanitation
Goal 7: Affordable & Clean Energy
Goal 9: Industry, Innovation & Infrastructure
Goal 11: Sustainable Cities & Communities
Goal 12: Responsible Consumption & Production



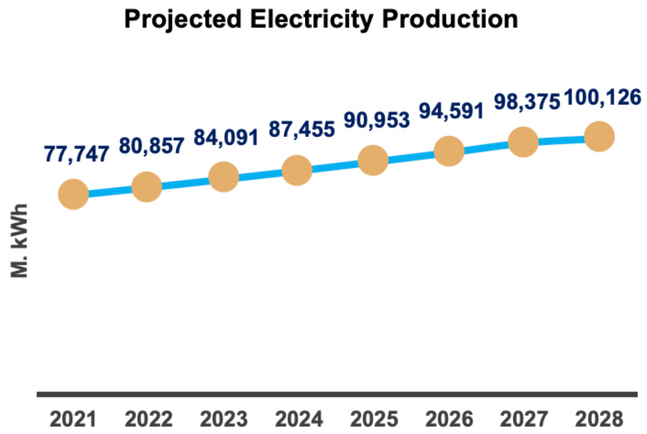
Kuwait offers interested investors a host of mega investment opportunities in infrastructural projects in the field of electricity generation, water desalination, renewable energy, and establishing economic and industrial zones to attain the goals of the National Vision 2035 and its development plans.



Power Generation (Fuel)

MARKET FACTORS

- The total production of electricity in the year 2020 was 74,757 (M. kWh), which has increased at a CAGR of 1.63% from 2016 at 70,085 (M. kWh). The total production is expected to reach 100,126 (M. kWh) in 2028 at a CAGR of 4.26%[1].



- Kuwait per capita energy consumption reached 38.8 kWh per day in 2020 and 14,207 kWh per year in 2020[1].

- Kuwait peak load demand was 14,960 MW in 2020. The peak load is expected to increase to 20,474 MW by the year 2028[1].

- Demand for electricity for air-conditioning services in Kuwait accounts for some 70% of residential electricity demand.

- Oil holds a major share in terms of fuel utilized for generating power, with natural gas occupying a smaller proportion. However, the country is rapidly moving away from oil to natural gas as a means of power generation. Under Kuwait commitment to the UN Framework Convention on Climate Change, it started adopting renewable energy as part of its energy mix to reduce carbon emissions.

- The following are fuel-based power plants in Kuwait[1]:

Station	Total Available Capacity (MW)
Shuwaikh Station	252
Shuaiba South Station	720
Shuaiba North Station	875.5
Doha East Station	1,122
Doha west Station	2,541
Az-Zour South Station	6,055.8
Subiya Station	7,046.7
Az-Zour North Station	1,540
Total Capacity	**20,153**

- Kuwait's electricity is subsidized by the government, making it one of the most competitive tariffs globally. Electricity rates in 2020[1] stood at:

Sector	Tariff/(kWh) USD
Government	0.083
Residential	0.007
Investment and commercial	0.017
Industrial and agricultural	0.017

- The Kuwaiti government recently adopted the PPP model for developing new independent power plants (IPPW) allowing for the participation of the private sector in power generation sector.

- The following projects are being developed under the PPP model[2]

Stations	Capacity (MW)
Az-Zour North IWPP (Phase 1)	1,500
Al Khairan IWPP (Phase 1)	5,400
Az-Zour North IWPP (Phases 2 & 3)	2,700

- Shuaiba North Station with an estimated value of USD 1.2 billion[3] is expected to be privatized on completion, making it the first existing utilities asset to be sold off to the private sector.

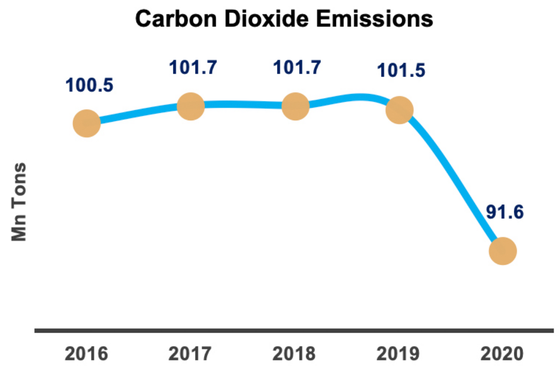
Sources: [1]MEW, [2]KAPP, [3]Energy and Utilities.



Power Generation Plants (Renewable)

MARKET FACTORS

- There is growing interest in power generation by utilizing resources that are mainly based on renewable energy, like the use of solar, wind, tidal power, and green hydrogen energy.



- The Kuwaiti government has set up an ambitious plan to generate at least 15% of the county's energy mix from renewable energy by 2035.[2]

- As part of Kuwait vision to move to a more sustainable form of energy generation, the following plants are being developed by the government on a PPP basis[5]

Renewable Energy based Power Plants	Capacity (MW)
Al Shaqaya Renewable Energy Project	3070
ISCC Plant at Al-Abdaly	300

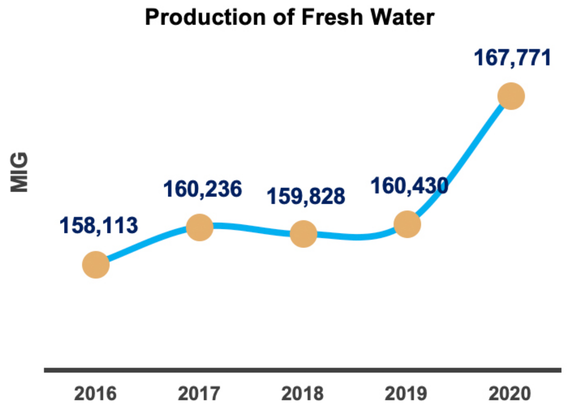
Sources: [1]British Petroleum, [2]Kuwait Institute of Scientific Research, [3]Saudi Green Initiative; [4]MEW, [5]Kuwait Vision 2035.



Desalination Plants

MARKET FACTORS

- The gross production of fresh water in the year 2020 was 167,771 MIG which has increased at a CAGR of 1.49% from 158,113 MIG in 2016[1].



- Kuwait's water tariffs are subsidized by the government, which makes it one of the competitive rates globally, as the water rates stood at in 2020[1]:

Sector	Tariff/(1000 IG) USD
Government	13.3
Residential	2.7
Investment and commercial	6.6
Industrial and agricultural	4.2

- Kuwait's desalination facilities supply almost 90% of its freshwater requirements in the residential sector and 60% of the demand in the industrial sector.

- The following are the desalination plants in Kuwait[1]:

Stations	Total Available Capacity (MIGPD)
Shuwaikh Station	48.5
Shuaiba South Station	30
Shuaiba North Station	45
Doha East Station	42
Doha West Station	170.4
Az-Zour South Station	140.4
Subiya Station	100
Az-Zour North Station	107
Total Capacity	**683.7**

- The Government has already increased the capacity of the Doha West Plant and is in the process of increasing the capacity of the Al-Zour South and Subiya Plants.

- The installed capacity of desalination plants is expected to increase from 683.7 MIGPD in 2020 to 762.9 MIGPD in 2026 increasing at a CAGR of 2.22%[1].

- The Kuwaiti government has adopted the PPP model for developing new IWPP plants involving the participation of the private sector in water production.

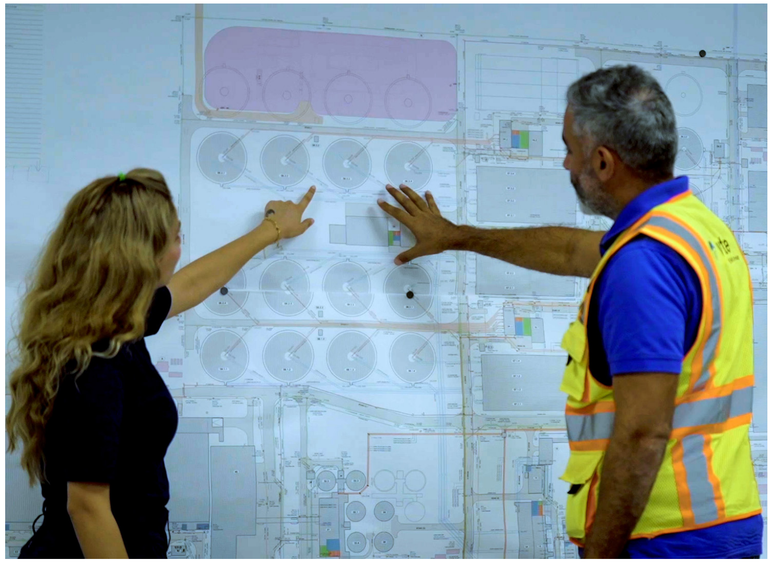
- Some of the projects currently developed under the PPP model include[3]:

Stations	Capacity (MIGPD)
Az-Zour North IWPP (Phase 1)	102
Al Khairan IWPP (Phase 1)	125
Az-Zour North IWPP (Phase 2 & 3)	165

- As part of Kuwait Vision 2035 Development Plan, the Shuaiba North Station is to be privatized, which will help in increasing its efficiency and thus the production capacity of fresh water.

- Kuwait stands as the 3rd largest producer of desalinated water in the GCC only behind Saudi Arabia and the UAE. The demand for fresh water in the GCC is expected to increase by 62% by the year 2025.[2]

Sources: [1]MEW, [2]MEED, [3]KAPP, [4]Kuwait Institute of Scientific Research.



Economic & Industrial Zones

MARKET FACTORS

- Economic Zones are an inclusive concept of competitive clusters that cater to logistics, manufacturing, trading, and other activities. The Economic Zones in Kuwait are subject to the laws and regulations of the Kuwait Direct Investment Promotion Authority (KDIPA), and incentives granted by KDIPA while adhering to the country legal framework, rules, and initiatives.

- The areas allocated to the economic zones and the specific designated uses of the areas are provided below[1]:

Area	Designated Activities
Al Abdali area near the northern part of the Arabian Gulf	Coke and petroleum products, logistics and storage, waste management and other activities
Al Naim area located in the western region	Basic industries, environmental concentrated industries
Al Wafra area located in the southern region	Cross-border economic activity

- **Al-Abdali Economic Zone**: KDIPA obtained the approvals for the final master plan design from competent government authorities; and a Council of Ministers Decision No. (1010) of 2021 assigned KDIPA the task of coordinating with competent authorities to proceed with the option to directly auction the tender for the implementation, investment, and utilization of Al-Abdali Economic Zone project. Several introductory visits to present Al-Abdali Economic Zone project were conducted to a number of foreign banks branches and foreign companies early 2022.

- **Al-Wafra Economic Zone**: KDIPA completed he projects tender documents for developing its masterplan through the Central Agency for Public Tenders (CAPT). KDIPA evaluated the received bids, and signed the contract with the winning consulting firm on March 28, 2022.

- **Al-Naayem Economic Zone**: KDIPA discussed the project with the Public Authority for Industry (PAI), who has an adjacent industrial zone, to consider jointly developing these two zones, along with other potential options.

- **Shuwaikh Free Zone**: is Kuwait's first free trade zone that was established in accordance with Law No. 26 of 1995 aiming to encourage and facilitate the re-export and transit trade to enhance Kuwait commercial regional position. KDIPA was assigned the task to manage Kuwait free zones along with its economic zones by a Council of Ministers Decision No. 907 of 2016. Later, another Council of Ministers Decision No. 1337 of 2018 cancelled the free zone status from Shuwaikh free zone and re-classified it as state property.

- **Al-Nuwaiseeb Free Zone**: is: a new free zone project under development by KDIPA who prepared the needed tender documents of al-Nuwaiseeb Free Trade Zone, following the issuance of a Council of Ministers Decision No. (412) of 2018 to proceed with the option of utilizing a usufruct of a third party - a specialized company. KDIPA communicated with Kuwait Ministry of Foreign Affairs, to address the Kuwaiti-Saudi Joint Committee to provide its feedback on Al-Nuwaiseeb free zone project.

Sources: [1]KDIPA.





Environmental Services Sector

Sector Overview

Environmental projects undertaken by Kuwait signifies the country's commitment globally to utilize green forms of energy and reduce dependence on fuel-based sources of energy.

Pillars of Kuwait National Vision 2035

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Sustainable Living Environment Pillar

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Sustainable Development Goals (SDGs) 2030

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Goal 7: Affordable & Clean Energy
Goal 11: Sustainable Cities & Communities
Goal 12: Responsible Consumption & Production
Goal 13: Climate Action
Goal 15: Life on Land



Kuwait offers interested investors a host of mega investment opportunities in environmental services projects in the field of solid waste recycling and management, wastewater treatment, and solar energy to attain the goals of the National Vision 2035 and its development plans.



Solid Waste Management

MARKET FACTORS

- The growing population of Kuwait and the rising infrastructure and construction activities in the country have caused Kuwait to accumulate rising amounts of solid waste placing it in the top third country within the GCC.[1]

Location	Size (Million sqm)
Jahra	1,915
South Seventh Ring	5.358
Mina Abdullah	6.7
Other	6.0



- To address the issue of the disposal of solid waste, Kuwaiti Municipality, licensed a Solid Waste Treatment Facility in Kabd area on a PPP basis. The solid waste treatment plant has a capacity of 3,275 tons per day and is estimated to cost approximately USD 1,926.9 Mn.[3]

- The Environment Public Authority of Kuwait, established in 1995, issued a new environment protection Law No. (42) of 2014 amended by Law No. (99) of 2015, to ensure a strict adherence to the environmental regulations stated, to prohibit unlawful dumping of harmful solid waste in Kuwait.

Sources: [1]International Journal of Environmental Science and Development, [2]CSB, [3]KAPP, [4]Global Recycling.

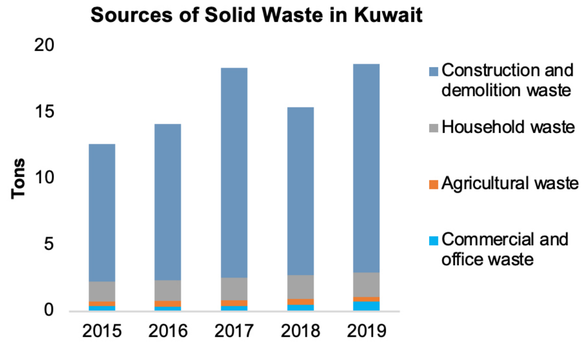


Solid Waste Recycling

MARKET FACTORS

- Kuwait produced an estimated 18,669,248 tons of solid waste in 2019.[1]

- The main source of solid waste is the construction and demolition waste comprising 84%[1] of the total solid waste produced, that includes concrete, bricks, ceramic, insulation materials, glass, plastic, and metal, none of which are biodegradable.



- The second source of solid waste is household waste with a share of 10%[1] of the total solid waste produced, comprised of biodegradable waste such as paper and wood as well as non-biodegradable waste including plastics. The remaining sources are from commercial and office waste, and agricultural waste.

- The Environment Public Authority of Kuwait is the chief enforcer of environmental laws and regulations in the country and is entrusted with the task of ensuring that waste is handled with care and is considered for recycling.[2]

Sources: [1]CSB, [2]EPA.

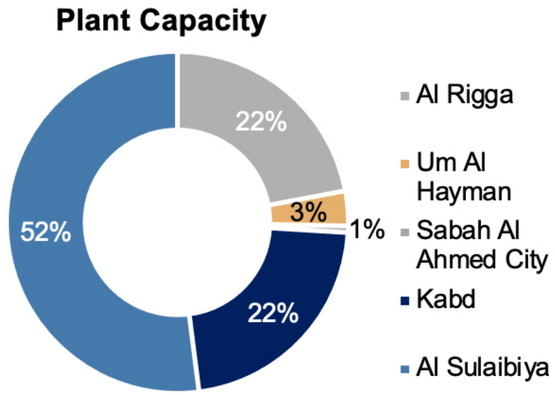


Wastewater Treatment

MARKET FACTORS

- Kuwait has 5 operating household wastewater treatment plants with a maximum capacity of 817,000 m3/day,[1] while Al Wafra station (with a capacity of 6,000 m3/day), is currently out of operation, and Al Khairan Station (with a capacity of 5,600 m3/day) is not yet operational. These plants are:

Treatment Plants	Operating Year	Design Capacity (m3/day)	Average Water Treatment (m3/day)
Al Rigga	1982	180,000	151,558
Um Al Hayman	2001	27,000	24,300
Kabd	2011	180,000	145,000
Al Sulaibiya	2004	425,000	350,000
Sabah Al Ahmed Sea City	2020	5,000	-
Total		**817,000**	

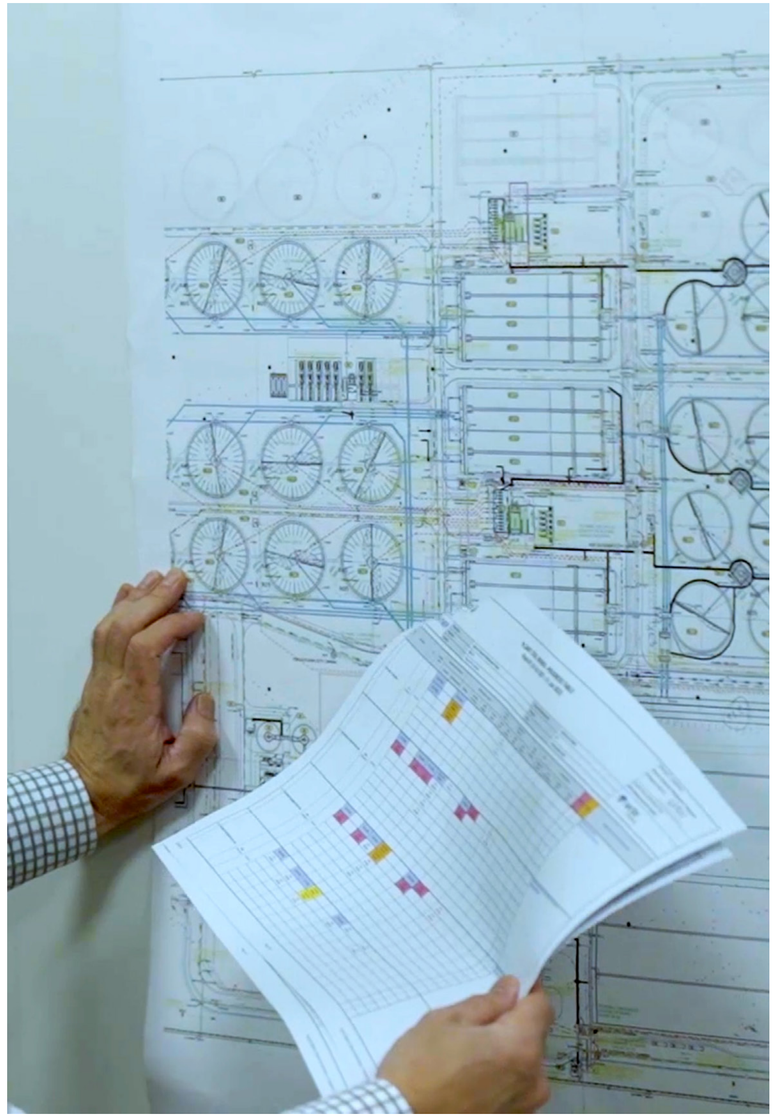


- The government is actively seeking the participation of the private sector in wastewater treatment projects and had previously operated Al Sulaibiya and Kabd projects successfully on a PPP basis.

- A new plant is proposed at Um Al Hayman with a capacity of 500,000 m3/day which is being developed through Kuwait Authority for Partnership Projects (KAPP) on a PPP basis.[2]

- The government of Kuwait is also pursuing the increase of the capacity of Al Sulaibiya and Kabd plants to 600,000 m3/day and 250,000 m3/day respectively.[3]

Sources: [1]CSB, [2]KAPP, [3]KDIPA.



Solar Energy

MARKET FACTORS

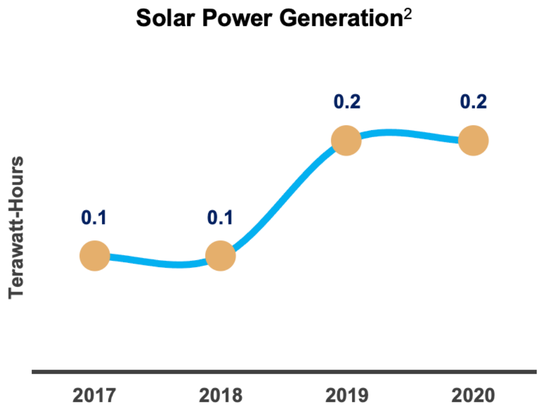
- Kuwait has abundance of sunshine year round with an average of 10 hours daily, which makes it in a strong position to harness the solar energy in multiple utilization.

- A joint partnership initiative was signed in 2018 that included the Kuwait Foundation for the Advancement of Sciences (KFAS), Kuwait Institute for Scientific Research

- (KISR), the Ministry of Electricity and Water and Renewable Energy, Kuwait Municipality, and the Public Authority for Housing Welfare to construct, operate, and monitor rooftop grid-connected photovoltaic (PV) systems for a total of 150 Kuwaiti homes, at a rate of 50 homes per year over the course of three years.[4]

- Kuwait is keen to the cause of climate change and is serious about reducing its carbon footprint by reducing carbon emissions. During the 2021 Conference of the Parties (COP21) of the United Nations Agreement on Climate Change, Kuwait has committed to[3]:
  - Reduce carbon emissions by 7.4% by the year 2035.
  - Reduce carbon emissions to its lowest point by 2050.
  - Give more importance to the utilization of renewable energy and liquid gas.
  - Increase the reutilization of emissions and other gasses (methane and carbon dioxide).
  - Increase the size of the natural conservatories to 15% of the total area of Kuwait.
  - Plant mangrove plants in the coastal areas and the northern islands to store carbon.

Sources: [1]MEW, [2]British Petroleum, [3]KFAS, [4]AlQabas.







Oil & Gas Industry & Services Sector

Sector Overview

Kuwait continues to explore for new oil and gas reserves as part of the Kuwait Oil Company (KOC) strategy till 2040. A lot of importance is placed on the clean fuel projects in the country and the processing of oil is expected to be environmentally friendly.

Pillars of Kuwait National Vision 2035

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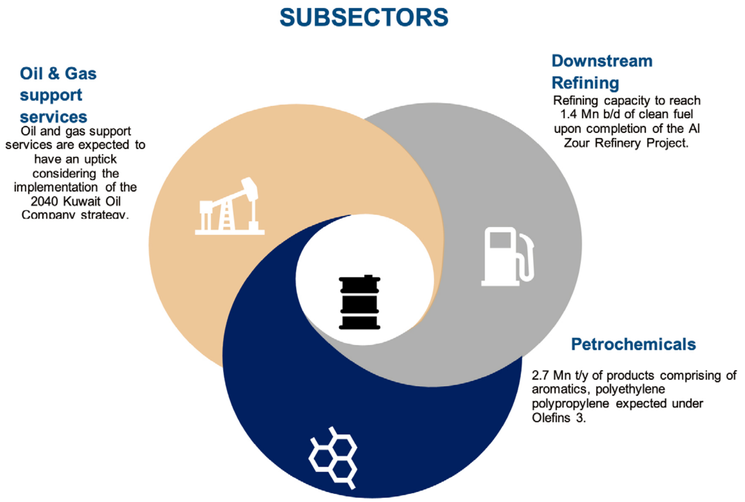
Sustainable Diversified Economy

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Sustainable Development Goals (SDGs) 2030

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Goal 8: Decent Work & Economic Growth
Goal 9: Industry, Innovation & Infrastructure



Kuwait offers interested investors a host of mega investment opportunities in downstream refining, petrochemicals, and support services for the oil and sector projects to attain the goals of the National Vision 2035 and its development plans.



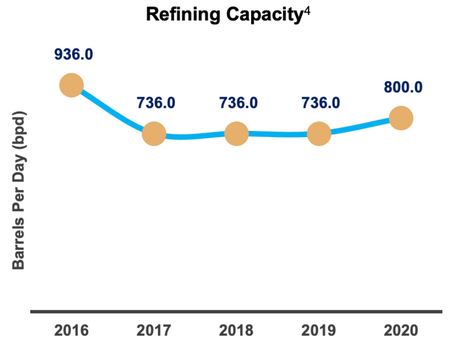
Downstream Refining

MARKET FACTORS

- The oil exploration, development, and production is performed by Kuwait Oil Company (KOC), which produced 2,686 thousand b/d of crude oil and 15 Bn cubic meters of natural gas In 2020.[1]

- Kuwait's refining infrastructure is controlled and managed by the government through Kuwait National Petroleum Company (KNPC).

- Fuel is currently refined through two refineries in the country namely Mina Al-Ahmadi (MAA) Refinery and Mina Abdullah (MAB) Refinery. The combined refining capacity of both refineries are currently 736,000 b/d, as MAA has a refining capacity of 466,000 b/d and MAB has a refining capacity of 270,000 b/d, with the total gas processing capacity of 2,485 mmscfpd through 4 gas trains in MAA. The overall refining capacity in 2020 increased to 800,000 b/d from 736,000 b/d, with MAA refinery capacity of 346,000 b/d and MAB refinery capacity of 454,000 b/d. The refined output at MAA includes gasoline, Kerosene, Gasoil (Diesel), Bitumen, Naphtha, LPG, and Sulfur. The refined output at MAB includes Naphtha, Kerosene, Low-Sulfur Gasoil, Coke, Fuel Oil and Sulfur.[1]



- Kuwait government launched the Clean Fuels Project at a total cost of USD 15.5 Bn.[2] This project envisages the upgrade/ expansion of MAA and MAB to integrate the refining system into one complex with full conversion operation. while the sulfur content of the petroleum products produced will be lower by 5%.[3] Several international companies were involved in the project management, engineering design, procurement, and construction of the project. The output of the refineries is expected to be fuel that is environmentally friendly and graded at levels that are acceptable in the US and Euro markets.

- Another mega project is the development of at Al-Zour as an integrated refining and petrochemical zone. The project, when completed, is expected to have the ability to produce 215,000 b/d of fuel oil and refine 615,000 b/d of clean fuel. It will also have a Liquid Gas Import Infrastructure storage facility of 3,000 Bn heating units per day.[5] The Al Zour Refinery is expected to be constructed at a cost of USD 16.2 Bn. Kuwait Integrated Petroleum Industries Company (KIPIC), established in 2016, is the main sponsor appointed by the government for developing this project. It will by far be the largest clean fuel refinery in the country when commissioned. The engineering, procurement, and construction (EPC) contracts for its development were awarded to a number of international companies in 2015.

- Kuwait announced plans for two new oil refineries with a capacity of 300,000 b/d to be completed in 2025 and 2035.5 Also a fifth gas train in the country is being undertaken at a cost of USD 1.45 Bn, and there are studies for undertaking a sixth and seventh gas trains by 2025, bringing the total gas processing capacity to 3.7 Bn cubic feet per day.[6]

Sources: [1]KNPC, [2]Kuwait Vision 2035 Development Plan, [3]Fluor Corporation, [4]British Petroleum, [5]Hydrocarbons Technology, [6]MEED.



Petrochemicals

MARKET FACTORS

- The petrochemical infrastructure of the country is controlled and managed by the government through the Petroleum Industries Company (PIC) established in 1963.[1]

- The petrochemical products of Kuwait primarily include Ethelene, Polyethylene, Urea, Ethylene Glycol, and chemical catalysts.

- There is limited demand for petrochemical products from the local market and most of the demand is derived from exports to the Chinese and the Indian markets.

- PIC operates in Kuwait through a wide range of subsidiaries and Joint Ventures, with local and international companies, to produce petrochemical products, some of which include[3]:

Name of the Company	Year of incorporation	Main products produced	Ownership
PP Plant	1997	Polypropylene	100%
Equate Petrochemical Company	1995	Polyethylene & Ethylene Glycol	42.5%
The Kuwait Olefins Company	2004	Ethylene Glycol	24.5%
The Kuwait Aromatics Company	2004	Paraxylene & Benzene	20%
Kuwait Paraxylene Production Company	2004	Paraxylene	100%
The Kuwait Styrene Company	2004	Styrene monomer	57.7%
Qurain Petrochemical Industries Company	2004	Petrochemicals	10%

- **Boubyan Petrochemical Company (BPC) and QPIC**: were established by PIC in 1995 and 2004 respectively, however they were sold off through initial public offerings with the intention of forming joint ventures. PIC continues to own a 10% stake in QPIC3. Today, both BPC and QPIC operate in petrochemicals and have diversified stakes in other non-oil companies.

- **Equate**: PIC has a share pf 42.5%, US-based Dow Chemicals (Dow) at 42.5%, Boubyan Petrochemical Company (BPC) at 9% and Al Qurain Petrochemical Industries Company (QPIC) at 6%.3 Equate today produces 5 Mn tons of petrochemicals a year and contributes to over 60% of Kuwait's non-oil export.[2]

- **The Kuwait Olefins Company (TKOC)**: PIC has also entered a similar ownership structure as that of Equate for its establishment. The details of plants operated under this company include[3]:
  - The Olefins II ethylene plant was set up as a Joint Venture with the Dow Chemical Company in Shuaiba in 2008 and has a total production capacity of 850,000 tons annually.
  - The Olefins III plant is being implemented by Kuwait Integrated Petrochemical Industries Company (KIPIC), a subsidiary of Kuwait Petroleum Corporation (KPC) and will be integration between Petrochemical Refinery Integration Al Zour (PRIZe) project, the Aromatics 2 complex, and the Al Zour Refinery. It will produce nearly 2.7 Mn t/y of products comprising of aromatics, polyethylene, and polypropylene. It is expected to be commissioned at the end of 2024.
  - The Olefins IV plant is currently under study and will include the development of a petrochemical complex to produce ethylene, polyethylene, ethylene glycol as well as specialized petrochemical products. The JV Partner is yet to be selected. The complex will utilize the Ethane feedstock from Kuwait. The commissioning of the project is planned in 2028.

- **The Kuwait Aromatics Company (TKAC)**: PIC has a share of 40%, Kuwait National Petroleum Company (KNPC) at 40%, and QPIC at 20%. TKAC owns the Kuwait Paraxylene Production Facility, and owns a 57.5% stake in a joint venture with Dow Chemicals called The Kuwait Styrene Company. It produces styrene monomer from benzene feedstock procured from TKAC and ethylene from TKOC.[3]

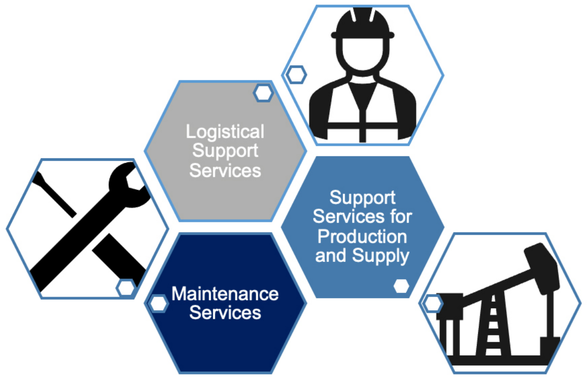
- The government has been actively pursuing the implementation and expansion of oil refinery projects. The output of the oil refinery projects is expected to rise significantly and cross the threshold of about 1.5 Mn b/d.[4] This output will further support the petrochemical industry by providing feedstocks for the chemical processes

Sources: [1]PIC, [2]Equate, [3]OBG, [4]Kuwait Vision 2035.



Oil & Gas Support Services

MARKET FACTORS



- The oil and gas support services market is expected to grow at a CAGR of 3.5% in the Middle East region during the period 2020-2025. Oil drilling services are expected to account for approximately 20% of all the oil and gas services provided in the region.[4]

- Kuwait Oil Company (KOC) 2040 strategy, intends to drill more than 750 wells in Kuwait. This strategy is considered by KOC as one of its main projects for the future progress of the country and will create a great demand for oil and gas support services.[1]

- In 2021, Kuwait discovered two new oil fields and reserves at the Great Burgan Oilfield. One of the discoveries was in the Houma oil field, which has a production capacity of 1,452 b/d of light oil and the second is in Al-Qashaniya field 1,819 b/d. Further 2.78 Mn cubic feet of associated gas a day (scf/d) was also discovered.[2]

- A number of maintenance contracts for oil refineries are being tendered to the private sector. Some of them include:
  - KNPC's request for expression of interest from contractors related to the maintenance of Mina Abdullah Refinery.
  - KIPIC awarded the tender of the contract for maintenance services related to the Al Zour oil refinery for a period of 5 years to Woods Group.[3]

- There are many prominent companies that provide oil and gas support services in Kuwait, such as Halliburton, Schlumberger, Weatherford.

Sources: [1]KOC, [2]Kuwait Times, [3]Hydrocarbons Technology, [4]Mordor Intelligence.





Housing & Urban Development Sector

Sector Overview

Housing and Urban Development sector includes a number of mega infrastructural projects undertaken by the government. These projects revolve around the development of new sustainable residential cities in Kuwait with the intention of providing quality modern living housing facilities for the Kuwaiti population. The projects undertaken are of massive scale that the government chooses to utilize and activate the public private partnerships (PPP) in the development of several components of these projects.

Pillars of Kuwait National Vision 2035

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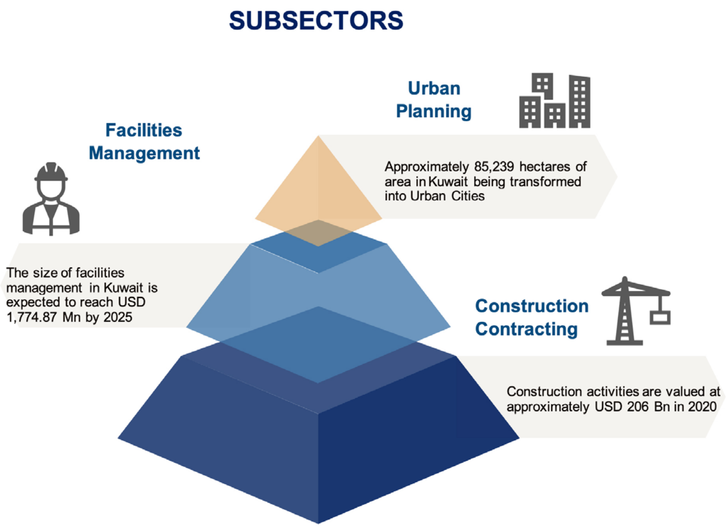
Sustainable Living Environment Pillar

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Sustainable Development Goals (SDGs) 2030

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Goal 11: Sustainable Cities & Communities
Goal 15: Life on Land



Kuwait offers interested investors a host of investment opportunities in urban planning, construction contracting, and facilities management projects in the field of housing and urban development to attain the goals of the National Vision 2035 and its development plans.



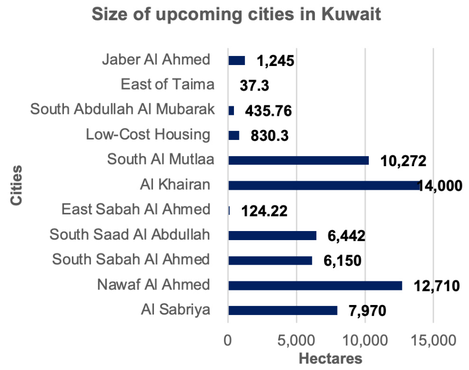
Urban Planning

MARKET FACTORS

- The Public Authority for Housing Welfare (PAHW) was established to provide the housing welfare services to eligible families, reduction of the waiting period for houses, and expanding the provision of various real estate products and services.

- PAHW collaborates with real estate developers to implement the development of a number of cities/housing projects. Some of the Projects are listed below[2]:

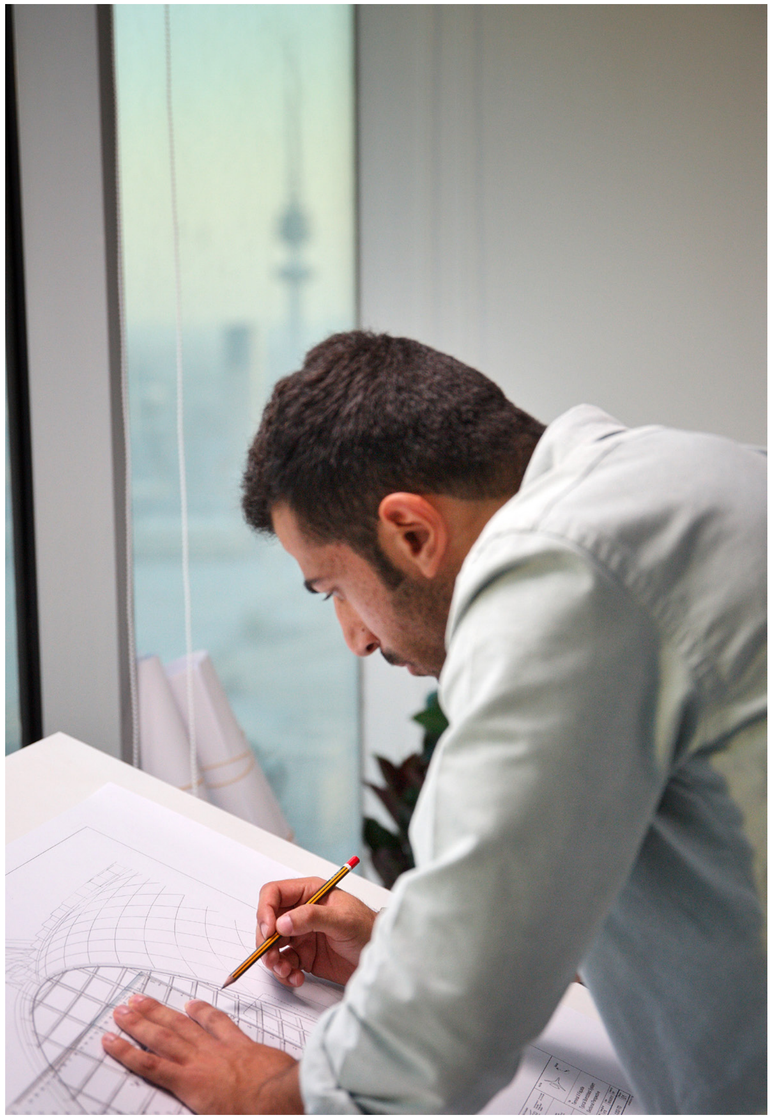
City Name	Areas (Hectares)
Al Sabriya	7,970
Nawaf Al Ahmed	12,710
South Sabah Al Ahmed	6,150
South Saad Al Abdullah	6,442
East Sabah Al Ahmed	124.22
Al Khairan	14,000
South Al Mutlaa	10,272
Low-Cost Housing	830.30
South Abdullah Al Mubarak	435.76
East of Taima	37.3
Jaber Al Ahmed	1,245



- Several real estate developers in the private sector have launched large scale projects at varying stages of development, of which:

Developer	Project Name	Area (Hectares)	Use
KIPCO	Hessah Al Mubarak	22.7	Multi Use[3]
Al Tamdeen Group	Madinat Al Hareer (Silk City)	25,000	Multi Use[4]

Sources: [1]PAHW, [2]Kuwait Vision 2035 , [3]KIPCO, [4]Al Tamdeen Group.



Construction Contracting

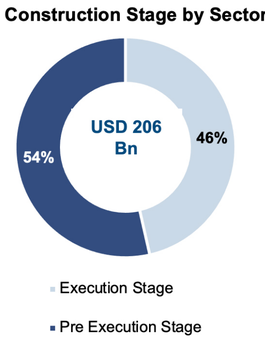
MARKET FACTORS

- The government has launched several infrastructural projects in the country within the real estate, healthcare, oil and gas, transport, and other sectors, to be procured at a value of approximately USD 206 Bn in 2020.[1] Most of the projects have been launched taking into consideration the young demography of the country and its growing needs for housing, electricity and water, transport, and healthcare.

- The real estate sector is the largest sector in demand for construction activities comprising 39% of the total, followed by the oil and gas sector at 25% and Air, Maritime and Transport in the third position at 24%.[1]

- Around 46% of the infrastructure projects were in the execution stage, the remaining projects at 54% were at varied stages of pre-execution including study, planning and design.[1]

- There is a large number of construction companies present in Kuwait, with varying ability to execute massive projects.



Sources: [1]Gulf Bank.



Facilities Management

MARKET FACTORS

- The size of the Facilities Management sector in Kuwait was estimated to be around USD 1.2 Bn in 2019. This is expected to grow to USD 1.99 Bn by 2030.[1]

- Kuwait has invested in infrastructure related to airports, hotels, and resorts. The need to provide tourists with facilities of international standards will increase the demand for effective facility management in the hospitality sector.

- Demand in this sector is driven from three different segments:
  - The government of Kuwait tendered many infrastructural projects including housing, schools, universities, and hospitals, mostly on a PPP basis. As part of such arrangement, the participation of a facility management company with international experience is a mandatory requirement.
  - Private residential owners with demand for high quality housing are expected to be catered to by professional facility managers.
  - Private companies intend to optimize their operations, there by outsourcing their non-core activities, that helps to reduce costs.
  - The rise of climate and environmental consciousness requires facility management services to be provided through eco-friendly solutions

- Major players within the facility management sector include local companies and several international companies, that include:
  - Tanzifco Company (W.L.L)
  - Magnaflux Corp.
  - Al Mulla Group
  - Alghanim International General Trading & Contracting Co. (W.L.L)
  - United Facilities Management Company (K.S.C.C)
  - ENGIE Services General Contracting for Buildings Company (W.L.L)
  - Al Mazaya Holding Company (K.S.C.P)
  - Ecovert FM
  - Kharafi National FM
  - PIMCO Kuwait

Source: [1]Business Wire.





Storage & Logistics Sector

Sector Overview

The development and expansion of seaports and the expansion of the airport have resulted in the development of several logistics and warehousing projects in the country.

Pillars of Kuwait National Vision 2035

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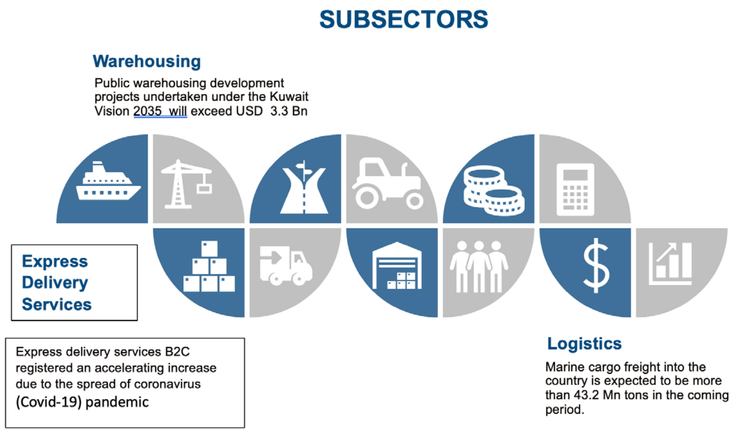
Sustainable Diversified Economy Pillar

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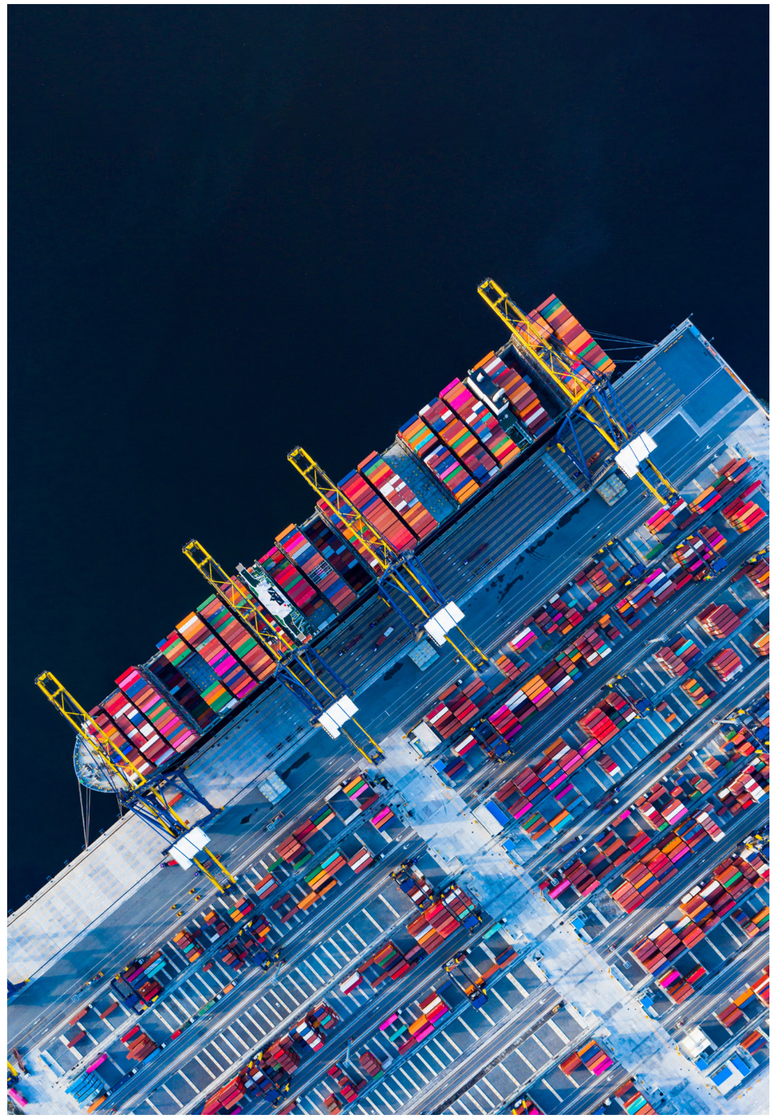
Sustainable Development Goals (SDGs) 2030

↓

Goal 8: Decent Work & Economic Growth
Goal 12: Responsible Consumption & Production



Kuwait offers interested investors a host of mega investment opportunities in in storage and logistics support in the field of warehousing, logistics, and express delivery services to attain the goals of the National Vision 2035 and its development plans.



Warehousing

MARKET FACTORS

- Warehouses are mostly used by manufacturers, wholesalers, importers, and distributors. Trading is an important part of the country's economy and vital for the day-to-day functioning of the society; warehousing plays a pivotal role in the chain of trading activities conducted in the country.

- There is several warehouses in Kuwait owned by the public sector most of which are located at the airports, seaports and inland including the following:

Location	Owner	Capacity (sqm)
Shuwaikh Port – Open Storage – Warehouse storage	Kuwait Ports Authority	450,000 [1] 170,000 [1]
Shuaiba Port	Kuwait Ports Authority	14,500 [1]
Doha Port	Kuwait Ports Authority	50,000 [1]
Kuwait International Airport	General Directorate of Civil Aviation	+ 10,000 [3]
Mina Abdullah/Shuaiba	Kuwait National Petroleum Company	16,606 [2]
Mina Abdullah/Shuaiba	Kuwait National Petroleum Company	9,650 [2]
Mina Abdullah/Shuaiba	Kuwait National Petroleum Company	611,543 [2]
Mina Abdullah/Shuaiba	Kuwait National Petroleum Company	67,620 [2]
Sabhan	Ministry of Health	32,500 [2]

- The private sector is also very active in the storage segment. Some of the prominent warehouses owned by the private sector include the following:

Commercial Storage

Location	Owner	Capacity (sqm)
Sulaibiya	Agility Public Warehousing Company (K.S.C.P)	20,000 [2]
Sulaibiya	Agility Public Warehousing Company (K.S.C.P)	18,000 [2]
Sulaibiya	Agility Public Warehousing Company (K.S.C.P)	8,420 [2]
Sulaibiya	Agility Public Warehousing Company (K.S.C.P)	8,420 [2]
Mina Abdullah	Agility Public Warehousing Company (K.S.C.P)	84,142 [2]
Mina Abdullah	Jassim Transport & Stevedoring Company (K.S.C.P)	150,000 [2]
Mina Abdullah	KGL Logistics Company (K.S.C.P)	84,000 [5]

Cold Storage

Location	Owner	Capacity (sqm)
Sulaibiya	Agility Public Warehousing Company (K.S.C.P)	16,836 [2]
Sulaibiya	Agility Public Warehousing Company (K.S.C.P)	15,480 [2]
Mina Abdullah	Agility Public Warehousing Company (K.S.C.P)	9,000 [2]
Mina Abdullah	Agility Public Warehousing Company (K.S.C.P)	12,387 [2]
Mina Abdullah	Jassim Transport & Stevedoring Company (K.S.C.P)	10,000 [2]

- The government has launched a number of initiatives to add increase warehousing capacity. Some of these include[4]:

Project	Cost	% of GDP
Development of the Mubarak Al Kabeer Port at the Boubiyan Island Port Development	USD 3,291.7 Mn	2.79%
Development of the Airport Cargo City Development for catering to the air cargo of the country	USD 120 Mn	0.10%
Development of the storage areas of the Kuwait Ports Corporation	USD 664.5 Mn	0.56%
Development of general warehouses and border ports at Al Abdali	USD 2,029.9 Mn	1.72%

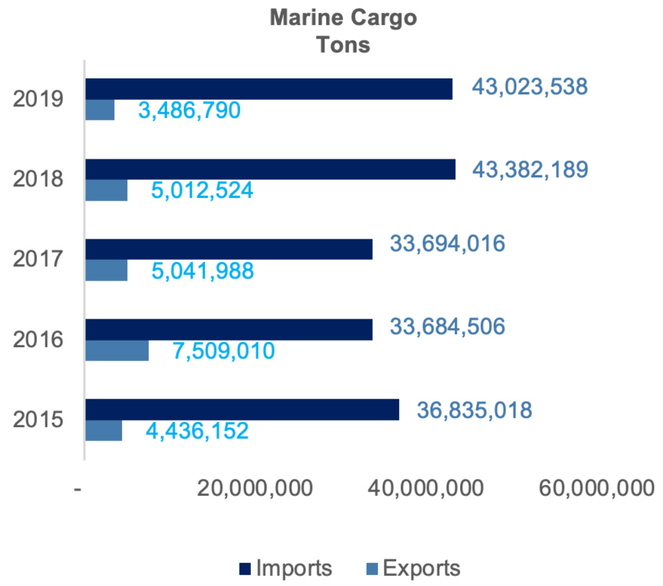
Sources: [1]Kuwait Ports Authority, [2]Logistics Capacity Assessment., [3]Jassim Transport & Stevedoring Co., [4]Kuwait Vision 2035, [5]Kuwait United Development Co.

Logistics

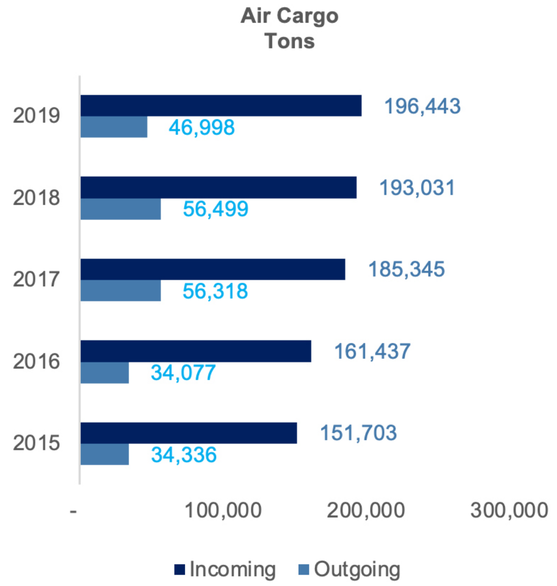
MARKET FACTORS

- Commercial freight movement in Kuwait is undertaken by marine, air, and land transportation, but marine remains the main mode of transportation. The development of new ports and the expansion of existing ones and the construction of the GCC railway system are expected to enhance the amount of regional trade, which will require further logistical support to meet the heightened momentum of trade during this time.

The import and export of marine cargo freight in 2019 reached 43 Mn tons and 3.5 Mn tons respectively. The CAGR of cargo import freight was 4% and export freight was -5.8% from a base of 2015.[1]



The incoming and outgoing of air cargo freight in 2019 reached 196.4 thousand tons and 46.9 thousand tons respectively. The CAGR of incoming cargo freight was 6.7% and outgoing cargo freight was 8.2% from a base of 2015.[1]



- Many private sector companies in Kuwait cater to the logistics sector. Some of the prominent companies include:
  - Agility Public Warehousing Company – Publicly Listed
  - Kuwait and Gulf Link Logistics Company – Publicly Listed
  - Jasim Transport & Stevedoring Company – Publicly Listed

- There are several projects being developed by the government to support the logistical infrastructure of the country. They include[2]:

Project	Cost (USD Mn)	% of GDP
Railway Network in the State of Kuwait (Phase 1)	60.5	0.05%
Establishment of an export, import and customs inspection zone in the western Shuaiba region	49.8	0.04%
Expansion and development of the Shuwaikh Port Development	548.2	0.46%
Expansion and development of the Shuaiba Port Development	358.8	0.30%
National Center for Ship Traffic Systems (VTS) and Search and Rescue Building	53.8	0.05%
Expansion and development of the Doha Port	265.8	0.23%
Building the Mubarak Al Kabeer Port	3,291.7	2.79%

- There are also plans for establishing four logistics cities including an area of 317,355 sqm at Shuwaikh port, 300,000 sqm at Doha port, another 270,000 sqm at Doha port and 1,000,000 sqm at Mina Abdullah Port. The engineering design tender for these locations was recently launched by Kuwait Ports Authority.

Sources: [1]CSB, [2]Kuwait Vision 2035.

Express Delivery Services

MARKET FACTORS

- Express delivery services are crucial for Kuwait's logistics market.

- Kuwait's e-commerce industry has witnessed a tremendous growth over the last years reaching USD 1.9 Bn in 2020 with a wide range of shipments coming into Kuwait reflecting the changing preferences of consumers and their acceptance to shop electronically.[2]

- The players of the express delivery services in Kuwait include local and international companies. Some of the prominent international companies include:
  - Aramex
  - DHL Express
  - UPS
  - Porter Express
  - TNT
  - Skycom
  - FedEx

- International companies play an important role in the market because of high volume of trade, shipments related to expatriates and growing business activities.

Sources: [1]Shipa, [2]Statista, [3]Cision.





Air, Maritime & Land Transport Sector

Sector Overview

Transport infrastructure projects in Kuwait envisions massive outlays in billions of Kuwaiti Dinars towards the expansion and development of transport infrastructure in the country. These projects will greatly benefit the population, improve international trade, and contribute to economic diversification.

Pillars of Kuwait National Vision 2035

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Developed Infrastructure Pillar

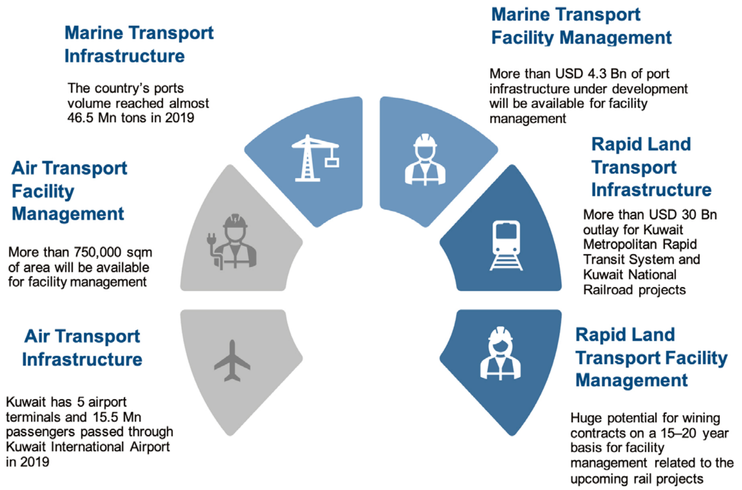
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Sustainable Development Goals (SDGs) 2030

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Goal 9: Industry, Innovation & Infrastructure
Goal 11: Sustainable Cities & Communities
Goal 15: Life on Land

SUBSECTORS



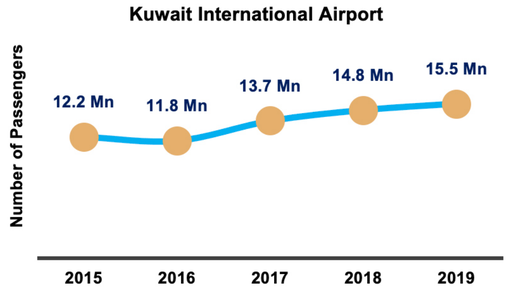
Kuwait offers interested investors a host of mega investment opportunities in air, marine and rail transport infrastructure, and facility management projects for interested investors to attain the goals of the National Vision 2035 and its development plans.



Air Transport Infrastructure

MARKET FACTORS

- Kuwait's annual number of air traffic passengers reached 15.5 Mn in 2019 as compared to 14.8 Mn in 2018, a hike of 4.38%.[1]



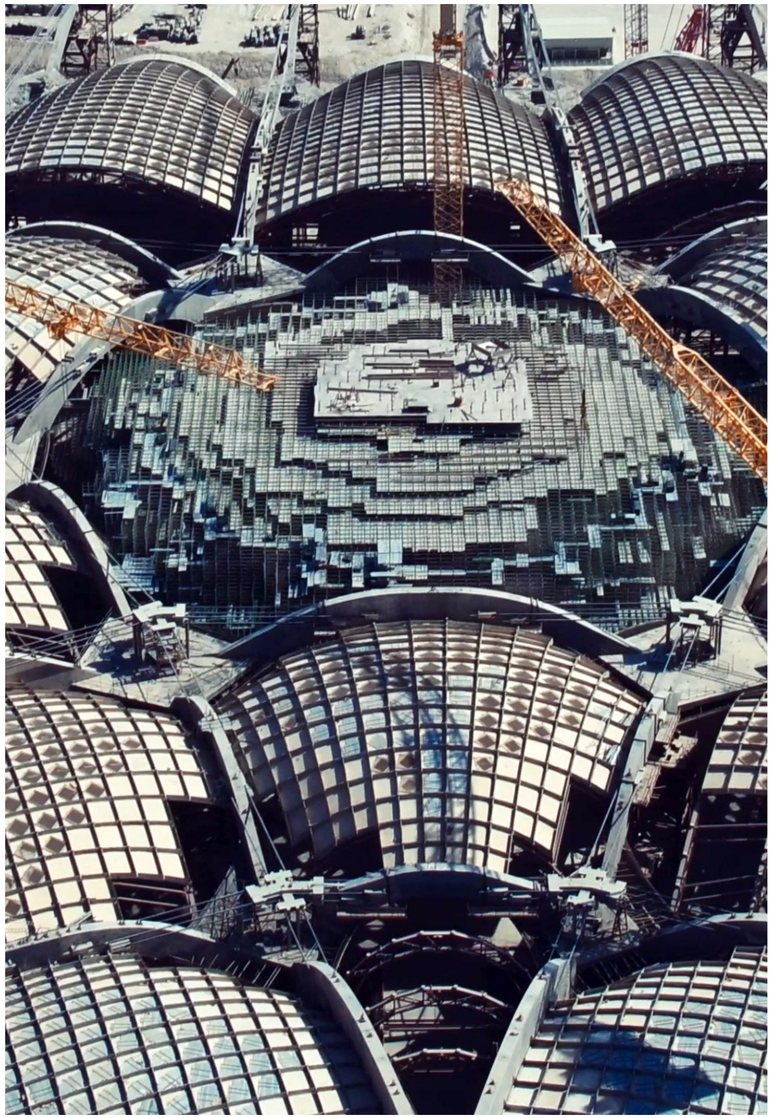
- The onset of COVID-19 pandemic in 2020 resulted in a dramatic fall in passengers because of lockdowns and travel restrictions implemented worldwide. Travel restrictions continued to be prevalent for a major part of 2021. However, the advent of vaccines to tackle COVID-19 and its administration worldwide have led to a dramatic fall in infections resulting in the lifting of travel restrictions. The gradual return to life normalcy in Kuwait and the steady increase of the capacity of passengers at the airport will result in passengers' levels returning to pre-COVID-19 pandemic levels.

- Kuwait International Airport (KIA) is presently comprised of 5 terminal buildings, as follows:
  - Terminal 1 – It is KIA main terminal used for housing arrival and departure flights, consists of 16 with an area of approximately 190,000 sqm.
  - Terminal 2 – is the upcoming new terminal of KIA. It is spread over 750,000 sqm. It will have 28 gates, 4,500 car parking lots and a 400-room air-side hotel. The airport can handle up to 25 Mn passengers annually. The airport is currently under construction and is being developed at a total cost of USD 4.3 Bn and expected to be completed by 2024.[2,3]
  - Terminal 3 – Sheikh Saad General Aviation Terminal is used exclusively by regional airlines. This terminal is currently closed due to work on Terminal 2.
  - Terminal 4 – Built in late 2018 and is used exclusively by Kuwait Airways. It covers an area of 55,000 sqm and has the capacity to handle up to 4.5 Mn passengers annually. It has a dedicated 2,400 car parking lots.
  - Terminal 5 - Built in mid-2018 and is dedicated to Kuwait's low budget airline Al-Jazeera Airways. It covers an area of 4,750 sqm and has a 350-car parking facility.

- Terminal 2 is expected to generate approximately 15,000 jobs for Kuwaitis once it is commissioned. It will be the face of Kuwait in the new era utilized to boost travel and tourism to the country.[4]

- The government has launched the development of the Eastern runway at KIA for receiving large aircrafts such as the A380 as well as adding a new control tower and bringing the latest navigation technologies.[5]

Sources: [1]CSB, [2]MPW, [3]Foster+Partners, [4]Kuwait Times, [5]Kuwait Vision 2035.

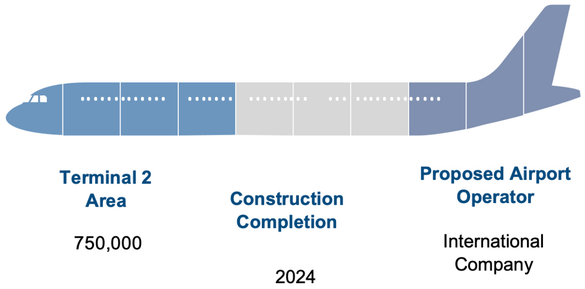


Air Transport Facility Management

MARKET FACTORS

- Companies specialized in Operation and Facility Management of airports are often utilized by the Civil Aviation Authority for managing the airport terminals. These companies include international and local companies.

- Kuwait is constructing a new terminal, KIA – Terminal 2. The terminal is expected to be completed by 2024 with an area of approximately 750,000 sqm. The airport is currently under construction and on completion, the FM of the airport is expected to be tendered to private players who are experienced in airport operations and FM.[1, 2]



- It was recently announced that the DGCA in Kuwait would launch a limited tender for procuring an international operator for Terminal 2. The tender encompasses a two-year training period for employees for operating the airport. It also includes reviewing all service presenters and contracts at the airport, ground services, passenger terminals and aviation operators for ensuring that all terminals operate as one system and one airport with connected facilities.[6]

Sources: [1]MPW, [2]Kuwait Vision 2035, [3]Airport Technology, [4]P&S Market Research, [5]Zawya, [6]Kuwait Times.



Maritime Transport Infrastructure

MARKET FACTORS

- International trade is vital to the economy of Kuwait. While Kuwait exports millions of barrels of oil per day, it conversely imports a lot of consumer, intermediate, and capital goods to sustain the demand of the local economy.

- Kuwait's main line of trade has been the sea. Kuwait has three main ports; their details are[1]:

Ports	Total Area (sqm)	Total Basin Area (sqm)	Total Piers	Warehouse Areas (sqm)
Shuwaikh Port	4.4 m	1.2 m	21	Open storage – 450,000 Warehouse storage – 170,000
Shuaiba Port	3.8 m	1 m	20	14,500
Doha Port	650,000	157,000	10	50,000

- The country's ports volume reached 34.8 Mn tons in 2020, lower than its level in 2019 which recorded almost 46.5 Mn tons showing growth at a CAGR of 3.03% from the year 2015 to 2019 when the total ports volume was 41.3 Mn tons.[2]

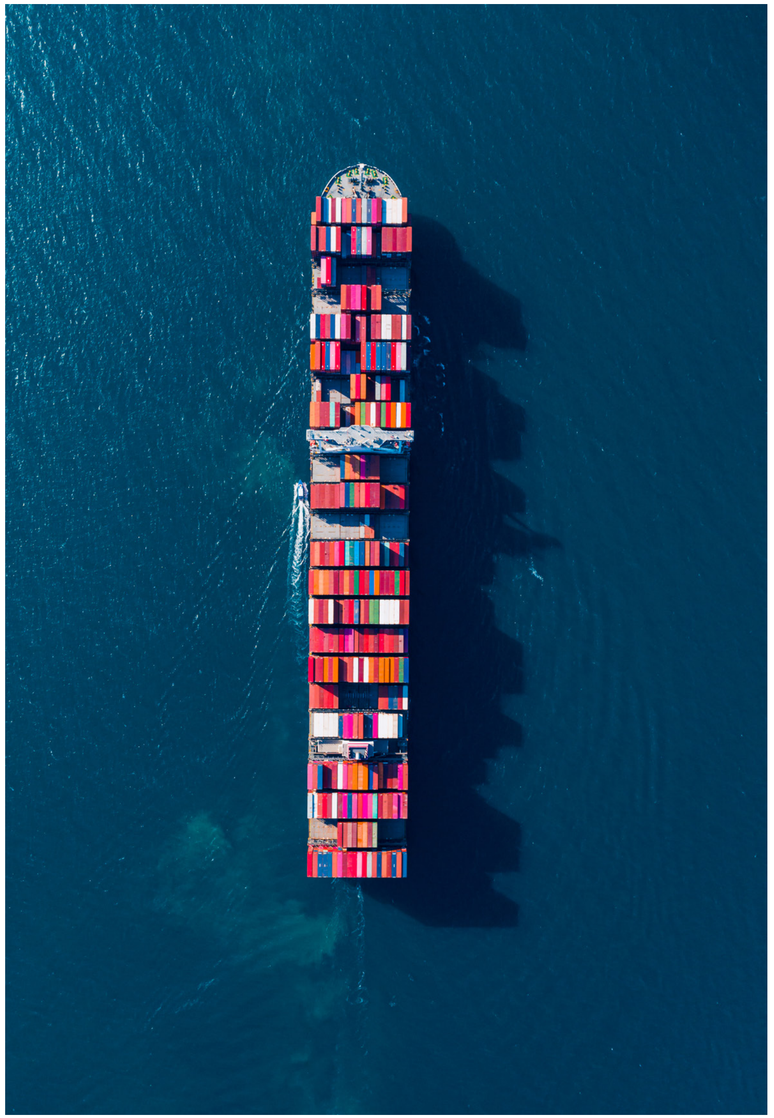
- The government launched substantial amount of investment to be injected into infrastructural developments including the expansion and renovation of existing ports and the development of new ports and facilities in the country. Some of the projects undertaken are[3]:

Projects	Cost (USD Mn)	% of GDP
Development and expansion of Shuwaikh Port	548.2	0.46%
Development and expansion of Shuaiba Port	358.8	0.30%
Development and expansion of the Doha Port	265.8	0.23%
Development of the new Mubarak Al Kabeer Port	3,291.7	2.79%
Connecting Ports to an Integrated System	6.6	0.01%
Deepening the navigation corridor between Ras Al-Ardh and Failaka Island, and deepening the island's transportation port	18.6	0.02%

- The development of a dry port is planned over a 1 Mn sqm area west of Shuaiba Port with a bridge linking the dry port to Shuaiba Port. Also in the pipeline is a smart port project.[4]

- Kuwait has several existing marinas including the Yacht Club, Souq Sharq Marina, Ras Al Ard Marina, Sabah Al Ahmed Sea City Marina, and Marina Beach. Two additional marinas are planned called Marafi Fintas and Al Mahboula Marina which will be developed over a land area of 365,000 sqm and a 1.8 km waterfront. It will be able to accommodate 2,000 boats, 800 yachts, shops, restaurants, and hotels.[5]

Sources: [1]CSB, [2]KPA, [3]Kuwait Vision 2035 , [4]International Shipping Agency Co., [5]Zawya.



Maritime Transport Facility Management

MARKET FACTORS

- The government of Kuwait is investing substantially in marine infrastructure through mega projects that are expected to boost international trade and contribute positively to the economic growth of the country.[1]

- The vast outlay of funds approximating to more than USD 4.3 Bn allocated towards ports infrastructure. This investment in marine infrastructure will only be viable if the ports and their facilities are maintained appropriately as maritime assets are always exposed to harsh environments. It is paramount that these assets are maintained with a future outlook to ensure that the assets function at the planned capacity and capabilities.

- The Marine Transport Facilities Management sector is at a basic stage in Kuwait. There is a scarcity in the market for specialists who can carry out planned and reactive maintenance of marine facilities. Marine facility management demands an operational understanding to ensure that assets can achieve their intended function.

Sources:[1]Kuwait Vision 2035.



Rapid Land Transport Infrastructure

MARKET FACTORS

- Kuwait had around 2,375,917 registered vehicles in December 2020, compared to 2,368,680 registered vehicles in December 2019.

- The government has proposed two strategic projects that represent a USD 30 Bn outlay and involve development over several phases that may require multiple levels of tendering, they are:
  - Kuwait Metropolitan Rapid Transit (KMRT) System Project which involves the development of a metro network in Kuwait. The metro rail system will stretch for 160 kms, connect the inner areas of the country and will be serviced by 68 stations from Kuwait City to the south and north regions. The construction of the metro will be over 5 phases. It is estimated to cost around USD 20 Bn[1] and will be built on a PPP basis with the government owning 10%, private investors owning 40% and the remaining 50% being raised through an Initial Public Offering (IPO).[2]
  - Kuwait National Railroad (KNRR) project involves the construction of a railway system that stretches over 5743 kilometers connecting Kuwait airport, seaports and other GCC countries. The project is expected to cost around USD 10 Bn and will be built on a PPP basis with the government owning 6%, private investors 44% and the remaining 50% being raised through an Initial Public Offering (IPO). 70% of the project's revenue is expected to be generated through freight although there are also provisions for passenger services.[4]

Sources: [1]Railway Pro, [2]Railway Technology, [3]KAPP, [4]International Railway Journal.



Rapid Land Transport Facility Management

MARKET FACTORS

- The KMRT project and KNRR rail project in Kuwait represent mega infrastructural projects undertaken by the government in land transport in the country.

- The operation and facility management of these projects will be a priority for the government when commissioned. Since there are no existing railway projects in Kuwait, the local market does not have experienced companies in rail operation and facility management.

- The Railway Facility Management Services sector is very promising in Kuwait, considering that operation and facility management contracts are tendered by the government on a long-term basis, similar to projects in other GCC countries.

Sources: [1]Gulf News, [2]Alstom, [3]Railway Technology.

