

# مشروع الكويت

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## Kuwaiti MPs oppose major foreign hand in oil project

KUWAIT: Kuwaiti MPs are questioning the need for large-scale foreign involvement in a government-proposed multi-billion dollar project to develop the emirate's northern oilfields, one lawmaker said yesterday.

At a meeting with the energy minister and top oil executives in parliament late Saturday, MPs urged the government to consider other options to implement the project that would minimise participation by foreign oil majors, Nasser al-Sane said.

The controversial 8.5-billion-dollar Project Kuwait has been stalled for more than a decade by resistance from MPs who fear that the Gulf emirate's oil resources could be surrendered to international oil companies.

They believe that the proposed increase in production from four oilfields bordering Iraq is so small that it does not warrant major foreign investment for a proposed two-decade period.

The investment aims at increasing production from secondary reservoirs of the oilfields as part of Kuwait's strategic plan to boost output from a current 2.6 million barrels per day (bpd) to four million bpd in 2020.

Sane said some MPs left the meeting feeling "more convinced that we should not go for the project. MPs opposed to the project

have questioned the very idea of the investment."

Some MPs instead suggested "hiring experts from major oil companies... to help our oil sector do the job themselves," especially since the proposed increase in production is not high, Sane said.

Others called for extending agreements Kuwait signed with foreign companies in 1995 to help in technical aspects, he said.

The head of parliament's finance and economic committee, Abdulwahab Al-Haroun, said MPs raised concerns regarding control over foreign companies and whether the deal will take the form of a partnership or service contracts, in addition to other details.

In February, Energy Minister Sheikh Ahmed Fahd Al-Sabah submitted to parliament new draft legislation to regulate the plan, stipulating that "all oil wealth and resources are the property of the state."

It also stated that returns of foreign companies during the 20-year project would be around 3.2 billion dollars.

The minister told reporters after Saturday's meeting that lawmakers have not rejected the "principle of seeking the help of foreign companies," but he acknowledged that differences

remain concerning the details.

Project Kuwait aims at increasing daily output in the four fields from the current 530,000 bpd to 900,000 bpd.

But the targeted output will only be sustained for six years during the 20-year period, setting average daily production at 680,000 bpd, or just 150,000 bpd above the current level.

Leading opposition MP Ahmad Al-Saadun told state television that the proposed agreement with foreign oil companies involves "seizure of national wealth."

Former liberal MP Abdullah Al-Naibari also said the plan does not require 20 years to complete and could be finished much sooner.

The minister expects parliament to debate the government plan before the end of the current legislative term which ends in June.

Kuwait, which sits atop around 10 percent of global reserves, has already pre-qualified some 25 operator and non-operator foreign companies for Project Kuwait, including Shell, ExxonMobil, BP Amoco, ENI, Total and Chevron.

The companies have formed three consortia which have submitted bids for the project. A selection is not expected before the government finalises the deal with parliament. — AFP