Al Muhaidib buys stake in Kuwait's Abyat

Saudi Arabia's Al Muhaidib Group has bought a 35 percent stake in building supplies and hardware retailer Abyat, the adviser to the Kuwaiti-based chain said on Monday.

The deal will help Abyat expand into Saudi Arabia and the wider Gulf region, with Al Muhaidib Group benefiting from an increased presence in the building materials sector, said Bader al-Rezaihan, chairman of Amwal International Investment Co.

"There is definitely an aggressive growth plan for Abyat, especially with the support of Al Muhaidib," Rezaihan told Reuters, noting that Abyat was opening its second Saudi Arabian shop, in Riyadh, this week and was about to break ground on a store in Jeddah.

Rezaihan declined to give a value for the deal but said Al Muhaidib bought out many minority shareholders using its own cash, leaving 11 shareholders including the Saudi group.

Abyat, which had 26 shareholders before the transaction, according to its website, is majority-owned by its founder and chairman Khalid Abul.

Family-owned conglomerate Al Muhaidib, which has investments including Savola Group and Saudi British Bank , aims to use its regional experience to advise Abyat on expansion. (RTRS)

Egypt issues tender for 2nd gas terminal

Egypt has issued a five-year tender to lease a second liquefied natural gas (LNG) import terminal, the head of the state gas board told Reuters on Monday, seeking to tackle an energy crisis.

Egypt was once an energy exporter but declining oil and gas production and increasing consumption has forced the government to divert energy supplies to the domestic market, turning the country into a net energy importer.

"We launched yesterday a tender to lease a second LNG import terminal for a period of five years. We have sent it to eight international companies and we expect to get a reply within a week," Khaled Abdel Badie said in a telephone interview.

The floating regasification and import terminal, which converts super-cooled LNG into gas, would be Egypt's second. An import terminal from Norway's Hoegh LNG arrived in Egypt last month.

Egypt has struck a number of LNG supply deals, including a March agreement with Russia's Gazprom to import 35 cargoes of LNG.

Egypt also agreed in January to import 33 LNG cargoes from Trafigura, 9 from Vitol, 7 from Noble , and 6 from Algeria's Sonatrach, to be delivered in this year and next. (RTRS)

Market Movements 04-05-2015

			Change	Closing pts
INDIA	-	Sensex	+479.28	27,490.59
AUSTRALIA	-	All Ordinaries	+17.10	5,815.90
JAPAN	-	Nikkei (May 1)	+11.62	19,531.63
S. KOREA	-	KRX 100	+24.63	4,294.77
PHILIPPINES	-	All Shares	+44.39	4,497.39
FRANCE	-	CAC 40	+35.48	5,081.97
EUROPE	-	Euro Stoxx 50	+17.35	3,632.94

			Change	Closing pts
HONG KONG	-	Hang Seng	-9.18	28,123.82
GERMANY	-	DAX	-165.47	11,619.85

Business

Kuwait projects market

National Bank of Kuwait

Govt awards $6bn worth of contracts in Q1

The Kuwaiti government issued the bylaws for the 2014 Public Private Partnership(PPP) law on March 29, 2015, essentially kick-starting the long-awaited PPP scheme. The bylaws allow the new Kuwait Authority for Partnership Projects (KAPP) to start tendering stalled PPP projects.

These are estimated to be valued at KD 6 billion. According to press reports, phase 1 of the Umm Al-Hayman Wastewater Treatment Plant (WWTP) and the Kabd Municipal Solid Waste Treatment Facility are likely to be the first projects tendered under the new law. KAPP has also issued a request for qualification (RFQ) for phase 2 of the Al-Zour North Independent Water and Power Producer (IWPP) project. However, the IWPP is regulated under a separate law that was issued in 2012 that has also been recently amended to provide the government with more flexibility in executing power projects.

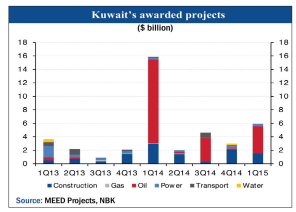
According to MEED Projects, Kuwait awarded KD 1.8 billion ($6 billion) worth of contracts in 1Q15.

Furthermore, the total value of the country's projects market (planned and active projects) grew to over KD 68 billion ($230 billion) by the end of 1Q15, its highest level since 2010.

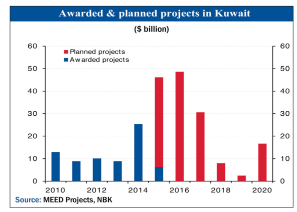
Kuwait' strategic projects

Project	Sector	KD bn
Clean Fuels	Oil & Gas	4.6
New Refinery (Al-Zour)	Oil & Gas	4.0
Khairan City	Construction	3.9
Al-Zour North IWPP	Power & Water	2.4
Mubarak Al-Kabeer Port	Transport	2.3
Kuwait Metro	Transport	2.0
Kuwait National Railroad	Transport	2.0
Kuwait Airport Expansion	Transport	1.7
Jaber Al-Ahmad Causeway	Transport	0.7
Mutlaa City	Construction	0.7

Source: MEED Projects, NBK



Source: MEED Projects, NBK



Source: MEED Projects, NBK

Below is a breakdown of developments relating to Kuwait's major projects in 1Q15.

Oil & gas

Kuwait National Petroleum Company (KNPC) was hoping to follow last year's successful awarding of the KD 3.4 billion Clean Fuels project in the first quarter with the tendering of the KD 4 billion New Refinery Project (NRP) in 2015. Once completed, the Al-Zour refinery will effectively double Kuwait's refining capacity.

Meanwhile, Kuwait Oil Company (KOC), the state's upstream operator, did manage to award the contract for phase 1 of the Lower Fars Heavy Oil Handling Facilities in 1Q15. The KD 1.2 billion ($4 billion) contract was awarded to UK-based Petrofac in February. KOC aims to extract 65,000 barrels per day (bpd) of 'heavy' oil from Kuwait's northern desert by the project's fifth year.

Construction

According to MEED Projects, local contractor has been approved for the KD 380 million ($1.2 billion) Jahra Hospital after the Amiri Diwan revived the project in January 2015.The Amiri Diwan also awarded a contract worth KD 8 million ($27 million) for the repair and refurbishment of Jaber International Stadium, the venue for the upcoming Gulf Cup in November 2015.

In April 2015, the government issued the bylaws to law 113/2014, allowing the private sector (real estate developers) to develop housing units on land allocated to the Public Authority for Housing Welfare (PAHW). Developers can now buy, develop and sell land from the PAHW to beneficiaries on the PAHW waiting list (at a price set by the PAHW). This should help speed up completion of PAHW's projects. The authority is also currently working on the vKhairan and Mutlaa city projects. According to the Minister for Housing Affairs, the government aims to start distributing units in Mutlaa by 2016.

Power & Water

On 9 April, the newly formed Kuwait Authority for Partnership Projects (KAPP)received prequalification documents for two of its projects: Al-Khairan IWPP and phase 2 of the Al-Zour North IWPP. Implementation of the two projects should expand total power capacity by 1,500 MW and desalination capacity by102 million imperial gallons a day (MIGD) for each plant.

Transport

According to MEED Projects, the government is considering converting the new airport terminal project at Kuwait International airport to a BOT project under the new PPP law. KAPP has already taken formal control of several other projects including both the metro and railroad projects. In November 2014, bids for construction of the airport terminal came in well over the KD 1 billion budget, which prompted the government to look for alternative ways to tender the project. Once complete, the new terminal will increase the airport's capacity to 20 million passengers a year.

GCC employment, salary trends

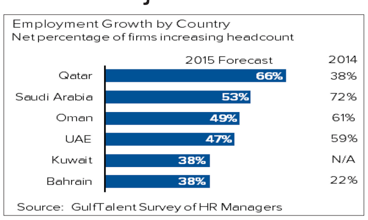
GULFTALENT
Jobs for Professionals

Private sector salaries to rise 6.9 pct

Kuwait eyes more jobs in 2015

DUBAI, May 4: Overall employment across the GCC is on the increase in 2015, despite the fall in oil prices, according to the latest edition of the research report "Employment and Salary Trends in the Gulf" released today by GulfTalent, the Middle East's leading online recruitment portal.

The report found healthcare to be the fastest growing sector across the region, with 82 percent of employers in the sector increasing their headcount last year and 79 percent planning to do so in 2015. Key drivers of this growth were found to be massive government investment, the region's fast-growing population, and regulatory changes in most GCC countries requiring companies to provide health insurance for employees.



Among GCC countries, Qatar is expected to enjoy the highest rate of job creation in 2015. With the uncertainty over the World Cup finally removed and major infrastructure projects getting the go-ahead, 66 percent of employers in Qatar reported plans to increase headcount.

GulfTalent's research found that, while the oil price slump had resulted in a slowdown in the oil and gas sector and some cut-backs in Oman and Bahrain, most employers in the region were as yet unaffected by it.

This is consistent with data from Abu Dhabi Commercial Bank (ADCB), which reported a 10 percent increase in projects awarded across the GCC during the first quarter of 2015, compared to the same period last year. A significant portion of these was comprised of projects awarded in Qatar.

The governments of Saudi Arabia, Qatar and the UAE have this year been drawing on their vast cash reserves to make up for the lower oil revenues in order to meet their planned spending and investments.

Bahrain and Oman have experienced a greater impact, due to their lower reserves and higher dependence on the oil revenue. According to data from the International Monetary Fund, the government of Bahrain needs to sell its oil at $125 per barrel to balance its budget, compared with the current price of oil at $66.

Across most of the GCC, private sector salaries are forecast to rise at a similar pace in 2015 compared with the previous year. Qatar is expected to see the highest average pay increase at 8.3 percent, driven by rising cost of living and the growing need to attract talent for completion of projects. Employers in Oman, under pressure from an increasingly unionized workforce, are forecast to give the second highest average pay rise at 7.2 percent.

Saudi Arabia and the UAE are next, with expected average pay rises of 7.1 percent, followed by Bahrain at 7.0 percent. Kuwait is expected to see the lowest average pay rise at 5.0 percent.

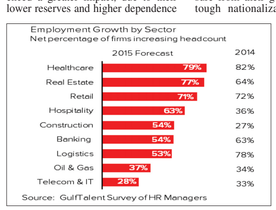
Among sectors, construction is forecast to have the highest average salary increase at 10 percent, while oil & gas sector is expected to be the lowest at 5.4 percent.

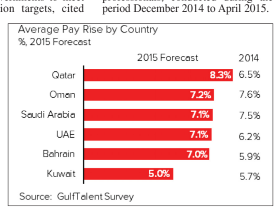
Creating jobs for nationals remains a hot issue across the Gulf. Employers in Saudi Arabia and Oman, under pressure from their governments to meet tough nationalization targets, cited attraction and retention of skilled nationals as their biggest human resource challenge.

On the expatriate front, employers across the region are finding it increasingly challenging to attract professionals from India, traditionally a key source of talent for the Gulf. The growth of the Indian economy is leading to more job opportunities and increasingly attractive salaries at home. According to the International Monetary Fund, India is expected to be the world's fastest growing major economy in 2015, surpassing China's growth rate for the first time since 1999.

GulfTalent's report also found that conflicts across the Middle East have led to an increased supply of talent from the affected countries seeking opportunities in the Gulf. However, employers were often frustrated in their attempts to absorb this talent pool, due to restrictions put in place by most GCC governments on granting employment visas to nationals of the affected countries, notably Syria and Egypt.

GulfTalent's report is based on an online survey of 600 employers and 22,000 professionals, as well as 60 interviews with executives and HR professionals, conducted during the period December 2014 to April 2015.





Burgan Bank records KD 17.5mn net in Q1

Operating income grows 14% to KD 70.5 mln; EPS 6 fils

KUWAIT CITY, May 4: Burgan Bank Group announced its first quarter earnings for 2015 reflecting a continuation of the faster than market growth trend the bank is consistently demonstrating while continuing to prudently build coverage amid the complexity of the regional operating environment.

Net profit reported at KD 17.5 million while earning per share reported at 6 fils. Compared to the same period last year, Operating income surged to KD 70.5 million registering a growth of 14 percent while Operating Profits before provisions soared to register KD 38.2 million reflecting a growth of 12 percent.

The performance during the first quarter of 2015 delivered a continuous solid growth in all business lines across the group with high quality earnings registered during the quarter, net interest income grew by 14 percent reaching KD 47.4 million while net fees and commission grew by 6 percent reaching KD 11.6 million.

Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: " once Again, our focused execution of our strategy is yielding solid operating performance and the bank is continuing to demonstrate faster than market growth trend almost in all indicators." Added Al-Ajeel


Majed Essa Al Ajeel

Majed Essa Al-Ajeel also said: "Our leading financial indicators continue to point to the right direction, Our regional operations remain profitable and contributing 53 percent to the group's revenues . I remain confident and optimistic of the group's strong performance going forward. "

"Our Balance sheet remains strong. Our asset quality continues to improve as non-performing assets (net of collateral) to gross facilities stands at 1.7 percent and a strong coverage consisting of KD266 million including over KD100 million in specific and general provisions representing a coverage ratio (net of collateral) over 200 percent. Our capital position is solid and fully compliant with Basel 3, our capital adequacy ratio stands at 13.3 percent for the period ending March 31, 2015. Our liquidity ratio which is one of the strongest compared to our peers stands at +30 percent at March 31, 2015.

"On behalf of the board, I take this opportunity to thank our customers and shareholders for their confidence in our capabilities. I would also like to thank our executive management team for their leadership and the excellent execution of the corporate strategy, and to our staff for their continued support and commitment," concluded Al Ajeel.

The consolidated financials encompass the results of the Group's operations in Kuwait, and its share from its regional subsidiaries, namely Jordan Kuwait Bank, Gulf Bank Algeria, Burgan Bank — Turkey, Bank of Baghdad, Tunis International Bank, in which Burgan Bank owns a majority stake. Burgan Bank Group has one of the largest regional branch networks with more than 235 branches across Kuwait, Turkey, Jordan, Algeria, Iraq, Tunis, Lebanon and Palestine.

Move to review energy investment opportunities

US delegation to visit Iran this wk

ANKARA, May 4, (RTRS): A US delegation will visit Iran to review energy investment opportunities while Tehran negotiates a final deal with world powers on its nuclear programme, a senior oil ministry official told Mehr news agency on Monday.

The United States has imposed sanctions on Tehran which prohibit Americans from trading directly or indirectly with Iran's oil sector, government or individuals connected to the sector, including any financing.

US companies are also prevented from investing in Iran's oil and gas industries or trading with them.

"It is forecast that by the visit of (the) American delegation this week and in the case of lifting sanctions on Iran's oil industry, we will witness involvement of major international American oil and gas companies in Iran in the future," said deputy Oil Minister Abbas Sheri-Moghaddam.

Friday is the last day of the week in Iran.

A tentative deal between Iran and the powers was reached in Switzerland on April 2 that cleared the way for a final settlement on June 30, in which Tehran would agree to restrict sensitive nuclear work in exchange for sanctions relief.

Sheri-Moghaddam did not reveal any details, but added that some "European-American companies" have expressed readiness to invest in Iran's new petrochemical projects.

Western sanctions have cut Iran's oil exports by more than half to around 1.1 million bpd from a pre-2012 level of 2.5 million bpd, with the loss of oil income making it difficult to invest in new development and pay for the equipment and services needed to keep its production operating smoothly.

The sanctions imposed by the United States and European Union on Iran since 2012 have led to the gradual departure of major Western oil companies from Iran.

Iranian officials have repeatedly said Teheran places no limitations on Western companies, including US companies, investing in its oil and gas sector.

In 2013, Iran's Oil Minister Bijan Zanganeh said seven Western companies were welcome to return to Iran to explore oil after international sanctions are lifted, including the US majors ExxonMobil and ConocoPhillips.