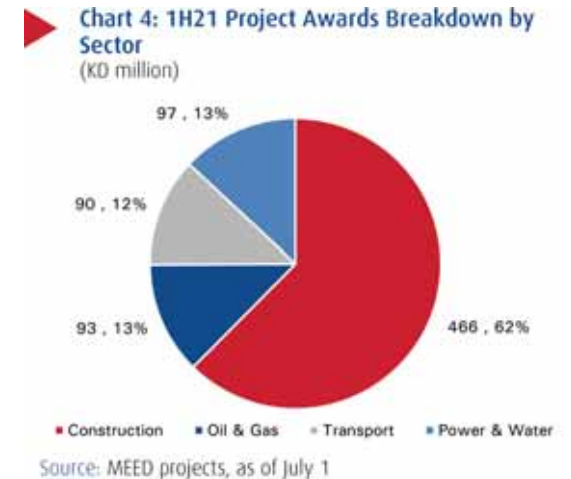


Business

NBK Economic Report

Kuwait's project awards higher in 2Q21, lifted by construction sector

MEED figures show a planned awards figure of KD 2.0 billion for 2H21



KUWAIT: The pace of project awards picked up in 2Q21 compared to both Q1 and last year's pandemic related low. According to MEED projects, the total value of project awards reached KD 488 million in the second quarter, up 90 percent from 1Q21. This brings 1H21 awards to KD 746 million. Total 2021 project awards (actual and planned) are now projected by MEED at just over KD 3 billion, which would be the highest since 2017 though smaller than initial estimates earlier in the year which showed around KD 4 billion.

The construction sector made up about 76 percent of total project awards in Q2 with KD 374 million in awards, up strongly from the previous quarter. Awards stemmed mainly from one part of the Public Authority for Housing Welfare's (PAHW) Sabah Al-Ahmed

Township (KD 78 million) and several parts of Kuwait Oil Company (KOC) and Kuwait Environmental Remediation Program's Kuwait Excavation Transportation & Remediation Project (KD 229 million). The construction sector is showing signs of revival after several years of subdued activity and has made up the bulk of project awards so far this year (62 percent). Looking ahead, there are several smaller scale projects in the pipeline for 2H21 including PAHW's Jabr Al-Ahmed Township (JI) valued at KD 90 million.

Activity in the power and water sectors also picked up in Q2, reaching KD 57 million from KD 41 million in the previous quarter. Awards came from the power sector with several parts of PAHW's Extension & Maintenance of

Ground Cables at Al-Mutlaa City (KD 32 million). MEED figures show KD 570 million in the pipeline for 2H21, not including the KD 102 million still listed as planned for Q2, which is likely to be rolled over into the coming quarters.

Planned projects include the Ministry of Public Works (MPW) Wastewater Treatment Plant in South Al-Mutlaa (KD 173 million) and several parts of the Ministry of Electricity and Water's Fresh Water Line (KD 105 million), scheduled for 3Q and 4Q respectively.

Transport sector awards came in muted compared to last quarter, despite pressing concern for the country's infrastructure maintenance. Awards totaled just KD 5 million, a steep drop compared to the previous quarter's KD 85 million. The award stemmed from a roads pack-

age of the PAHW's Sabah Al-Ahmed Township. Looking forward, expected awards in the transport sector amount to about KD 581 million. Notable upcoming awards include the MPW's Regional Road South Part Project (KD 129 million) and the Crossroads for New Passenger Terminal 2 (KD 120 million).

The oil and gas sector witnessed a slight pick-up in project activity in 2Q21, with KD 52 million in awards. These included KOC's Jurassic Non Associated west field upgrade at KD 35 million along with several smaller scale projects. Kuwait's oil and gas sector has KD 347 million in awards planned for 3Q21 including KOC's JPF 4 & 5 Production Facilities, valued at KD 294 million and several smaller scale oil projects. Nonetheless, according to recent

reports, JPF 6 and 7 have been canceled due to spending cuts on capital projects by the Kuwaiti government.

Finally, Kuwait's chemical sector has seen next to no activity in recent years. Nevertheless, with the coming Kuwait Integrated Petroleum Industries Company - Al-Zour Petrochemical Complex project (KD 2.85 billion), the sector is poised to see some highly awaited developments in early 2022. Further delays cannot be ruled out, though. Across all sectors, MEED Projects forecasts around KD 2.0 billion worth of projects planned for the rest of the year, including many that have been rolled over from 1H21. However, given the ongoing pattern of delays and the cuts to spending, it is very likely that a much smaller figure will come to fruition.

Jarrah Al-Azmi wins Gulf Bank's Salary Package draw

KUWAIT: Gulf Bank conducted its sixth monthly Salary Package draw of the year to announce the winner for May 2021. The lucky winner, Jarrah Saad Ejfain Al-Azmi, will claim a cash prize worth 12 times his salary.

The draw was held yesterday at Gulf Bank's main branch, in the presence of a representative from the Ministry of Commerce & Industry. On this occasion, Mohammad Al-Qattan, General Manager of Consumer Banking at Gulf Bank, said: "We would like to congratulate our lucky salary account winner, Jarrah Saad Ejfain Al-Azmi, who was fortunate enough to win our monthly salary draw, taking home a prize worth 12 times his salary. We would also like to remind our clients that there are always ample opportunities for them to win - whether it's every month with our monthly salary draws, or our annual draw for the grand prize of 100 times the winner's salary. In addition to the draws, Gulf Bank's Salary Account is the only account in Kuwait that encompasses offers that are specifically tailored to our customers' needs."

Throughout 2021, Gulf Bank's Salary Package offers clients a wide range of exclusive offers, including the ability to choose between an interest-free loan or a cash prize of up to 300 Kuwaiti Dinars, and a free credit card, with these offers being valid for

workers in both the public and private sectors. Gulf Bank is also providing special offers for frontline workers in appreciation of their continuous efforts in combating the pandemic.

Frontline workers salary package

Gulf Bank recently tailored a special offer for employed Kuwaiti frontline workers who wish to transfer their salaries to Gulf Bank. Upon transferring their salaries, these clients will immediately receive a set of benefits, including a cash gift of KD 300, or an interest-free loan of up to KD 25,000 or a special car loan offer from approved showrooms. They will also be eligible to receive a Visa or MasterCard credit card with all annual fees waived for the first year, a free MasterCard World card (upon KD 5,000 expenditure). The frontline offer also consists of other benefits, including a free safety deposit box for a period of one year upon opening the account, free concierge services, and a customer segment upgrade. The new frontline offer is open to Kuwaiti employees working in the Fire Brigade, National Guard, Civil Aviation (including Kuwait Airways) and in the following Ministries: Health, Defense, Information and Interior.

Salary package - exclusive offer

As part of the vast range of services and benefits available to Salary Account customers, Gulf Bank offers its clients the opportunity to choose the most appropriate benefits from a wide selection of attractive options. With the 2021 Kuwaiti Salary Offer, new customers who transfer their salaries to Gulf Bank are automatically enrolled in the monthly draws, giving them the chance to win cash prizes of up to 12 times their salary. Customers are also enrolled in a yearly draw of Kuwait's largest

salary prize, a cash prize of up to 100 times the winner's salary.

Gulf Bank's Salary Account also gives new customers the opportunity to receive either a KD 300 cash gift upon transferring their salaries to Gulf Bank, or an interest-free loan of up to KD 25,000. Customers must have a minimum salary of KD 500 and are eligible for the offer following their first salary transfer to Gulf Bank. Customers can also enjoy additional benefits like a Visa or MasterCard credit card free of charge for a year. They can also apply for a loan of up to KD 70,000 with a repayment period of 15 years, or a consumer loan of up to KD 25,000.

Salary Account draws

Gulf Bank conducts monthly and annual Salary Account draws, in which all salaried customers who transferred their salaries to Gulf Bank in 2019, 2020 and 2021 are automatically enrolled. During the monthly draws, Salary Account customers have the chance to win a prize of up to 12 times their salaries and can even win up to 100 times their salaries in the annual draw. It is worth noting that Gulf Bank is the only bank in Kuwait that offers its salaried customers the opportunity to win sums of these amounts on a monthly and annual basis, as a reward for transferring their salaries to Gulf Bank.



Mohammad Al-Qattan

Pamela Cuenca wins KD 4,000 in Burgan Bank's Value Account draw

KUWAIT: Burgan Bank yesterday announced Pamela Borata Cuenca as the winner of the Value Account draw for a prize of KD 4,000. The winner expressed her excitement of winning the cash prize of KD 4,000.

Dedicated to offer the best in-class services, Burgan Bank's Value Account presents customers with exceptional features which were specifically designed to suit the needs of expatriates living in Kuwait. Account holders will be able to enjoy matchless benefits that include receiving a free credit card for one year, application for a loan, in addition to a chance to enter the quarterly draw to win KD 4,000 as well as other discounts from selected merchant stores.

Burgan Bank will continue presenting exclusive services and draws with an aim of exceeding customers' expectations while offering them chances to win valuable cash prizes all year round. Opening a Value account is simple, interested individuals with salaries starting from KD 150 and above are eligible to open a Value Account.

Vietnam's Vinfast to launch electric cars in US, Europe

HAIPHONG, Vietnam: Vietnam's first homegrown car manufacturer Vinfast said yesterday it will launch two new electric vehicle models early next year in North America and Europe, as it pushes to enter the lucrative but crowded market. The carmaker is a subsidiary of Vietnam's largest private conglomerate, Vingroup, which is owned by the country's richest man, a press-shy billionaire who started his career selling dried noodles in Ukraine.

The company said yesterday it had officially begun operations in the US, Canada, France, Germany and the Netherlands and had recruited staff and opened offices in these "key markets".

All the vehicles will be made in Vietnam. It aims

to launch its two new electric car models—the VF e35 and VF e36 — in March 2022, the company added. But Vinfast will face stiff competition, especially when going up against big-name brands including Volkswagen and Elon Musk's Tesla.

To prepare for its entry into global markets, the company said it had recruited experts from firms including Tesla, BMW and Toyota. Domestically, Vinfast has already sold vehicles that include sedan and SUV models, along with e-scooters and even electric buses. It sold around 30,000 vehicles last year. The firm introduced its domestic electric car model—the VF e34, costing about \$29,000 — in January and has received around 25,000 pre-orders, the company says.

But Vinfast has made clear it has global ambitions. In February it said it had received a permit to test autonomous vehicles on public streets in California, and it would begin selling two of its three models with autonomous features in the US, Canada and European markets from 2022.

The cradle-to-grave Vingroup empire includes



HAIPHONG, Vietnam: In this file photo, workers operate the car assembly line at the automobile plant of VinFast, Vietnam's first homegrown car manufacturer, in Haiphong. —AFP

housing, resorts, schools, hospitals and shopping malls. Vingroup CEO Pham Nhat Vuong is worth an estimated \$7 billion, according to Forbes. —AFP

Battle for Brazil's indigenous land heats up

BRAZILIA: Brazil's indigenous people are bracing for a legal battle with far-right President Jair's Bolsonaro's government as it seeks to rush laws through parliament to carve away at their land. Indigenous people, who represent some 0.5 percent of Brazil's population, hold about 13 percent of its land under ancestral rights guaranteed by the country's 1988 constitution.

These have been under threat ever since Bolsonaro came to power in 2019 on the promise of ceding "not one centimeter more" to Brazil's native population. He has sought to open public land up for economic exploitation

in one of the world's biggest agricultural producers, and several bills are before parliament seeking to achieve this. "We are living our worst time," said Joenia Wapichana, the first indigenous lawmaker in the country's history and the spearhead of a protracted legislative and legal fight. "These (parliamentary) projects which are a setback for us, are being voted on much faster now," she said.

Last month, a commission of the chamber of deputies—one of two houses of congress—approved a bill introduced already in 2007 to recognize as ancestral only land occupied by indigenous peoples when the 1988 Constitution was promulgated. The day before the decision, clashes between indigenous and security forces at a protest against the bill left several injured, including three police struck by arrows.

The bill has yet to pass a full sitting of the chamber, and then the senate. A slew of other draft laws seek to authorize mining and farming on indigenous land where it is now illegal. "The Constitution already provides for eco-

nom activity in indigenous areas and lands," Mines and Energy Minister Bento Albuquerque insisted at a meeting with foreign correspondents last week. "What is there belongs to Brazilian society, and must be regulated taking into account the rights of indigenous peoples," he added.

Brazil's original people also oppose a law passed in May to ease environmental requirements for farming and energy companies. Indigenous peoples and environmental groups claim the government's moves are unconstitutional and fear a further acceleration of Amazon deforestation, which has picked up pace on Bolsonaro's watch. The president, widely accused of being a friend of the free market at the expense of the environment, has signed proclamations in the last two years to transfer the delineation of indigenous land to the agriculture ministry, and to allow big business takeovers of public land. But these endeavors have been paralyzed in congress, partly due to the president's fraught relationship with the speakers of the chamber of deputies and the senate. —AFP

Ghosn rejects blame in Dieselgate probe

PARIS: Former Nissan and Renault boss Carlos Ghosn denied any responsibility in Renault's alleged cheating on emission tests for diesel vehicles during more than six hours of questioning in Beirut in May, according to documents seen by AFP. Ghosn led the Franco-Japanese car-making alliance before his arrest in Japan in 2018 on allegations of financial crimes, which he denies.

He jumped bail and fled to Lebanon a year later. Three French magistrates travelled to Beirut from Paris to question the 67-year-old fallen auto titan over the emissions scandal in which several other automakers, including Volkswagen, Peugeot and Citroen have also been embroiled.

Ghosn, who was questioned as a witness, claimed that he did not get involved in issues relating to engine performance at his level of management, according to the minutes of the interview. Noting that between 2016 and 2018 he was also head of Nissan's and Renault's smaller partner Mitsubishi, "meaning three companies spanning two continents, you can well imagine that I did not know the engines in detail," he said during the questioning on May 26.

The "Dieselgate" scandal began at Volkswagen, which admitted in 2015 to using "defeat devices" to cheat on emissions tests in 11 million diesel engines. It has since ensnared other auto-makers and triggered investigations in several countries, including in France where Citroen, Peugeot, Renault and Volkswagen have all been charged with deception over emissions.

In 2016, France's anti-fraud office pointed a finger directly at Ghosn, saying that Renault's "entire chain of command" was implicated in the affair and that the cheating was part of "company strategy". —AFP