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Project Kuwait to be 'revived'

Saudi eyes MTC stake

KUWAIT: State-owned Kuwait Petroleum Corp (KPC) wants to achieve a long-delayed project to explore Kuwait's northern oilfields and expand ties with China, its chief executive said in remarks published yesterday. The state appointed Saad Al-Shuwayib last week as new chief executive and deputy chairman of KPC, which oversees the OPEC member's upstream and downstream energy industry. Kuwait is the world's seventh-largest oil exporter. In his first public comments since his appointment, Al-Shuwayib told KUNA that he wanted to accomplish a multi-billion scheme also called Project Kuwait to explore four oilfields in the north of the country.

The long-term plan with the help of multinational oil companies has met opposition from some parliamentarians. Two years ago, Kuwait
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Project Kuwait to be 'revived'

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estimated the cost of the project at \$8.5 billion. "I will work to achieve many projects which are on the agenda of KPC's board, among them the northern oilfields project," KUNA quoted him as saying. Shuwayib also confirmed that the budget for Kuwait's planned 615,000 bpd Al-Zour refinery had been increased to \$14 billion, or four billion dinars, more than double an initial estimate of about \$6 billion.

He said the new budget was pending approval by the Supreme Petroleum Council which defines Kuwait's oil policy. "It has been established that a budget of four billion dinars is appropriate after having reviewed many aspects of the project," the KPC head said, adding earlier cost studies had been only initial estimates.

Kuwait issued a new tender for the project, the Middle East's biggest refinery plan, in June. It cancelled the first tender in February after bids came in far above its initial budget. Bids reached as much as \$15 billion, according to local media reports. State refiner Kuwait National Petroleum Co (KNPC) said earlier this month around 30 companies have made preliminary bids for the refinery. The new KPC head also said he wanted to expand oil cooperation with China but did not elaborate.

Shuwayib, who is until now chairman of KPC subsidiary Petrochemical Industries Company (PIC), had been acting chief executive since Hani Hussein retired at the end of April. The state has yet to appoint a new oil minister after the previous

incumbent Sheikh Ali Al-Jarrah Al-Sabah resigned in June after the national Assembly scheduled a no-confidence vote against him. Water and Electricity Minister Mohammad Al-Olaim was appointed acting oil minister after Sheikh Ali's resignation. Kuwait sits on around 10 percent of the world's oil reserves. It produced 2.42 million barrels per day of crude in June, according to a Reuters survey.

Separately, an investor from Saudi Arabia would likely take a stake of at least 10 percent in Kuwait's Mobile Telecommunications Co (MTC) in September, a Kuwaiti newspaper reported yesterday. Shares of MTC, the second-largest Arab telecom firm by market value, are up more than 90 percent this year, partly driven by rumors that a regional investor would buy a stake in the firm at a premium to its share price. MTC officials have repeatedly declined to comment on the rumors, saying that any stake sale was a shareholder issue.

The Saudi partner, which Al-Qabas daily did not name, would not buy less than 10 percent, the paper reported, without saying how it obtained the information. The deal is close to being finalized after months of preparation, the paper added. In June, Al-Seyassah daily had reported that talks with a Saudi investor to buy 10 percent of MTC and 25 percent of its Celtel unit in Africa had been put off until November because of a disagreement over price. In March, MTC, Kuwait's largest mobile phone firm, led a consortium that won Saudi Arabia's third mobile phone licence with the highest offer of \$6.11 billion. Shares of MTC fell 0.93 percent yesterday. — Reuters