

# مشروع الكويت

ملخص ما نشر في الصحف المحلية اليوم الأحد الموافق ١٠ إبريل ٢٠٠٥

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## Need for mega oil project questioned

By B. Izzak

KUWAIT: MPs and economists yesterday questioned the need for Project Kuwait, a multi-billion-dollar investment to develop northern oilfields with the help of international oil companies. "MPs raised a number of concerns regarding fears of partnership and ways of controlling foreign companies," said MP Abdulwahab Al-Haroun, head of the financial and economic committee, after a meeting.

The meeting was attended by Energy Minister Sheikh Ahmed Fahd Al-Sabah, top oil

executives, a number of economists and several MPs. Haroun said the discussion was very useful and positive as MPs and economists raised a number of questions over the project. The committee will hold another meeting with the minister before meeting on its own to decide the fate of the project that is expected to cost over \$8.5bn. Sheikh Ahmed said he was pleased that the "general principle of the project - that there should be foreign companies to help in the project - has not been rejected".

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## Need for mega oil project

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But he admitted that there are differences in the details regarding the proposed contracts, the mechanism and its economic feasibility. "I still feel the project is positive and we in the oil sector will be able to defend it and highlight its importance," he said. The minister said the government will request an urgent session in the Assembly to discuss the project after the committee completes its report.

He said MPs asked "a lot of technical questions on whether to have a partner or operator from the foreign companies. They wanted to know more details about the economic model in order to safeguard the interests of Kuwait". Sheikh Ahmed had said foreign companies need to invest more than \$8.5bn over a period of 20 years and their profit will be around \$3.2bn. The project aims at boosting production from four oilfields in northern Kuwait, mostly from secondary reservoirs, from 530,000 barrels per day to about 900,000 barrels.

However, the maximum production will be sustained only for six years and average daily production over the 20-year period will be around 685,000 barrels, an increase of just 150,000 bpd. MPs questioned if this small increase warranted signing such a mega-contract with foreign oil companies.