New Ahmadi Hospital’s Inauguration, Under the Patronage of H.H. the Amir
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While media has existed for decades, its concepts and methods have certainly evolved. Media plays an important role in the world today, especially given its ability to disseminate information rapidly, thus enabling major industrial companies to spread their vision and values to a wider audience.

Executives at Kuwait Petroleum Corporation (KPC) and its subsidiaries embarked on a journey to shift from traditional to modern media outlets, in order to keep up with the developments that the Kuwaiti oil industry is witnessing. Therefore, the oil sector has worked through the 2030 Strategy to correct this path and put together the visions that can help achieve the goals and ambitions of KPC and its subsidiaries. The result was the communication strategy that includes creating a clear mechanism to support social communication, allowing KPC and its subsidiaries to continue improving their image, and better influence the public opinion and garner support.

In order to achieve the desired goals of the communication strategy, a media team was formed comprised of specialists from public relations and media departments of KPC and its subsidiaries. This team was given the duty to translate the visions and aspirations of the strategy into reality. The first step was releasing the first issue of ‘K-Pulse’, which received positive reviews from the oil sector’s higher management and staff given the various topics it discussed, which shed light on the great efforts that oil sector employees exert to boost its global status. We strive to continue translating those visions again through the second issue of ‘K-Pulse’, which covers His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah’s patronage for the opening of the new Ahmadi Hospital; a project that reflects the great importance the oil sector places on the health of its employees. The new issue also includes several topics that document the daily achievements we see happening before our eyes today.

Editor-in-Chief

Sheikh Faisal Al-Jaber Al-Sabah
Deputy Managing Director for Relations
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**Nabil Bourisly:**
**International Marketing’s Strategic Plans Go in Line with KPC’s Strategic Directions**

In line with Kuwait Petroleum Corporation’s (KPC) vision to reach a high level of profitability and distinguished performance, as well as support the national economy, the International Marketing Sector works around the clock to achieve this vision and cement Kuwait’s position as a key and reliable international oil supplier. The International Marketing Sector was given a clear strategy within KPC’s 2040 strategy. To speak about this strategy, KPC Pulse recently interviewed Mr. Nabil Bourisly, Managing Director International Marketing:

Many people are unaware of KPC’s marketing strategy. What are its main features?

The features of KPC’s marketing strategy are aligned with the general strategic directions of KPC. It is worth mentioning that extensive studies are conducted before KPC releases its strategic directions, and that they feature a unified program and vision that help and direct KPC subsidiaries and departments to accordingly prepare their own plans. In this regard, it is also worth pointing out that the International Marketing’s role is in line with that played by KPC subsidiaries. In addition, the department implements KPC’s strategy with the aim of cementing KPC’s position in global markets, as well as in accordance with projects carried out by KPC subsidiaries in general.

We would like to ask about the coordination mechanism with KPC subsidiaries. What information shapes the marketing plans for oil products?

As we have pointed out before, the strategic plans for KPC International Marketing go in accordance with KPC’s strategic directions. The International Marketing’s plans go in accordance with the plans of the research, exploration, production, refinement, manufacturing and transportation departments. And all of them are executed under the umbrella of KPC’s strategic directions.

**Marketing Research**

In regards to the work mechanism of the marketing research division at International
Marketing, how capable are employees there of drawing a clear policy for marketing operations? What information is being built up for the future?

The marketing research division of the International Marketing Department focuses on applying an effective system to study the oil market. These studies are based on observing directions and developments in all aspects of the oil and energy industry, especially oil supply, demand and prices. Furthermore, the research division provides the higher marketing and sales departments with information about the oil market that helps in implementing international marketing plans, as well as supporting negotiations with clients and in decision making. In addition, the research marketing division follows up with the latest developments in oil publications and reports, maintains communications with pricing exports, maintains efficiency of the database, prepares studies and presents the latest updates related to the oil and energy industry. Also, the marketing research division plays an important role in closely monitoring and analyzing the oil market, and then sends the information it gathers to the higher management. The marketing research division is a key player in preparing studies for pricing committees before procedures to renew prices, and before signing or renewing contracts with KPC clients. Moreover, the division plays its role in issuing the five-year plan and long-term plans that extend to the year 2040.

There are reports that some KPC subsidiaries market their own products individually. Are these reports true? And is there a certain mechanism that allows those companies to coordinate with clients without referring back to KPC’s marketing department?

First of all, I would like to point out that the Petrochemical Industries Company (PIC) is authorized to market its petrochemical products. As for the rumors you have mentioned, they are not true. The International Marketing Department markets the Kuwaiti crude in all of its forms, and other petroleum products in global markets to ensure the highest return for KPC. Furthermore, the International Marketing Department secures the Kuwait market’s needs for petroleum products, in case local production falls short of local demand, such as importing gasoline when necessary, or importing liquefied natural gas to be used in power generators. The department also supports the operations of Kuwait Petroleum International (KPI) in marketing crude oil or petroleum products.

In light of the highly competitive global oil markets, can you tell us about the areas that
The International Marketing Department relies on the efforts of a group of local marketing experts who carry out KPC’s strategic directions professionally. The department attempts to maximize the value of hydrocarbons by marketing them through safe, diverse and long-term outlets, while at the same time looking for commercially feasible opportunities in new markets. The International Marketing Department gives special attention to its clients in order to present the highest quality services and to identify the challenges and opportunities in various markets, based on the mutual trust and special relationship it shares with its clients. In this regard, I would like to point out the great role that KPC Regional Offices play, and their ability to represent KPC in their regions of operation to facilitate access to those important markets, and facilitate communications with clients and consumers.

New Outlets

What are International Marketing’s efforts in opening new outlets for the Kuwaiti crude?

The International Marketing Department contacts...
International Marketing Department secures Kuwait market’s needs for petroleum products, in case local production falls short of local demand.

clients directly as it seeks to maintain and boost KPC’s shares in global markets, especially in light of recent market changes and challenges. High competition in the markets has led many oil exporting countries to change the direction of their exports, and to focus more on the Asian markets where there is economic growth and growing demand. This has made the Far East a highly competitive market with increased shipments from South America, West Africa and Russia at competitive or low prices. This led the International Marketing Department to create a diversification policy for its markets, to increase clients not only in the East, but in the West as well. Among the important steps that the International Marketing Department took in this regard is the agreement with the SUMED to store crude oil in order to easily export it through the Mediterranean to Europe and other Western markets. This agreement also helps to facilitate sales to other markets, such as the US and Brazil when marine shipping prices are low. This arrangement also bypasses traditional shipping routes that transport oil from the Arabian Gulf around the Cape of Good Hope. The International Marketing Department has also carried out feasibility studies for storing and marketing oil in other markets in East Asia in order to boost KPC’s competitiveness in the Asian markets in the future.

What does storing oil outside Kuwait mean, and what added value does storing oil outside bring to the Kuwaiti economy?

Being close to the final consumer makes it easier to seize opportunities and act fast in the global markets. Storing crude oil near main markets, such as Europe and the Mediterranean, makes it easier to send small shipments to small refineries, which in turn makes it easier for those refineries to buy and process crude.

Marketing operations focus on East Asia and Europe, but what about the African markets?

The International Marketing Department’s intense efforts resulted in signing contracts with a number of National Oil Companies (NOCs) in promising markets like Ethiopia, and supplying it with its needs of petroleum products. The International Marketing Department follows up with developments in these promising markets to study ways of accessing them in a professional way that ensures viable revenues for KPC.
The Flare Gas Recovery Project at Mina Abdullah Refinery Reflects KNPC’s Environment Protection Vision

The “Flare Gas Recovery” Project, which is being carried out at the Mina Abdullah Refinery, reflects the vision of Kuwait National Petroleum Company (KNPC) to protect the Kuwaiti environment from pollution. KNPC gives priority to this vision in all of its operations. The project’s goal is to greatly reduce the combustion levels of gas and other petroleum derivatives, using advanced technologies that allow gas recovery and reuse in refinery operations, instead of releasing the gas to cause air pollution.

Engineer Nawaf Yousef Al-Osaimi, team leader of projects’ coordination – group six – at ‘Projects 2’ Department, speaks in the following interview about the project’s importance, its role in protecting the environment and completion level.

First, we would like to know the project’s specifications, and importance to Mina Abdullah Refinery.

First of all, I would like to point out that the “Flare Gas Recovery” project comes as part of KNPC’s environmental protection efforts, and in compliance with the standards specified by the Environment Public Authority (EPA), especially that it would help treat a maximum of 10 million standard cubic feet of flare gases a day during the early stages of operation, while the capacity could be increased to 15 million standard cubic feet in the future.

I would also like to point out the project’s importance from the environmental and economic standpoints. First, the project will help reduce the rates of harmful gases produced from refinery operations, which could cause air pollution in Kuwait and further affect the ozone layer. Economically speaking, we find that the project conserves natural gas consumption, and increases the annualized total return from recycling hydrocarbon gases emitting from the refinery.

Tell us about the project from an environmental perspective. How will it enhance the working environment?
The gas flare recovery project is vital for KNPC. It contributes greatly in protecting the environment from flare emissions at the Mina Abdullah Refinery. The project recovers the gases then treats them to be used again in the refinery’s fuel gas system network, and that by using advanced technologies that the project allows. This also helps preserve energy.

**How much of the project has been completed so far?**

Construction works are 97.2% complete as of April 30, 2017. As for the unit’s devices and equipment, all special equipments have been installed in their locations. Furthermore, the new equipments have been connected with the refinery’s units, while the project’s secondary power plant has been built. Pipeline construction works are currently ongoing; in addition to the gas flare recovery unit’s operations room. These achievements indicate that the project is currently in its final stages, and the initial reception is expected to be on the first week of July 2017 while actual operation begins directly.

**What about the project’s total cost? How much has been spent so far, and is it within the estimated budget?**

The project’s estimated total cost is KD 21,630,000, while KD 18,110,000 has so far been spent. The project’s works are going on schedule and within the estimated budget.

**Can you tell us about the work team and how much the contractor’s workers are involved?**

The project has been assigned to the projects coordination group six at ‘Projects 2’ department. The final stages of the project are being followed up by engineer Abdullah Al-Muhaimeed, First Engineer of Projects’ Coordination, in addition to a group of design, supervision, planning, quality control, safety and environment engineers according to the specialties required to implement the project. The number of contracted workers in the project reached 500 in all specialties required to implement the project.

**Any final words?**

I would like to thank everyone who helped facilitate the work of the project’s team, including the higher management and company departments, and especially workers at the Mina Abdullah Refinery. I hope that all departments continue to support the work team to finish the remaining stages of the project according to the desired goals.

Finally, I would like to thank the project’s work team members who exerted great efforts to make sure that they complete their missions professionally and on schedule, and worked together as a team. I would also like to thank the supporting divisions at the projects’ department for their high level of commitment and efficiency throughout all stages of the project’s implementation. Special thanks also to Engineer Khalil Ismail, ‘Projects 2’ Department Director, for his continued support and follow up for the project’s implementation.
Al-Shaheen: KGOC’s New Building Adheres to all International Environmental Considerations

Acting Vice-President Planning and Services at Kuwait Gulf Oil Company (KGOC) Mr. Saeed Al-Shaheen said that as part of its commitment to environment protection and environmental standards followed in Kuwait, KGOC made sure to adhere to all environmental requirements while constructing its new head office. The building design for the new head office is based on the latest technologies and methods of sustainable environment, in addition to applying sustainable technology and energy saving systems, while ensuring the privacy of work requirements in the company.
In a recent interview with 'K-Pulse', Al-Shaheen noted that the design of KGOC’s new head office building won silver rating in Leadership in Energy and Environmental Design (LEED), because it saves energy, reduces waste, and adheres to international standards of environmental sustainability. More than 20 percent of total energy used in the building will be provided through solar generators, while 100 percent natural lighting will be provided for offices, thus enabling employees to carry out their daily activities during working hours using natural light.

The following report sheds light on KGOC’s new headquarters and its features that include engineering and environmental requirements in accordance with international standards in construction.

**First: The Project’s Components**

The head office building contains three main blocks: a northern block and an eastern block connected together in the middle by a circular-shaped block. The three blocks are built across an area of approximately 70,460 square meters and distributed over five stories, to include executive
offices, fully equipped meeting rooms, training rooms, a main auditorium with a capacity of 200 people, a men’s prayer room with a capacity of 200 people, women’s prayer rooms in all three blocks, main computer server centers, storing areas and others.

Second: The Project's Environmental Standards

Before the new building’s project was tendered, the work team carried out a field trip to the United States of America in coordination with the global consultant for sustainable design, and the consultant for leadership in sustainable environmental design, in order to view the latest technologies and methods applied in similar buildings. A decision was reached to select the best design method which put together an execution plan that applied sustainable technology and ways to save energy, and which was in accordance with the local environment and job requirements at KGOC.

Third: Sustainability in the Project

In order to save energy in the building, sustainable methods were adopted in the design so as to provide 100 percent natural lighting in offices, enabling employees to carry out their duties during official working hours relying solely on natural lighting. Also, more than 20 percent of the electricity consumed in the building will be provided through solar panels fixed on top of the building. In addition, the building includes gardens that provide a better working environment for employees.

Fourth: The Project’s Implementation Mechanism

KGOC’s new head office will be built in the company’s current location in Ahmadi, near the Petroleum Training Center. This posed a great challenge for the work team, who had to balance between executing the project quickly, employees’ safety and securing their transport to alternate locations. The team managed to overcome those challenges with great success. Construction started in parallel with transferring staff to alternate buildings according to a successful relocation plan that resulted in zero losses, both materially and environmentally. This achieved a perfect balance between the construction plan and continuity of work at the head office.
Sustainability

Designed with highest international safety standards

Ahmadi Park: A Family-Oriented Social Entertaining Facility for the Future

Over the years, there have been many headlines associated with Kuwait Oil Company (KOC) that highlight its achievements, development, vision, commitment to health, safety and environment standards, as well as many others that placed the company on par with the best global energy companies.

It is therefore gratifying to know that Ahmadi Park, which KOC recently opened, embodies all of the factors that help make KOC such an exemplary company. Covering an area of 166,000 square meters, Ahmadi Park is located in the area that borders the Ahmadi Governorate building to its east and the Ahmadi Anglican Church to its west. The Park has three entrances from 7th Avenue, three from 8th Avenue and one from the west, adjacent to the Church.

Back to the Past

In 1962, KOC opened the ‘Sand Playgrounds’ and used the area to host the company’s annual sports day celebrations.

As time passed, and with the company’s increased responsibilities and activities, as well as the huge damages that KOC facilities sustained from the Iraqi invasion, the playground was placed on the back burner for a while. The ‘Sand Playgrounds’ slowly lost its relevance in hosting the company’s sports and entertainment activities and was relegated to holding just a few cricket, hockey or football matches.

The Beginning of the Project

Given the urgent need to restore all of KOC facilities to their past glory, the idea to establish the Ahmadi Park was born. The idea was to reengineer the area, located between the Ahmadi Governorate
building and the Ahmadi Church, based on the most modern designs, and transform the old ‘Sand Playgrounds’ into a place capable of hosting social and sports events. It was decided to name the area as ‘Ahmadi Park’.

Once the project’s area was finalized, detailed studies were conducted on the site to identify its nature and terrain, and the infrastructure was designed to take maximum advantage of the site’s landscape that included areas, which were up to nine meters in height. Around 1.5 million hours went into renovating the old playground, and it is noteworthy that this was achieved without a single accident in the four straight years of work involved in the restoration. This once again proved the company’s commitment to all health, safety and environment standards.

Buildings and Playgrounds

The playgrounds remain the main factor that attracts visitors to the park, as it includes grounds for football, hockey and rugby, each of which is equipped with all amenities for the comfort of teams and fans alike. Every playground includes stands with a capacity for nearly 1,000 spectators, a locker-room for players and referees, as well as storage rooms. The grounds are equipped with 32-meter high floodlights and large LED scoreboards, and are thus capable of hosting games during the day or night.

For baseball fans, a special Olympic-size field was established, while the cricket field also underwent
renovation. Each field was equipped with its own LED scoreboard.

Two basketball courts were also added to the playgrounds, in addition to two others for volleyball, and an additional two for mini football. Furthermore, a cricket training field was also added.

In addition, for golf enthusiasts, a mini, nine-hole golf course was built and equipped with necessary lighting to allow players to practice their game during day or night.

“Park offers four fully secure game zones for children of all ages”

Children’s Games

A key aspect in the design of the playground was to provide enjoyment for children and accordingly four high-quality and fully secure game zones were set up, so that children of different ages can now enjoy themselves in comfort and safety.

The park also includes a designated area for
skateboarding, where fans of this hobby can practice it safely, as it has been built in accordance with the highest safety and security specifications.

**Food Court**

The park also includes a 2,600-square meter, two-story building with restaurants and space to host various official and social functions. The ground floor includes seven restaurants that are currently being prepared for opening, and a food court. Meanwhile, the first floor includes two separate banquet halls, each with a seating capacity for 250 – 350 people, depending on the occasion and the need for space. Furthermore, the building includes a 500-square meter outdoor cafeteria designed in a distinctive circular shape, with seats where visitors can enjoy the park’s charming atmosphere.

The KOC Diwaniya was built on the highest point of the park. The nearly 500 square meter building includes the main diwaniya hall with its panoramic view that overlooks all of the park’s sections, and a reception hall.

**Mosque, Walkway and Clinic**

The park’s mosque has an estimated area of 560 square meters, and was designed to provide worshippers with all comforts. It has a capacity for 450 male worshippers and 50 female worshippers and includes a muezzin room and ‘wudoo’ (ablution) places.

Furthermore, an eight meter wide walkway covering the park’s entire area has been included so visitors can jog around the premises. The park also has a parking lot that accommodates around 500 vehicles at a time, and multiple other public services.

And, as usual, KOC has made sure to provide safety measures around the park. An integrated clinic was built to provide necessary first aid in cases of emergency. On the aesthetic side, a fountain-area featuring 32 water jets that pump a column of water to a height of three meters with special lighting and background music was built to add a beautiful touch to the park at night.

**Energy Sustainability**

The park also includes a main pumping station and water cooling plant. Moreover, two power plants, each with a production capacity of two megawatts, were built to provide the park with power while adhering to sustainability and energy saving principles prevailing in this domain. The park also recycles waste water from the playground and reuses it for irrigating the greenery around the area. Also, energy-saving lights, utilizing photovoltaic cells and other elements, have been used throughout the park and comprise nearly 20 percent of the energy consumed at the facility. In the meantime, the air conditioning system relies on the energy-efficient water cooling technology.

**Services Building**

All facilities of the project are also under constant surveillance from the services building, which has an estimated area of 770 square meters and includes a large conference room. The building also includes the main control center for the park and has displays for the numerous CCTV cameras placed inside buildings and around the facility, as well as mechanisms to control the machines and air conditioning systems using a Building Management System (BMS).

Finally, it is worth noting that this project supports KOC’s efforts and policies in corporate social responsibility, and contributes in furthering sports and family-oriented social activities of the company by providing the full infrastructure so that visitors can practice various sports activities and participate in different social and entertainment events.
Youth program aims to improve capabilities of young people and boost their for creativity and independence

**KPC Sponsors Seventh Generation of the ‘Protégés’**

Kuwait Petroleum Corporation (KPC) strongly believes that its social role is just as significant as its economic role in the country’s development. Based on this sophisticated humanistic value, the corporation seeks to instill the concept of social responsibility and promote sustainable development in society. KPC understands that its role as a leading entity in the country goes beyond oil wealth creation and investment, and that, at the highest level of corporate social responsibility it shoulders an obligation towards society in terms of sustainable economic and social development, as well as in promoting social solidarity.

KPC’s strategy and plans in social responsibility aim to instill and promote the concept of sustainable development, and prepare a comprehensive program of activities that serve Kuwait society, while strengthening its position as a leading corporation. It also seeks to support human resources, health, education, social awareness and environmental protection plans.

KPC’s higher management gives the utmost importance to social responsibility, which is why it was included in the 2030 KPC Strategic Directions in the form of a directive to ensure that KPC and its subsidiaries exert all efforts in supporting Kuwait society, through sponsoring activities and projects in various fields, including in technical, humanitarian, social, cultural and scientific domains, as
well as in pushing development forward through long-term programs that benefit employees, their families and Kuwait society as a whole.

The “Protégés” Program

As part of its social contributions and efforts to support society in all fields, KPC gives the highest priority to investing in human resources, especially in Kuwaiti youth, as it seeks to build a generation capable of facing challenges in all fields. In this regard, KPC provided its golden sponsorship to the seventh generation of the “Protégés” program, which seeks to improve the capabilities of young people and provide them with the necessary experience to excel and become creative.

The “Protégés” is considered one of the most prominent youth programs in Kuwait, given the enthusiastic participation in the program each year. This year, 25 participants took part in a number of workshops, projects and debates that helped improve their critical and creative thinking. Furthermore, they took part in various specialized courses in a number of European universities, including the Free University of Berlin in Germany, one of the best universities in Europe.

Sponsorship of the “Protégés” program reflects KPC’s commitment to support and encourage social activities, especially those targeting the Kuwaiti youth, in addition to introducing students to KPC and its subsidiaries, as well as highlighting the importance of Kuwait’s oil wealth.

This cooperation between KPC and the “Protégés” program also contributes to achieving the goals that the program targets. Furthermore, this support helps the program reach out to the largest number of people, and also achieves KPC’s goal of lending a helping hand to the Kuwaiti youth in all fields.

The ‘Protégés’ program was designed to enhance social and life skills and develop self-awareness, in addition to focusing on improving young people’s critical and creative thinking through workshops, projects and debates featuring all participants.

Organizers of the ‘Protégés’ program launched a promotional campaign for the 7th Generation at the beginning of 2017. The campaign introduced the program at various youth-oriented events and young people were given the chance to sign up for the program.
Adopting developmental opportunities to create a quantum leap in performance levels

**Mahmoud Abul: KGOC Focuses on Developing Staff Capabilities**

Vice President for Financial and Administrative Affairs at Kuwait Gulf Oil Company (KGOC) Mahmoud Abul reiterated the company’s unwavering commitment to train and develop its human resources, especially technical national cadres such as engineers and geologists employed in its various operation zones of Head office, Wafra and Khafji joint ventures.

Speaking during an interview with ‘K-Pulse’ on several issues pertaining to training, Abul said: “Since its inception, KGOC has been keen on improving the capabilities of its employees through various plans and programs that were implemented for this purpose. This included training courses inside and outside Kuwait, in accordance with the specialization of the employee, as well as evaluation programs for every job title holder to assess their performance and determine their points of strength and weakness.” He further asserted that the general policy for training, development and
evaluation was prepared and adopted in line with Kuwait Petroleum Corporation’s (KPC) policy, which is followed by other KPC subsidiaries.

Abul added: “In this regard, KGOC carried out the latest program adopted by KPC, which was the annual scholarship and study leave program, inside and outside Kuwait to help improve their educational attainment and career path.” He further explained that two seats were allocated for KGOC in the current year’s announcement for technical specializations, which were for a Master’s Degree in Chemical Engineering and a Master’s Degree in Geology.

Abul clarified that the employees sent on scholarships as part of this program, were selected according to specific conditions set by KPC. Standard scholarship conditions approved by KPC included advanced annual performance, social status, and educational level. He further noted that whomever earns a seat in the foreign scholarships program could select any recognized university worldwide, to continue their studies and obtain a Master’s degree in specialties not available in Kuwait.

Finally, Abul stressed that Kuwaiti oil sector employees should feel proud of the development opportunities that the oil sector provides at its various sites to help develop human performance levels, and thus improve overall operation and production. He further urged the employees to exert all efforts to take advantage of the developmental features that the oil sector provides for its staff.

“Delegates for the program are selected according to certain conditions and KPC’s strategic vision”
His Highness the Amir patronized and attended the opening ceremony

**New Ahmadi Hospital: A Medical Edifice Serving Oil Sector Employees**

Since its establishment in the 1930s, the company has implemented plans and programs that help maintain people’s health, based on the underlying fact that health is the most important aspect without which a person would not be able to carry out his or her daily duties. In line with this belief, KOC built the first Ahmadi Hospital in 1960, which over time became a model medical edifice with capabilities that included efficiency in various medical fields using the most advanced medical equipment.
In light of the company’s increased activities and consolidation of the oil sector under the Kuwait Petroleum Corporation (KPC) umbrella, it became necessary to build a new medical facility to provide cutting-edge health services to the increased number of oil sector employees and their families. Accordingly, plans for establishing the new Ahmadi Hospital were approved and construction began at a new site to the north side of the Ahmadi highway linking with Al-Saffar Motorway.

On 26 April 2017, His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah attended and patronized the official inauguration of the new Ahmadi Hospital. The inauguration ceremony was also attended by His Highness the Crown Prince Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, His Highness the Prime Minister Sheikh Jaber Al-Mubarak Al-Hamad Al-Sabah, His Excellency the Minister of Oil and Minister of Electricity and Water Engineer Essam Al-Marzouq, National Assembly Speaker Marzouq Al-Ghanim, as well as a number of Sheikhs, ministers and oil sector officials led by CEO of Kuwait Petroleum Corporation (KPC) Nizar Al-Adsani, CEO of KOC Jamal Jafar and CEOs of other oil companies.

**Social Medical Project**

The new Ahmadi Hospital is considered a medical, social and national project. It is more comprehensive, integrated and advanced when compared to the old hospital that has been in service since the 1960s. The new hospital is equipped with the latest technologies, enabling it to provide an extensive range of treatments and medical services to all oil sector employees and their families, estimated at over 120,000 people.

Construction at the new Ahmadi Hospital began on 6 February 2011. The five-year construction and preparation process cost was KD94million. The 300-bed hospital, which has provisions for expansion by a further 100 beds, covers a total area of 380,000 square meters. This vast area includes 82,200 square meters of floor space dedicated to providing medical care and for accommodating health staff.

The main building consists of four stories, which encompass clinics, wards, public and specialized pharmacies, as well as training facilities for medical staff. The hospital is equipped with the latest technologies and medical equipment that meet the highest international standards in human medicine.

The hospital also includes an extensive network of service tunnels, as well as five residential blocks with a capacity of 254 studio apartments and extensions for accommodating medical staff. A 2,600 meter long perimeter fence surrounds the new facility and encloses a huge parking lot of 14,245 square meters.
The hospital consists of four stories with a 300-bed capacity that could be increased by 100 beds if necessary. A basement area incorporates the various service corridors, a public shelter, four separate power plants and a 11,701 square meter building for housing medical waste treatment units.

**Medical Departments**

The new hospital includes 47 medical departments, 11 wards and five pharmacies and its expanded medical care coverage includes several new fields that were not covered at the old hospital. While a dedicated outpatient clinic caters to primary care, other departments covered by the new hospital include allergy, dermatology, ophthalmology, otolaryngology, orthodontics, obstetrics, pediatrics, psychiatry and neurology, as well as diabetes, orthopedic surgery, internal medicine, cardiology and others.

Furthermore, the hospital includes 11 operation rooms equipped with the latest surgical equipment and technologies. Meanwhile, the diagnostic radiology services department includes magnetic resonance imaging (MRI), CT scan, ultrasound and modern endoscopy. The hospital also includes a physiotherapy department, a pediatrics unit, a cardiology unit and an intensive care unit, in addition to the emergency room.

**New Fields**

Some of the new medical technologies that were not available at the old hospital, include four smart operation rooms, equipped with cameras and interactive screens connected to a stage used for training purposes, and to communicate with other hospitals. The hospital also includes a new unit for in-vitro fertilization, pregnancy, delivery and post-delivery. Furthermore, an interactive TV screen is present in all patient rooms in order to make it easier for patients to communicate with the medical staff, and allow medical staff to follow up with the patient’s record. In addition, the electronic bracelet technology is also being used to allow mothers to follow up with their newborn’s condition after delivery. The hospital also includes an automated microbiological lab, only
Moreover, the new hospital includes a modern hydrotherapy room, equipped with a sterilized medical swimming pool for therapeutic purposes, which uses compressed water and is the first of its kind in Kuwait. Additionally, the room contains underwater training equipment and lifters to move patients who are unable to move on their own from and to the pool.

Furthermore, the hospital is equipped with several advanced systems and equipment in radiology, such as the most advanced CT scanning devices that are considered to be the first in Kuwait and the Middle East. The latest MRI devices have also been introduced at the new hospital, as the old hospital used to send cases that required an MRI scan to other hospitals in Kuwait.

Also, the new mammogram device at the hospital is capable of taking three-dimensional images of the breast and is considered one of the most effective technologies in mammography. The hospital has also introduced the new stereotactic biopsy system, which is a cutting-edge service that can be used in case radiography suspects the presence of fibrosis.

**National Workforce**

Based on all of the above innovative technologies and capabilities, it is apparent that new Ahmadi Hospital will contribute significantly to improving the level of medical care and services offered to oil sector employees and their families, while also reducing the waiting period for medical attention. Through the new facility, KOC has provided the best medical experiences and latest equipment that can help save time and effort in diagnosing and treating illnesses in the most scientific and efficient manner possible. Furthermore, the project also offers new opportunities to hire Kuwaiti manpower. Since its inception, the hospital has hired 1,745 national employees in various fields, including as doctors, nurses, pharmacists, lab technicians, radiologists, physiotherapists and administrative staff, and plans are underway to increase these numbers in the future.
Clean Fuel Project and Labor Challenges

60,000 Workers Employed During its Various Stages

“Clean Fuel Project is an important strategic project for KNPC, valued at KD 4.3 bilion”

The Clean Fuel Project is classified as one of the largest multi-purpose mega projects not only in Kuwait, but also in the region and the Arab World. Boasting a scope of work that includes expanding and developing the Mina Abdullah and Mina Ahmadi refineries, the project aims to increase the production capacity of these two refineries to 800,000 barrels a day. Coupled with its KD4.3 billion cost and its implementation intricacies, the endeavor is among the most important strategic projects for Kuwait National Petroleum Company (KNPC).

The project’s mega size meant that a large number of workers were required during the various phases of its execution and recruiting and managing this huge number of workers was a challenge in itself. It also required clear planning and careful follow-up to guarantee safety of all the employees throughout the execution process, as well as to ensure that problems did not arise from the estimated 600,000 workers who were employed during the three phases of the project.

One of the main challenges that the team behind the project team faced during the first phase was recruiting skilled technical labor to execute the project to the fullest, and in line with international safety and security standards followed by KNPC, while maintaining required efficiency during execution.
Skilled Technical Labor

‘Pack 1’ Team Leader at the Clean Fuel Project in Mina Abdullah Refinery, Engineer Mohammad Bu Abbas, explained the main challenges that the project faced, and efforts that the work team had to take to overcome them as much as possible. “Providing skilled technical labor required great efforts from subcontractors,” Bu Abbas said. “The subcontractors faced several difficulties, including the lack of skilled labor inside Kuwait, or in nearby countries were other projects were being executed as well. In addition, the number of workers required for the Clean Fuel Project was so large that recruiting them within the required period was another challenge. Moreover, many of the subcontractors lacked the prior experience needed to recruit workers for a project of this size and so they had to make extra efforts to find labor recruitment companies that worked on smaller projects to help recruit workers from India, the Philippines, Turkey and elsewhere.”

Labor Recruitment System

Bu Abbas further explained that the work team held several committee meetings to come up with the best methods and solutions to facilitate labor affairs, while committees were also formed to coordinate with the Ministry of Social Affairs and Labor, Manpower Public Authority, Ministry of Health and other relevant authorities in order to put together alternative steps to facilitate labor recruitment such as:

Reducing the period to issue work permits.
Reducing the period to carry out medical tests in Kuwait by connecting ministries through an online network.
Providing a special medical center to examine expatriate labor on the project’s site.

Proper Living Conditions

Bu Abbas pointed out that the work team also conducted a study to provide proper accommodations for laborers within the project’s premises in order to prevent long-distance transportation that might affect work efficiency and productivity, and to provide better control over the large number of laborers in one place. Moreover, he explained that the work team discussed several options for labor accommodations, including providing apartment buildings in nearby residential areas. This helped to prevent workers from residing in industrial areas, which
would have required extra effort from the work team to secure those areas.

He also revealed that the work team formed a special committee to coordinate with the Ministry of Social Affairs and Labor, Ministry of Interior and Ministry of Utilities to facilitate labor transportation in order to prevent traffic jams in the morning and afternoon. Work hours at the project had been modified in order to prevent overlapping with working hours in nearby areas, he added.

Leisure Halls and Dining Areas

Bu Abbas also shed light on the work team’s efforts, which resulted in building high capacity dining areas at designated places within the project, where workers could have easy access to their daily needs of healthy meals. These areas were also provided with leisure halls for worker relaxation during off hours. He revealed that the work team had regularly carried out field trips to make sure that the meals offered to the workers were on par with the required health standards. Furthermore, the work team established a number of clinics at the project’s sites, which were provided with doctors, technicians and proper equipment to treat emergency cases during working hours. This was accomplished in cooperation with the Ministry of Health, Ministry of Social Affairs and Labor and Manpower Public Authority.

Issues and Problems

As for the problems that could arise from the presence of a large number of workers, Bu Abbas explained that the work team coordinated with the relevant authorities in the Interior Ministry, Ministry of Social Affairs and Labor and Manpower Public Authority, after which special committees were formed to address labor-related issues. Due to the large number of workers, the committees carried out periodic field trips to inspect and meet with workers in order to listen to their complaints and attempt to prevent problems from happening, and finding solutions to avoid any problems that could deteriorate and thus affect the work process of the project.

Safety, Security and the Environment

As for safety, security and environment requirements and training new laborers on them, Bu Abbas explained that all new staff were required to undergo a compulsory training program organized by the work team at the project. Workers were trained on matters related to safety, security and the environment before they started working, and this training was in accordance with the procedures followed by KNPC and in line with international safety, security and environment standards.

Furthermore, he indicated that workers were trained
on how to handle any situations in order to prevent accidents from happening inside or outside the project. In addition, before they began their work each day, they were trained through brief lectures. The training programs yielded many positive results, most notably, the completion of nearly 40 million working hours without accidents on-site. Moreover, the working hours were divided into two shifts in order to prevent workers having to work outdoors at noontime during summer in accordance with Kuwaiti regulations. In addition, coordination was made to offer meals at different times, while there was also efficient coordination for transportations within the project.

**Workers’ Multiple Languages**

Bu Abbas further stated, “The multiple languages spoken by workers on-site was another challenge that required the work team to bring supervisors, technical staff and observers who could speak the same languages, in order to communicate with workers and supervise them to achieve the required productivity.”
KPI and JV Partners Close to Completing the NSRP in Vietnam

Kuwait Petroleum Corporation (KPC) strives for growth and profitability in all its operations, and seeks fruitful partnerships with its customers. Furthermore, it takes steady steps to cement its global position, seize promising opportunities and find long-term outlets for the Kuwaiti crude, in implementation of its long-term strategy. This is exemplified by KPC subsidiary Kuwait Petroleum International’s (KPI) successful joint venture (JV) in Asia, the Nghi Son Refinery and Petrochemical Complex Project (NSRP). Recently the K-Pulse team met with KPI’s Asia operations team to learn more about the project and its upcoming grand opening. First, the team met with Khalifa Al-Qallaf, Manager, Technical Support for Vice President – Asia, who spoke about the project, saying that it is strategic in nature as it fulfills KPC strategy for securing an outlet for Kuwaiti crude via a long-term contract through joint venture projects (JVs). Moreover, it also applies the integration philosophy between refining and petrochemicals complexes to produce more value-added products such as polypropylene, para-xylene and benzene. This will make the project more lucrative and economically viable. Finally, the project will serve as a benchmark for refining and petrochemical industry standards in Asia.
He further noted that KPC’s partners in the projects are:

Vietnam Oil and Gas Group (PetroVietnam) of Vietnam (25.1% share)

Kuwait Petroleum International (Q8) of Kuwait (35.1% share)

Idemitsu Kosan Co. Ltd. (IKC) of Japan (35.1% share)

Mitsui Chemicals, Inc. (MCI) of Japan (4.7% share)

How does it support or complement our domestic refining and marketing?

NSRP will act as a main player in Kuwait Export Crude marketing plan through a long term contract (COSA – Crude Oil Supply Agreement) between KPC and NSRP for a capacity of 200,000 bpd. The high-end fuels produced from the refinery will be consumed locally in Vietnam, and the petrochemicals will be exported, where this full chain optimization model will reduce the overheads and increase the revenue.

Moreover, as this project will ensure an exchange of global refining expertise between employees from different countries, it will also provide exposure for our Kuwaiti talent to work in a culturally diverse setting and gain additional experiences from our Japanese and Vietnamese colleagues, which will most certainly add value to the Kuwaiti workforce and our oil industry.

Vietnam is a transient economy. How is this impacting our future growth in the country?

Building a mega project in a development area earmarked as an economic zone has created alignment between the project owners and the Vietnamese Government. For the Vietnamese government the project has increased local employment and brought specialized expertise from the global oil and gas industry to train and transfer knowledge to the Vietnamese, including from both Japan and Kuwait. The project has also created opportunities to redirect the local people towards the oil and gas industry, which will contribute towards elevating their living standards and enhancing their education. As a result of the NSRP Project, we can already see signs that the Nghi Son area is booming, and economic indices show the need for similar refineries to fill the fuel consumption gaps. The Vietnamese population is on the rise in the area, and we can already see the number of cars steadily replacing motorbikes.

Meanwhile, Saad Al-Furaih, Group Manager, Joint Venture Projects, spoke about the basic details of the NSRP project, including the cost, duration, manpower working on the project, and when is the expected date of completion. “The refinery is integrated with a petrochemical complex (aromatics plant and polypropylene unit),” he said. “In addition to processing units, the refinery includes associated utilities and offsite marine and infrastructure facilities to support the refinery operations.”

Al-Furaih further indicated that the EPC Contractor (consortium) consists of five of the world best-in-class contractors, namely JGC & Chiyoda (Japan), SK & GS (Korea) and Technip (Malaysia).

As for the project’s cost and expected date of completion, Al-Furaih wanted to point out a number of things first:

The cost of the EPC Contract is US$ 5,104 million.

EPC Contract commenced in July 2013.

Project achieved its mechanical completion in 40 months. The Mechanical Completion certificate was signed on 30 April, 2017.

EPC Contractor taskforce exceeded 30,000 workers at project site during the years 2015 – 2016.

The Project is currently in the pre-commissioning and commissioning phase of the processing units and Initial Acceptance (IA) of the plant is anticipated during Q3 FY 2017/2018 after which the project will be ready for commercial operation.

Asked about the main challenges the EPC team faced over the past years, and how did they overcome these challenges, Al-Furaih stated that the NSRP Project started with the initial dredging activities (carried out by the local authorities as part of the incentive package provided to NSRP LLC). “The initial dredging activities faced a very slow start and then came the build-up process, both of which were significantly behind schedule,” he said. “Progress
during the first few months of the project was extremely low. Any failure to handover fully dredged marine areas to the EPC contractor on schedule would have immediately impacted the end date of the overall Project schedule. A strategic rethink was needed to ensure the series of scheduled critical and contractual milestones were achieved. A change in strategy, successful negotiation with the local authority partner to invite international mega dredgers with greater capabilities (not available in Vietnam) then led to remarkable results and achievements. This resulted in all committed milestones being crossed either on or ahead of schedule when it was handed over to the EPC contractor.

“...There were many other challenges that the project team faced in coordinating and managing the EPC contractor during the detailed Engineering Phase, including an intensive and concurrent series of engineering 3D CAD (Computer Aided Design) model reviews, which were coordinated across five operating centers in Japan, Korea and Malaysia, all in parallel. This activity ensured that the overlapping reviews were supported by the right people at the right time and in the right place, which took a significant amount of planning.

“The main aspiration has been always supporting the EPC contractor to deliver the project safely whilst maintaining quality, cost and of course schedule. The workforce has exceeded 30,000 through the years 2015 – 2016 at the project site. Promoting an effective safety culture on and off the site has been a significant task carried out by the project team, given the lack of international safety awareness for the local Vietnamese workforce.”

With regards to the impact that Kuwaiti engineers on site had on the success of the project, Al-Furaih stressed that Kuwaiti engineers played a vital and important role in delivering the project; acting as key members of the Integrated Project Management Team (IPMT) Executive leadership and technical group (members from JV partners and Project Management Consultant) throughout different phases of the project pushing and supporting the EPC contractor in
delivering the project’s safety, quality and schedule objectives to meet performance and contractual expectations and obligations. Their effective involvement in the project greatly contributed in making NSRP Project a resounding success.

About products that the NSRP will produce and to which markets, Imad Al-Hadlaq, Group Manager, Business Development, said “NSRP products will mainly be as follows: LPG, gasoline (RON 92, 95), diesel (regular, premium), kerosene, jet fuel, polypropylene (PP), para-xylene (PX), benzene (BZ) and sulfur (S). All fuel products will target the local captive market and as such will be disposed off in the local Vietnamese market through a local off-taker, whilst the petrochemical products will predominately be sold in the international market through specialized off-takers.”

Asked how will the refinery benefit IQ8, our retail JV with Idemitsu Kosan, Al-Hadlaq said that while the two projects (i.e. the refinery / petrochemical JV - NSRP and the marketing JV - IQ8) are viewed as two entirely separate projects with their own separate financial and business models, they could nevertheless be intertwined to capture any potential opportunities that add value along the entire downstream value chain, and which may ultimately benefit the shareholders.

“As marketing is an exclusive business for local players in Vietnam and / or those who have invested in major refinery projects in Vietnam, it was only through the major investment of NSRP that the shareholders (in this case KPI and Idemitsu Kosan - IKC) were able to be granted a marketing license to establish the marketing JV IQ8 which was secured mainly through the Government Guarantees and Undertaking and Related Rights Agreement (GGURRA) which was signed off between the Government of Vietnam and the shareholders,” Al-Hadlaq said.

“For the next 15 years, NSRP has secured an off-take agreement with PVOil, a subsidiary of one of NSRP’s shareholders in NSRP, i.e. PVN,” he added. “After the end of the off-take agreement with PVOil, NSRP can potentially establish an agreement with IQ8 as an additional off-taker to pump its product through the local captive market, provided this adds value to both parties which could be done through mutual agreement.”

Al-Hadlaq was also asked about the working relationship with our Vietnamese and Japanese partners, and the challenges faced in working with an IOC and NOC. “In order to overcome obstacles, accelerate entry, mitigate risks and enhance the business model for downstream investments, KPI adopted an innovative strategy, centered around teaming up in a three-party win-win-win model with IOC’s (International Oil Companies, in this case IKC) and major local partners, NOC’s (National Oil Companies, in this case PVN),” Al-Hadlaq explained. “Obviously, working with our Vietnamese and Japanese partners added great value to the project where each company had its unique experience and expertise. Due to the desire of each party to complete the project on time and on budget, they contributed effectively and collaboratively to achieve Mechanical Completion (MC) which was achieved at the end of April 2017.”
Mohammad Al-Farhoud: Petrochemicals Complex in Canada will Serve PIC’s Ambitions to Expand its Asset Base

In a continuation of its strategy to expand in the petrochemicals industry locally, regionally and internationally, as well as to further its approach of drawing up an ambitious and clear map for its investment to achieve the highest added value to the Kuwaiti economy, the Petrochemical Industries Company (PIC), a subsidiary of Kuwait Petroleum Corporation (KPC), signed a contract with Canada’s Pembina Corporation to launch studies to establish a petrochemicals complex in Canada. Not only would this project help cement PIC’s global position, but it would also increase its competitiveness in the promising North American markets.
CEO of PIC Mr. Mohammad Abdullatif Al-Farhoud pointed out the importance of the project, which is in line with KPC’s Strategic Directions to expand in petrochemicals, both inside and outside Kuwait. In a recent interview with ‘K-Pulse’, Al-Farhoud said, “The project to establish a petrochemical complex in Alberta Province of Canada supports PIC’s ambitions to expand its asset base, both on the regional and international level.”

He added, “This facility is part of a series of strategic projects that PIC is carrying out to maintain its lead position in the global petrochemicals industry, expand its operations in locations rich in raw material (feedstock), and boost its competitiveness in promising markets.”

Al-Farhoud further indicated that work on the detailed front-end engineering design (FEED) for the project is expected to continue throughout 2018, given the fact that the petrochemical complex will be an integrated propylene and polypropylene production facility with a production capacity of 550,000 tons of polypropylene a year. Production from the project will primarily target the Canadian and American market.”
and American markets.

Revealing that the joint project will form a new entity titled ‘Canada Kuwait Petrochemical Corporation’, Al-Farhoud said that completing the FEED phase on schedule will help both partners in making the final investment decision (FID) and moving ahead with the execution phase, after obtaining necessary approvals.

Meanwhile, Pembina’s CEO Michael Dilger said: “We are excited to establish partnership with PIC, and reach a significant stage for our project to establish polypropylene production facility in Alberta.” Furthermore, he noted that PIC and Pembina share a commitment to safety and operation efficiency standards in all aspects of business activity, noting that the current activity and planned investment for partners integrates positively in creating added value to develop a mega project in Alberta, Canada.

Based in Alberta, Canada, Pembina is a leading oil and gas infrastructure service provider, and the largest propane provider in Canada, especially in Alberta, which is one of Canada’s largest provinces and a hub for petroleum and petrochemical industries.
Q8 Oils is expanding digital initiatives with two online platforms filled with expert knowledge and relevant content.

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