

# Business

THURSDAY, NOVEMBER 26, 2020

## Kuwait commissions largest crude distillation unit at Mina Abdullah

Unit marks a giant leap for Kuwait's refining industry, a gateway to clean fuel project

By Nawara Fattahova

**KUWAIT:** The Kuwait National Petroleum Company (KNPC) celebrated the commissioning of crude oil distillation unit no 111 at Mina Abdullah refinery yesterday. This key unit for KNPC and the Kuwaiti oil sector is the largest crude distillation unit in Kuwait, with a refining capacity of 264,000 bpd. It also includes one of the largest air distillation towers and the largest hydrogen production unit in the world.

Wadha Al-Khateeb, Deputy CEO of Mina Abdullah refinery (MAB) said operation of the crude distillation unit (CDU) 111 of the Clean Fuels project (CFP) is considered the gateway to the CFP of MAB refinery, which in turn represents a giant quantum leap in Kuwait's refining industry.

"By commissioning unit 111, KNPC moves ahead with the implementation of the KPC strategy to raise the refining capacity in Kuwait to 1.6 million bpd of high-quality petroleum products that are in line with the highest global stipulations and standards. This will open up new global markets for our company and boost Kuwait's position as a world leader in oil production," Khateeb said during a press conference held yesterday.

The successful operation of the unit comes in light of the current critical circumstances the whole world is experiencing due to the COVID-19 pandemic. "We are very proud of our competent teams that played a key role in today's historic success. This occasion is the culmination of over two years of tremendous efforts in testing and operating a number of support units and systems which were necessary for the safe operation of this unit. Our national cadres were able to challenge these conditions, overcome difficulties, operate and equip more than 11 plants and systems that had to be operated up to the CDU 111 commissioning," she added.

The project has paved the way to implement state-of-the-art technology and equipment in order to increase the refinery's ability to produce high-quality products that are compatible with international market conditions, while maintaining the highest levels of efficiency and operational flexibility through observing safety and environmental standards and requirements.



Wadha Al-Khateeb, Deputy CEO of Mina Abdullah Refinery, speaks during the celebration



Abdullah Al-Ajmi, Deputy CEO Projects, speaks during the event

"MAB refinery is ranked third on the world refinery complexity index, which reflects the highest category in sophistication and diversity of process units in terms of technology, capacity and yielding more value-added per barrel of oil," she further said.

In order to ensure the highest degree of integration and economically feasible operation, the CFP units were tied-in with existing ones at the refinery. "The departments within Mina Abdullah refinery worked side by side to complete the necessary tie-ins between more than five processing units at the current MAB refinery and its depots at Mina Abdullah and Shuaiba to pump crude oil to the unit and receive, refine and produce new products," stressed Khateeb.

This work required efforts by nearly 400 male and female national cadres from various departments. "It has been with careful planning by the technical services department, supervision by the quality assurance department, coordination by MAB operations department, equipment, machinery and lines by the

maintenance department, and monitoring of safety and environmental standards by the health, safety and environment department. The refinery has adopted the latest technology in operating the unit, such as thermal cameras for early detection of any leaks that may occur during operation to protect workers, the environment and our facility," she concluded.

### Top quality products

Deputy CEO Projects Abdullah Al-Ajmi noted that despite the critical circumstances that the whole world is experiencing due to the COVID-19 pandemic, which had repercussions and impact on the activities of all companies and institutions, Kuwait National Petroleum Co has taken a decision to continue the completion and operation of its production units and maintain the continuity of executing its mega projects.

The new CDU 111 will generate high quality products like LPG, kerosene, diesel and others. "The end result will be that top-quality products in world will



KUWAIT: Kuwait National Petroleum Company's crude oil distillation unit No 111 at Mina Abdullah refinery which was commissioned yesterday. — Photos by Yasser Al-Zayyat

be manufactured in Kuwait. It will open new markets for selling refined products of Kuwait. The objective is to approach the international market. Also, these projects will provide new jobs for young Kuwaitis and business opportunity for various contractors in the next phase for maintenance and services," he told Kuwait Times.

CFP Commissioning Manager Ali Al-Ajmi said the new CDU 111 is designed to process 264,000 bpd of Kuwait Export Crude (KEC) using the latest technology that fractionates KEC into the petrochemical categories of naphtha, kerosene, light diesel, heavy diesel and atmospheric residue. Naphtha and kerosene are final products, whereas light diesel, heavy diesel and atmospheric residue are intermediate products that require further treatment.

"The Clean Fuels Project will also allow a major modernization/expansion of MAB to increase the total refining capacity from 270,000 bpd up to 454,000 bpd while maintaining high safety and environmental standards, and in line with the strategic directives of the Kuwait Petroleum Corporation. The conversion capacity of crude oil into higher value products will be increased by processing the atmospheric residue using additional hi-tech conversion units in order to meet global market specifications," he added.

"Upon commissioning the new CDU 111 at MAB refinery, it became the largest single crude processing unit (264,000 bpd) in Kuwait, compared to Mina Al-Ahmadi refinery which has a refining capacity of 200,000 bpd as well as the CDU of KIPIC with 210,000 bpd respectively. MAB currently has two distillation units - CDU 01 and CDU 11 with a capacity of 80,000 and 190,000 bpd of KEC crude respectively," noted Ajmi.

The new CDU 111 will operate with a capacity of 264,000 bpd. "As part of CFP, work on unit 01 will be suspended and the refinery will continue operating the units - CDU 11 and CDU 111 - with a total capacity of 454,000 barrels per stream day (kbpsd) of KEC crude. The execution of the project has reached its final stages. The new CDU 111 as well as the hydrogen production unit (HPU) have been successfully commissioned. Preparations are underway to prepare the remaining units as per the operation plan during the coming months," he explained.

"The project mainly aims to enhance the quality of Kuwait petroleum products in line with international environmental specifications, boost Kuwait's competitiveness in world markets and open new markets for Kuwaiti products. Advanced protection systems have been installed to limit the impact on Kuwait's environment," concluded Ajmi.



Officials attending the commissioning ceremony

## EU chief: Brexit deal must not hurt single market

**BRUSSELS:** In a downbeat assessment of progress in post-Brexit trade talks, EU chief Ursula von der Leyen warned yesterday that any deal must not undermine the EU single market. "We will do all in our power to reach an agreement, we're ready to be creative," she told the European Parliament, warning that Britain must agree to fair trade rules.

"But we are not ready to put into question the integrity of the single market, the main safeguard for European prosperity and wealth." Von der Leyen, head of the European Commission, repeated Brussels' warning that Britain would not enjoy the benefits of EU membership from the outside: "There will be a clear difference between being a full member of the Union, and being just a valued partner."

She acknowledged MEPs' frustration that time was running out for them to debate and ratify any trade deal before Britain leaves the single market on January 1. But she warned that British Prime Minister Boris Johnson's tactics had shown the need for clear rules.

"We want to know what remedies are available in case one side will deviate in the future because trust is good, but law is better," she said. "Crucially, in the light of recent experience, a strong governance system is essential to ensure that what has been agreed is actually agreed."

London has been resisting signing up to the EU's vision of a post-Brexit "level playing field", with trade penalties if either side diverges from agreed standards. Johnson has also introduced a draft law to govern the UK internal market that his own government admits would breach promises made in Britain's EU withdrawal treaty. This has undermined Brussels' trust in Britain, and talks have now blown past several unofficial deadlines,



BRUSSELS: European Commission President Ursula Von Der Leyen speaks during a debate on the next EU council and last Brexit development during a plenary session at the European Parliament in Brussels yesterday. — AFP

leaving only a narrow window for agreement before the end of the year.

European Commission vice-president Maros Sefkovic said he hoped to hold a meeting with British minister Michael Gove and their joint committee on implementing the withdrawal deal in the coming days. Brussels is keen to see movement from London in implementing border controls between Great Britain and Northern Ireland, which will remain in the EU single market despite being a part of the UK.

"I really would like to use it for a decisive solution for the issues, especially the proper implementation of the protocol on Ireland and Northern Ireland," he said. If a deal cannot be signed and ratified by December 31, cross-Channel trade will face a tariff barrier and businesses on both sides-but especially, experts agree, in Britain-will suffer. Von der Leyen paid tribute to her chief negotiator Michel Barnier, who today is due to come out of isolation imposed after a member of his team contracted the coronavirus. He is then due to return to London to resume face-to-face negotiations with his British opposite number, David Frost. Talks have been continuing by video link. — AFP

## Fitch rates KIB Tier 2 Capital Sukuk final 'A-'

**KUWAIT:** Fitch Ratings report dated 24th November has assigned Kuwait International Bank's (KIB) \$300 million Tier 2 Sukuk final "A-" rating. The Tier 2 certificates are being issued under the trust certificate issuance program, housed under KIB Sukuk Limited. Fitch also assigned final A+/F1 long/ short-term ratings, in accordance with the capital adequacy standard (Basel III) 10-Year non-call 5-year Sukuk priced at a profit rate of 2.375 percent per annum, respectively, to the senior unsecured program.

KIB's issuance of this AT2 Capital Sukuk comes in collaboration with a number of high-level local, regional and international financial institutions, including: Citi and Standard Chartered Bank as Joint Global Coordinators, together with Boubyan Bank, Emirates NBD Capital, First Abu Dhabi Bank, Kamco Invest and KFH Capital and The Islamic Corporation of the Private Sector (ICD), as Joint Lead Managers and Joint Bookrunners. Commenting on this achievement, Raed Jawad Bukhamseen, Vice Chairman and CEO of the Bank said: "This ratings from Fitch is yet another strong

## Weekly jobless claims increase again in US

**WASHINGTON:** The number of Americans filing first-time claims for jobless benefits increased further last week, suggesting that an explosion in new COVID-19 infections and business restrictions were boosting layoffs and undermining the labor market recovery. Initial claims

testament to KIB's successful Sukuk transaction since these are the highest rated T2 in Kuwait and the GCC by Fitch, in addition to being the first USD T2 Sukuk from Kuwait to be listed on London Stock Exchange (LSE), which reflects KIB's leading role in the regional Sukuk market."

Bukhamseen noted that the Sukuk issuance is also set to further diversify the Bank's funding base and strengthen its standing among international investors, highlighting that the total order book peaked at approximately \$2.7 billion, (9 times) with more than 50 percent allocated to international investors.

Bukhamseen added, "We have always been proud of KIB's successful track record of financial transactions and are extremely satisfied with these strong ratings towards, both, of the Bank's tier T2 Capital Sukuk and \$2 billion Sukuk program, which is two ratings below KIB's Long-Term IDR of 'A+', he added. It serves to note that Fitch assigned the Bank's Long-Term Issuer Default Rating (IDR) at 'A+', in addition to having affirmed the bank's Viability Rating (VR) at 'bb-' with a Stable Outlook, according to its report issued on September 14, 2020. The Stable Outlook on KIB's Long-Term IDR reflects that on the Kuwaiti sovereign rating.

for state unemployment benefits totaled a seasonally adjusted 778,000 for the week ended Nov 21, compared to 748,000 in the prior week, the Labor Department said yesterday. Economists polled by Reuters had forecast 730,000 applications in the latest week.

The weekly claims report, the most timely data on the economy's health, was published a day early because of today's Thanksgiving Day holiday. The United States has been slammed by a fresh wave of coronavirus infections, with daily cases exceeding 100,000 since early November. More than 12 million people have been infected in the country, according to a Reuters tally of official data. —Reuters



Raed Jawad Bukhamseen