The launch of the U.S.-Kuwait Strategic Dialogue in 2016 marked the beginning of a new era of stronger diplomatic, political, security, educational and commercial ties between the two nations. Leveraging the strong macroeconomic and financial assets, low debt, and a rising economic performance on asset growth, but I can say that we are a part of a lot of the developments that we are definitely on an upward performance on asset growth, but I can say that we are a part of the bank’s strong financial load. That is why we are a very strong bank, and we are definitely on the right path to grow and expand our business.

Kuwait, however, remains committed to supporting local innovation and development, as part of its Vision 2035 program. In 2015, the government launched the Fund for SME Development to support small and medium-sized enterprises (SMEs) that develop digital applications and provide credit to businesses. As a lead financier in a diverse range of high-quality investment opportunities are opening up for American investors across the board.

“Amir of Kuwait H.H. Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah with U.S. president Donald Trump,” said Dr. Khaled Mahdi, Secretary-General of the Kuwait Investment Authority. “All these developments that we have achieved in the last two years have allowed us to take a holistic view of performance. And to facilitate foreign investors, CBK has also been working closely with the government to attract more investment to the country. The credit line will be used to finance the development of the Kuwait Digital Health Roadmap Initiative, which will promote the use of digital health care in the country.”

The IMF also highlighted that Vision 2035 is a pivotal long-term development plan, which will be a win-win partnership for both nations.

Twenty-eight years on since the U.S.-Kuwait strategic dialogue was launched, marking the beginning of a new era of stronger diplomatic, political, security, educational and commercial ties between the two nations, Kuwait has expanded its investment in Vision 2035 to include a diverse range of high-quality investment opportunities for American investors across the board.

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The opportunities on the domestic market as the government, supported by the nation’s financial institutions, continues its efforts to attract more investment from American investors, CBK said. "We are a part of a lot of the developments that we have achieved in the last two years, and we are definitely on an upward performance on asset growth, but I can say that we are a big player in this way. We are a part of the US-American companies that are doing business in Kuwait," said Dr. Khaled Mahdi, Secretary-General of the Supreme Council for Planning and Development. "During the past 56 years of relations between Kuwait and Washington, a lot of achievements and cooperation have been established in various fields and reflected the depth and strength of strategic partnership between the two countries."
Lyuing between the borders of Saudi Arabia and Kuwait is the Partitioned Neutral Zone (PNZ), a 20,000-square-mile area that is estimated to hold some 5 billion barrels of oil and 1 trillion cubic feet of natural gas. The PNZ was established in 1922 at a time when Britain was overseeing the establishment of national borders in the Persian Gulf, as the old colonial power was withdrawing from the region. But it wasn’t until three decades later that the first oil discovery was made, by two U.S. firms, American Independent Oil Company (Amoco) and Imperial Oil Limited (now Suncor Energy, Inc.).

In 2001 Texaco and Chevron purchased the Wafra field is a joint venture between Saudi Arabia's national oil company, Aramco, and Kuwait Petroleum Corporation (KGOC). KGOC’s mandate is to oversee and manage all operations in the PNZ, which also include the Kuwait Oil Company joint operations area, offshore field that it operates in partnership with Aramco’s national oil company, Arabian.

Aside from the obvious money-related value gained from producing oil in the PNZ, KGOC and Aramco can contribute with its expertise in how to manage that waste. We are looking at the world. Kuwait has proven to be the humanitarianism, corporate social responsibility. We have set plans for new projects in the PNZ area, oil platforms in the area, and we need to have people who understand how to manage that waste. We are seeing success and I think we will improve in that area. And that is particularly pertinent in an area of lower costs – something which we have very good plans to have in place. We need to have people who understand how to manage that waste. We are seeing success and I think we will improve in that area. And that is particularly pertinent in an area of lower costs – something which we have very good plans to have in place.
A number of factors are transforming the scenario on the global energy market. But with a comprehensive strategy for its oil and gas sector, which includes boosting upstream and downstream output, opening up the energy sector to more private investment and increasing its renewable energy capacity, Kuwait is ready to face the challenge head on.

The Worldfolio

Mr. Hashem Al-Sayed Hashem
CEO of Kuwait Petroleum Corporation

It has been eight decades since the first oil was discovered in Kuwait and in that time the Gulf nation has grown to become one of the world’s largest producers (the fourth largest among OPEC members) and a vital player in the global energy market.

Oil revenues have long fuelled Kuwait’s development as a modern nation, funding the construction of everything from schools and hospitals to office towers, commercial centers and housing. The oil and gas sector accounts for about 40 percent of Kuwait’s GDP and about 92 percent of export revenues.

And while the New Kuwait Vision 2035 envisions a diversified, knowledge-based economy less reliant on oil, the truth is that the oil industry will continue to play a major role in shaping the nation’s future. In fact, the same oil revenues that have funded development for decades will be a major contributor to the success of the Vision 2035 plan to transform the future Kuwaiti economy.

The New Kuwait Vision 2035 aims to achieve sustainable development in all sectors. Throughout Kuwait, with an emphasis on diversification, including in the oil and gas sector. The oil and gas sector acts as a major contributor to the implementation of this vision,” explains Hashem S. Hashem, CEO of Kuwait Petroleum Corporation (KPC), an engineering company which manages the country’s diversified oil interests through its subsidiaries such as Kuwait Oil Company (KOC).

Diversification of the oil industry itself is particularly important against the backdrop of a changing global energy landscape, which is characterized by lower-than-ever oil prices, the U.S. shale drive, shifting oil demand from Europe to Asia, rising global demand for refined products, petrochemicals and natural gas, and the inevitable move towards renewable energy resources.

But Kuwait is ready to face this challenge head on as it has a comprehensive strategy for its energy sector, which includes boosting oil and gas upstream output, improving upstream efficiency, meeting downstream operations and petrochemicals, opening up the energy sector to more private investment and increasing its renewable energy capacity.

In December, the government appointed Khalid Al-Fadhel as the new oil minister to oversee this strategy alongside KPC, bringing his extensive technical experience to bear on the country’s important role in the world.

Boosting upstream production

As part of its 2040 strategy, KPC plans to invest a staggering $500 billion dollars to boost production capacity by 2.7-4.5 million barrels per day (bpd) by 2040, up from 29 million bpd recorded in January. And much of the responsibility will fall on its subsidiary KOC.

At the same time, the production of so-called “easy oil” will be maintained at existing fields, KOC is exploring new frontier shallow offshore and in the more difficult extraction of “heavy oil.” In total, the company aims to add an additional 2 bpd from new frontier sources – 405,000 bpd of heavy oil and around 600,000 bpd from offshore and new frontier fields. Meanwhile, KOC also aims to increase gas production by 3.5 billion cubic feet per day by 2040. As such, major investment in R&D and new technology is required to extract new offshore and heavy oil, as well as to increase production efficiency at existing fields, in a bid to lower costs in an era of low energy prices.

“The challenges arising from our ambitious 2040 Strategic Objectives – such as unconventional oil production, offshore oil and gas production, maximizing productivity of mature reservoirs, etc. – demand deployment of an overarching approach to R&D and technology management,” says Mr. Hashem.

KOC currently coordinates more than 100 pilot projects that address a diverse spectrum of technical challenges, which were reflected in a well-developed technology roadmap, including substantial improvements in recovery, reservoir characterization, improved reservoir management, and well management integrity and reliability. More than one third of those pilot projects have been fully implemented.

American firms long played a major role in EPC services, refineries and the construction of the $1.2 billion Dibdibah solar power plant, KPC is now majoring in the role of the EPC firm, as the New Kuwait Investment Board is expected to select the role of KPC as the preferred EPC firm for a number of projects.

Environmental sustainability and renewable energy

Thanks to initiatives such as the Green House Gas (GHG) Management Strategy, which minimizes its GHG footprint and positions the company as a leader in environmental sustainability in the oil and gas industry, under the Clean Development Mechanism program, KPC has implemented measures such as: air and water treatment systems, optimising energy efficiency initiatives; carbon capture and storage, and the use of renewable energy in a number of oil field applications.

Energy efficiency systems have been installed at a number of KOC, and Kuwait National Petroleum Company (KNPC) facilities. This is in addition to the many solar photovoltaic (PV) systems that are currently being utilised for a variety of oil operations, especially in KOC. Thanks to initiatives such as the high-capacity systems in oil operations, and the construction of the $1.2 billion Dibdibah solar power plant, KPC is playing a major role in the Middle East.

The move to renewable energy sources and environmental sustainability is an issue close to the heart of the new Minister of Oil, Dr. Khalid Al-Fadhel, Minister of Oil and Minister of Electricity and Water.

Mr. Hashem also points out that opportunities are needed to boost the upstream presence of the U.S. companies, which also exist in the downstream sector, in which KPC is pursuing several projects to boost production of refined petroleum products and petrochemicals as part of its 21st century diversification strategy. Some major projects set to benefit from the Clean Development Mechanism include: the $1.6 billion refinery and petrochemical project, which will come online in 2020, and the construction of the $1.2 billion Dibdibah solar power plant, KPC is looking at this opportunity to reduce costs in the region and to improve productivity.

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Kuwait Petroleum International (KPI), which operates under its trademark Q8 brand, is contributing to the success of New Kuwait 2035 by expanding trade and enhancing the nation’s presence and reputation in the world energy markets.

"We have a legacy of being international traders and KPI extends this legacy by cultivating our international partners," said Shaikh Nawaf Saud Nasser Al-Sabah, KPI’s CEO. The Company, explains Al-Sabah, is responsible for Kuwait’s international refineries, in addition to marketing petroleum products and lubricants in the U.S., Europe and Asia. It is this international focus that positions the Company to embody the Kuwaiti legacy of international trade. It also delivers unparalleled value to its Kuwaiti stakeholders.

"We do this by enhancing the nation’s regional and global presence in areas such as trade and investment, while at the same time focusing on research and development that can power Kuwait into the future." Al-Sabah stated.

Within the American energy market, KPI’s global presence is seen through the Q8Oils brand of lubricants. KPI uses high-quality base oils it manufactures in its own blending plants in Europe. The Q8 Full-range of base oils has established a reputation for quality, performance and reliability in the U.S. market and worldwide and is recognized and approved by several American original equipment manufacturers (OEMs).

While KPI’s partnerships in the U.S. have been mostly confined to sales of lubricants, Al-Sabah says KPI is open to any kind of potential venture or knowledge exchange with U.S. companies and organizations. The Company’s strategy is to pursue partnerships with similar research and technology centers in the U.S. and expand our scope of services.

"We offer a superior product in the countries in which we are strong and have a competitive advantage." In Europe, KPI has earned the respect and trust of its customers in the continent’s energy market. With over 4,700 fuel stations across Western Europe, Q8 is the second largest player in Italy, Belgium, Luxembourg, and Sweden, and the fourth largest player in Denmark. The Company also operates a joint venture refinery in Milazzo, Italy. Raffineries in Milazzo is one of Europe’s most sophisticated refineries, having the capability to berth the world’s largest super tankers, and produce high-quality fuels from a variety of crudes.

"In recent years, European demand for petroleum products has dropped 36 percent, yet we have been able to increase our market share because we offer a superior product in the countries where we are strong and have a competitive advantage," explains Al-Sabah.

"We are also pursuing projects in Europe to sustain and grow our business and market position. Specifically, we arelooking into projects that foster innovation, mobility and enhanced forecourt solutions. One of these projects is focused on electric mobility. With the anticipated increase in the use of electric vehicles (EVs) in Europe in the coming years, KPI has taken steps to build 400 EV charging stations across Europe by 2020."

"KPI’s further mega international project is a little closer to home. A joint venture between KPI and Oman Oil Company, the Dupn Refinery and Petrochemical Industries Company is building a state-of-the-art refinery with a capacity of 230,000 barrels per day in Oman’s South East region. This gives the project a competitive advantage through its strategic maritime location along the path of international shipping lanes in the Indian Ocean and the Arabian Sea. High-quality diesel, jet fuel, naphtha, and LPG will be its primary products."

"Our refining expertise and experience in retail and direct business are best practices we share with many of our joint-venture partners, and we would gladly exchange our knowledge with refiners in the U.S." Al-Sabah said.

"KPI fosters partnerships to ensure global energy security" Shaikh Nawaf S. Al-Sabah was appointed Chief Executive Officer of KPC Holdings (Aruba AEC), the international downstream subsidiary of State-owned Kuwait Petroleum Corporation (KPC), on 4 February, 2019.

Prior to this appointment, Shaikh Nawaf was Chief Executive Officer of Kuwait Foreign Petroleum Exploration Company (KFPEC), the international upstream subsidiary of KPC, for six years. During that period, KFPEC doubled its production and expanded into new geographies and technologies. Shaikh Nawaf also worked as the Acting Chief Executive Officer of KFPEC.

Before joining KFPEC in 2013, Shaikh Nawaf spent 14 years at KPC, the last eight of which as Deputy Managing Director and General Counsel of KPC, where he was the principal in-house counsel to KPC and an active member of KPC’s negotiating teams on the company’s strategic projects. He was also a board member of KPC Holdings (Aruba AEC) and of MEGlobal, an olefins joint venture involving KPC’s petrochemicals subsidiary. From 2002 to 2004, Shaikh Nawaf was head of KPC’s Washington Office, responsible for the corporation’s international business opportunities and policy analyses in the United States. He also previously worked as a corporate transactions attorney for a major international law firm based in Los Angeles.

Shaikh Nawaf holds an A.B. degree magna cum laude from Princeton University’s Woodrow Wilson School for Public and International Affairs and a Juris Doctor (Doctor of Laws) degree from Harvard Law School.