

Public Private Partnership in Kuwait

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Capacity Issues in Infrastructure

The imminent sectors

Power

- Demand for power outgrowing supply
- Power capacity to rise from 12.5GW at present to 30GW in 2030
- Investments worth KD2.1bn required

Housing

- According to Public Authority for Housing Welfare, waiting list for state housing applications stood at 103,000 in Q3 2016
- Number of housing applicants submitted until YTD-Q3 2016 is 4,725. Government supplied 2,413 units
- Kuwaiti government plans to build 36,000 units by 2017

KDIPA & KAPP

The gateways

Kuwait Direct Investment Promotion Authority KDIPA

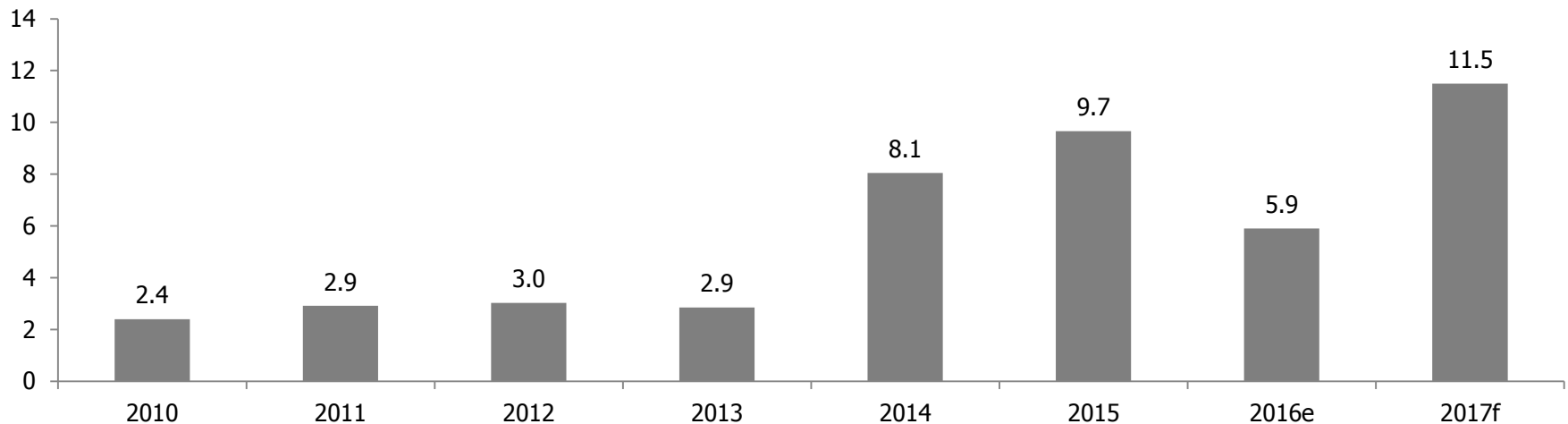
1. Job Creation in Private Sector & Training
2. Technology Transfer
3. Foreign Investments & Private Capital

Kuwait Authority for Partnership Projects KAPP

- Increased Private Participation

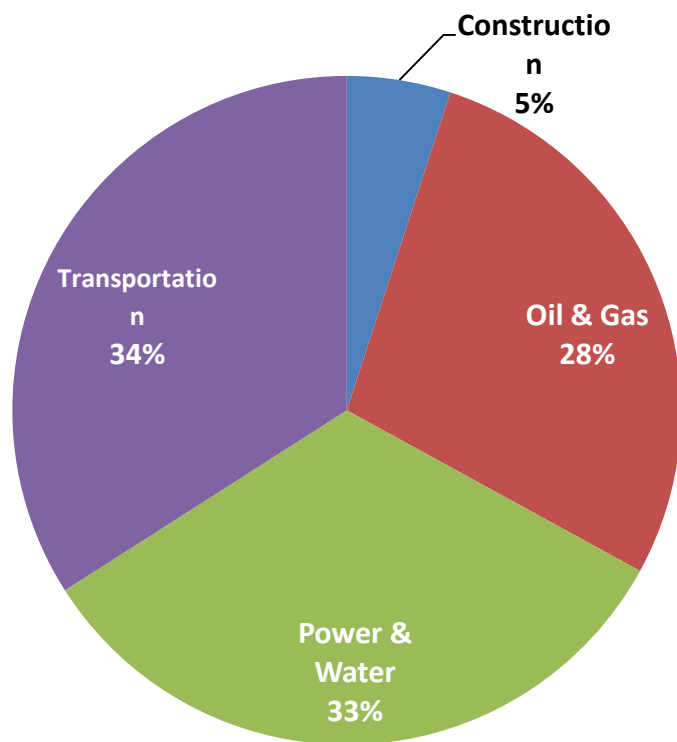
Infrastructure Project Awards has Gained Momentum in Recent Years

Value of project contracts awarded in Kuwait, 2010-2017f (KD bn)



Awarding of Projects Continued in 2016 & Expected in 2017

Planned Projects in 2016



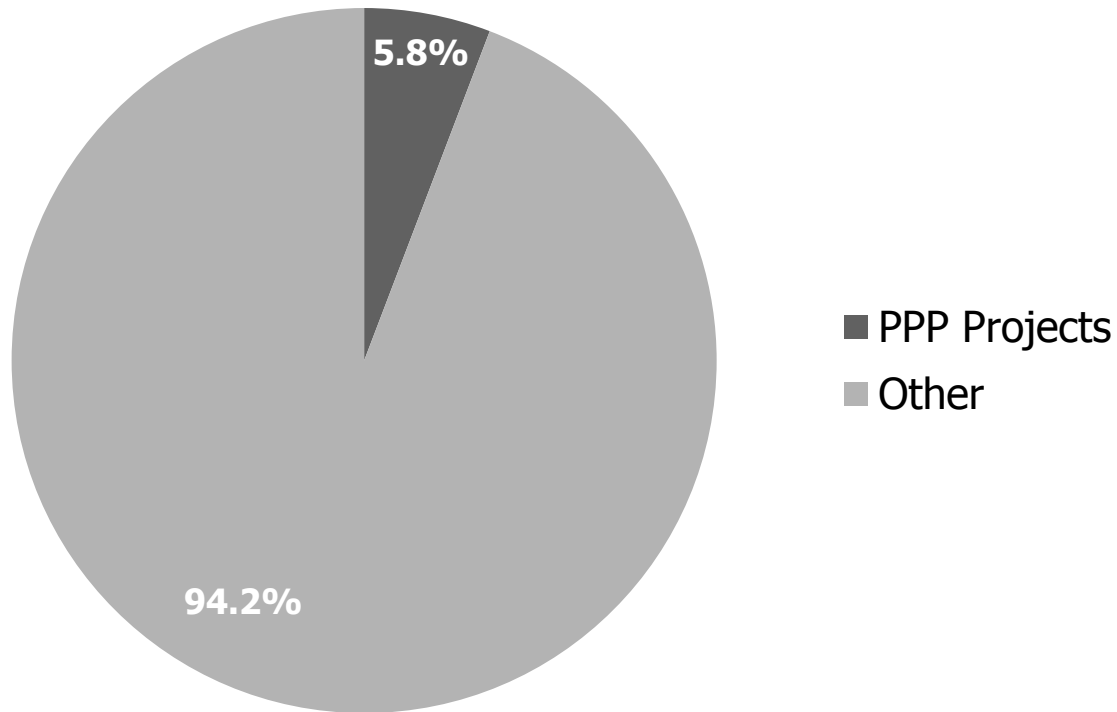
Source: NBK, Marmore Research

Largest Projects Awarded in 2016

Project	Sector	Value (USD bn)
Jurassic Non-Associated Oil & Gas Reserves Expansion: Phase 2	Oil & Gas	4.1
LNG Import & Regasification Terminal	Oil & Gas	2.9
Al-Zour North IWPP (Phase 2)	Power & Water	2.7
Umm Al-Hayman WTP Expansion	Power & Water	1.5
South Al-Mutlaa City	Construction	1.0
Kabd Municipal Solid Waste	Power & Water	0.9
Al-Abdaliya Power Plant	Power & Water	0.7
Airport Expansion: Phase I	Transport	0.5
Al-Jahra Ministerial Complex	Construction	0.2

PPP is slowly gaining traction

PPP Projects Constitute Negligible Part of Ongoing Projects



PPP is slowly gaining traction

Top 5 Ongoing Projects That Aren't PPP

Project	Sector	Status	Value (KD bn)
PAHW - Mutlaa Residential City	Real Estate	Execution	4.8
PAHW - Al Subiyah Residential City	Real Estate	Planning	4.2
PAHW - North Mutla Residential City	Real Estate	Planning	4.2
PIC- Olefins III	Petrochemicals	Planning	2.7
Bubiyah Island Development	Real Estate	Execution	1.8







Source: Reuters, Marmore Research

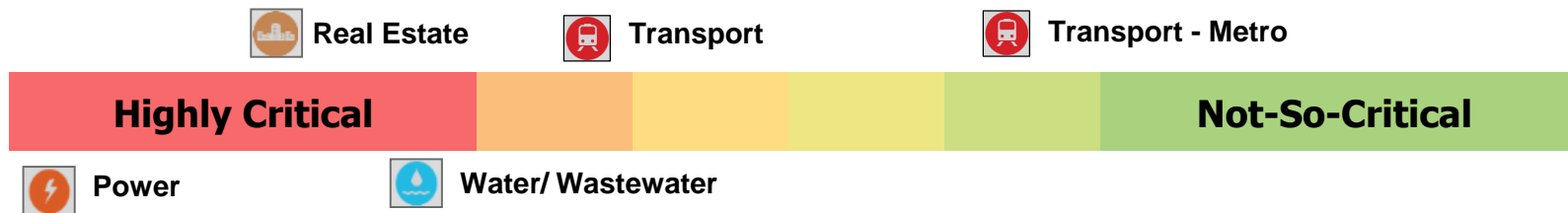
Major PPP Projects & Status

Project	Sector	Status
Az-Zour North IWPP (Phase I)	Oil & Gas	COMPLETED
Entertainment Centre - Egalia	Real Estate	
Al Abdaliyah Integrated Solar Combined Cycle	Power	
AlKhairan IWPP (Phase I) & Az Zour North IWPP (Phase II)	Power	Tendering
Kuwait Schools Development Program	Education	
Umm AlHayman WWTP	Water	
Kabd Solid Waste Treatment	Waste Management	
Kuwait Metro & Kuwait National Rail Road	Transportation	
Rest Houses & Chalet Service Centre		
South Al-Jahra Labor City	Real Estate	Pre-Tendering
Abdulla Alahmad Centre		
Physical Medicine & Rehabilitation Centre	Health	

Source: KAPP

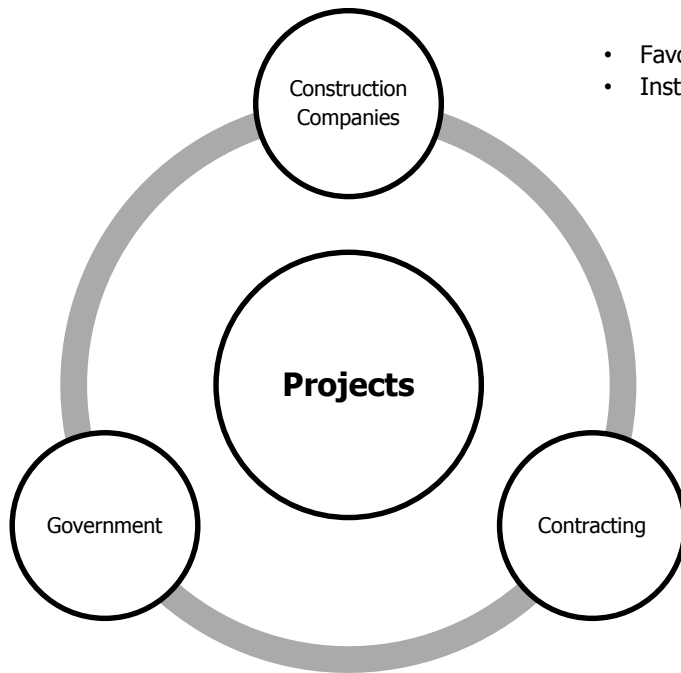
Opportunities Across Infrastructure Space

Priority Sectors	Flagship Projects	Description
 Power, Investment Needs KD 2.1bn	Az-Zour North – Phase II (KD 0.81bn)	<ul style="list-style-type: none"> Power & desalination plant with a capacity of at least 1,800 MW and 464 MIGD, Commercial bid not yet opened
 Water/ Wastewater	Umm Al Hayman Waste Water (KD 0.47bn)	<ul style="list-style-type: none"> Initial capacity 500,000 m³/day and maximum 700,000 m³/day; Bids submitted in Sep'16 under evaluation
 Solid Waste Management	Kabd Municipal Solid Waste Project (KD 0.26bn)	<ul style="list-style-type: none"> Waste to energy facility, expected to treat 50% of total municipal solid waste; Bids submitted in Sep'16 under evaluation
 Real Estate Investment Needs: KD 21bn	South Jahra Labor City	<ul style="list-style-type: none"> Develop a complete city to house expat labor in South Jahra, including residential units, shared and commercial facilities
 Transport - Metro	Kuwait Metropolitan Rapid Transit (KMRT) System (KD 2.1bn)	<ul style="list-style-type: none"> 200km long, running across Kuwait, 10% underground; PLANNING STATUS
 Transport Investment Needs: KD 6bn	Kuwait National Rail Road (KD 2.4bn)	<ul style="list-style-type: none"> Integrated rail network to link Kuwait City to the airport, seaports, and other GCC countries; PLANNING STATUS

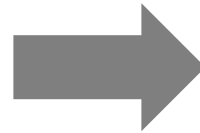


Overhaul of Project Landscape, Enhanced Participation by Various Actors

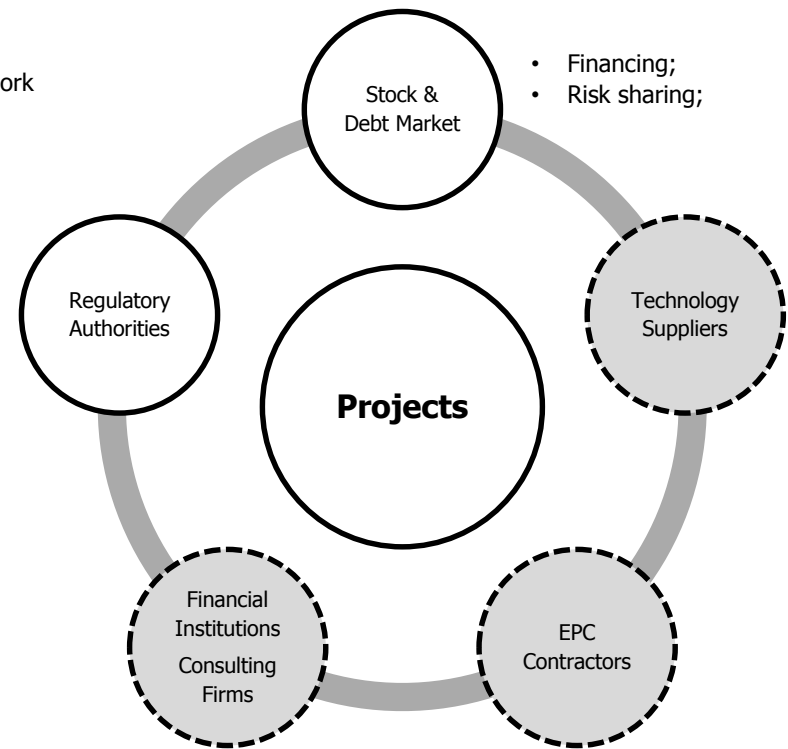
Pre-PPP Scenario



- Favourable Policies,
- Institutional & Legal Framework



Post-PPP Scenario



- Financing;
- Risk sharing;

- Feasibility Studies,
- Risk evaluation & monitoring
- Mobilizing Capital

- Mobilizing Resources;
- Project Implementation & Monitoring

Success of Az Zour - Phase I & G.E Technology Centre Case Study

Az Zour Electricity and Water Plant – Phase I

Ownership

- First PPP project to be tendered and completed
- 40% owned by a consortium, 50% KAPP and 5% each by KIA and Public Institution of Social Security

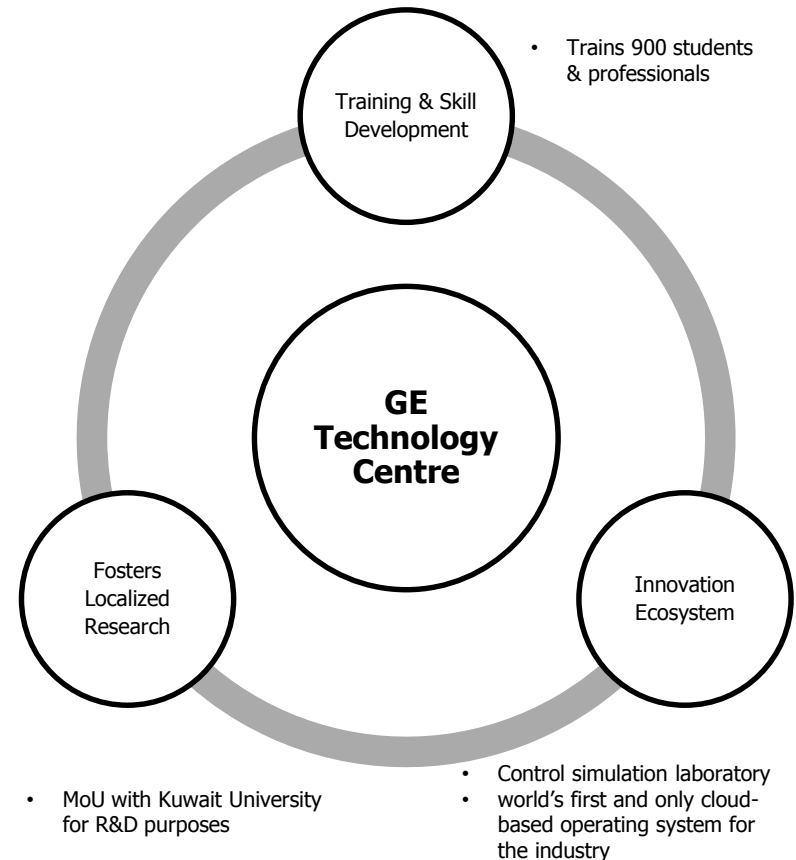
Capacity

- Work began in 2013. **Project completed on schedule and budget**
- Generates 10% of Kuwait's power requirements and 20% of water generation

Outlook

- Illustrates the know-how to develop such large projects
- Kuwait plans to significantly increase capacity over the coming years, and falls within a larger effort to meet an anticipated peak demand of 25,000 megawatts by 2025.

First facility of its kind outside of the US by GE



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