

# Oil Development Company

## Kuwait Project

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### Project Kuwait at a crossroads

By B Izaak

KUWAIT: The multi-billion-dollar project to develop the northern oilfields appears to be at a crossroads as the financial committee holds a crucial meeting to discuss the issue next week.

The meeting will be attended by a large number of lawmakers and Energy Minister Sheikh Ahmad Fahd Al-Sabah who attempts to convince MPs that the government proposals are not in conflict with the country's constitution.

The financial committee approved a government draft law in June after introducing several conditions and submitted its report to the house for a debate which was due to take place on January 23.

The setback came after the assembly last month voted to approve a request by the financial and economic affairs committee to withdraw its report on the project for reconsideration after a report by the Audit Bureau.

The Bureau explicitly said in the report that any agreement with the international oil companies must be passed in a law by the National Assembly, a measure the government tried to avoid by asking MPs to pass a broader draft law that regulates the project but avoids assembly's nod to each agreement.

The main controversy rages around Article 152 of the constitution which stipulates that any agreement in the natural resources sector must be approved by the National Assembly.

Through the draft law, the government had sought a parliamentary authorisation to negotiate and sign deals with foreign oil majors.

But 20 MPs last month issued a joint statement insisting that the guarantees in the draft law were not sufficient and demanding that each agreement signed with the foreign companies must be debated in the assembly.

Lawmakers are divided into two main groups. The first backing the government's position and the second insisting that the proposed bill contradicts the constitution.

Between 20-25 MPs are reported to be preparing to ask the committee during the meeting to stick to the constitution amid reports that constitutional experts will be invited to the meeting.

The project, which is estimated to cost \$8.5 billion, aims at developing four oilfields in northern Kuwait with the assistance of foreign oil companies.

It aims at raising the oilfields' output from around 500,000 barrels per day to 900,000 barrels during the proposed 20-year duration of the project.