

Local Content Strategy in Kuwait - KPC

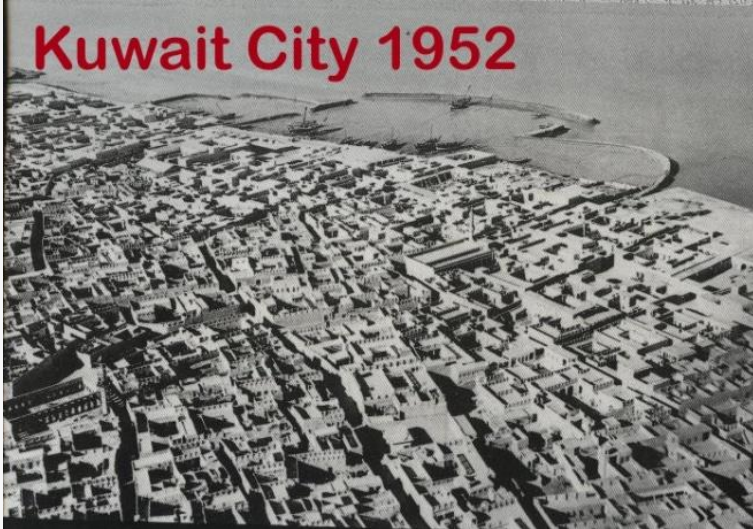
“Kuwaitization”

Agenda

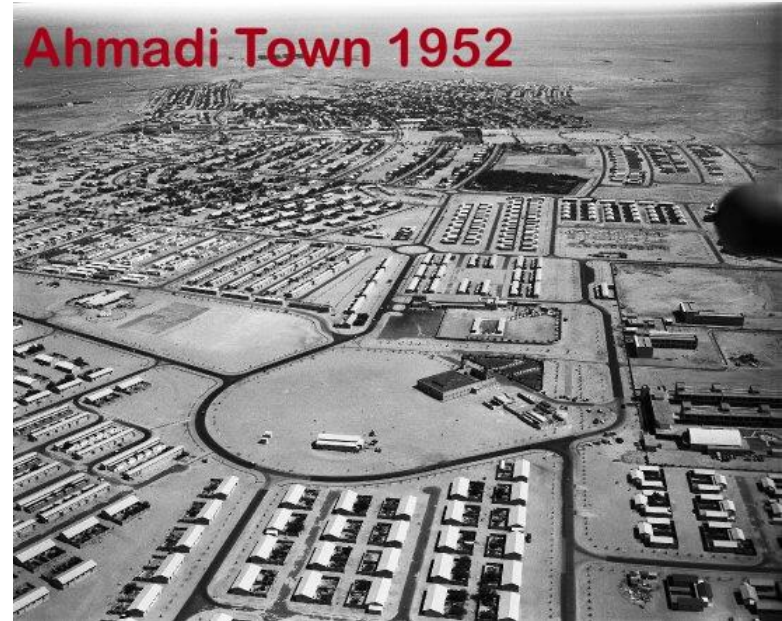
- The government economic development medium-term plan
- KPC local content strategic directions
- KPC Past Efforts in Private Sector Participation (PSP)
- KNPC Fuel stations franchising to entrepreneurs
- KPC Local Content Mission and Vision Statement, and Strategic Objectives & its supporting Initiatives
- Vocational training journey for Kuwait Oil Sector

Kuwait

Kuwait City 1952



Ahmadi Town 1952





Introduction

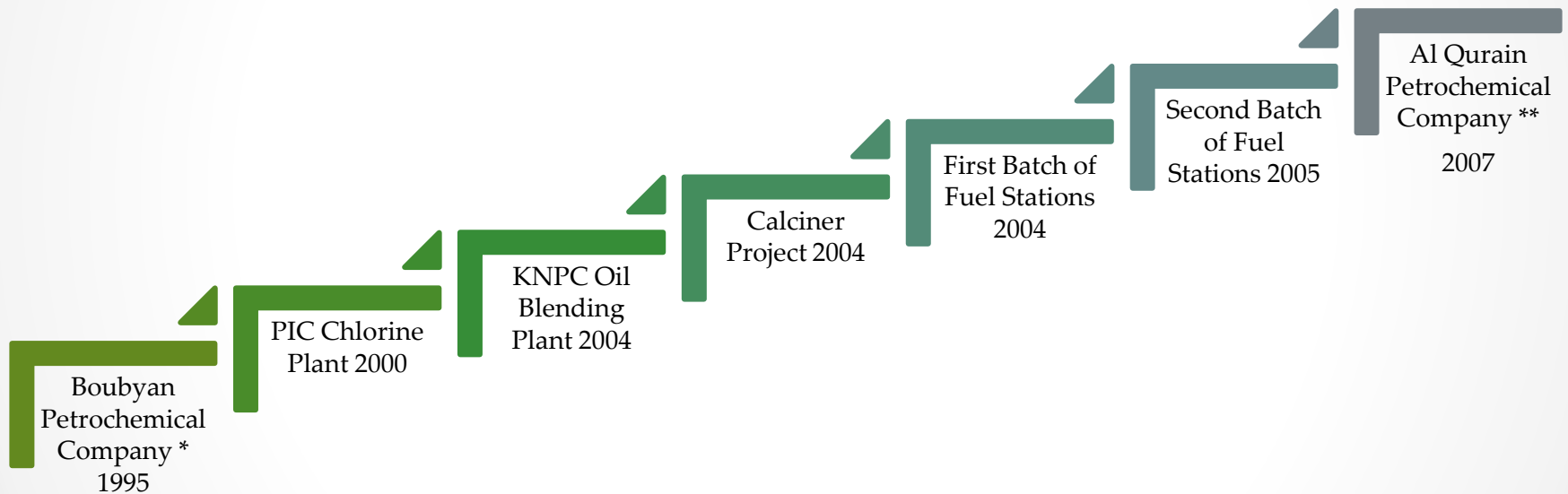
The government economic development medium-term plan aim the following:

- Diversify the ownership structure in economic activities by reducing the dominance of the public sector and gradually increase the contribution of the private sector
- Adopt economic reform based mainly on the private and public sector partnership approach
- Encourage the growth of the private sector to exercise a greater role in economic development

In line with government vision/plan , KPC local content strategic directions

- Develop a cohesive and comprehensive program to strengthen KPC role in local economy development
 - Enhance private sector contribution in KPC's activities/investments
- KPC 2030 local content strategy sought to address the above strategic directions through the following strategic objectives:
- Facilitate Industry & Government local content collaboration platform
 - Maximize local content in country spend – Foster know-how transfer to local Private Sector
 - Develop national workforce directly or indirectly
 - Support industrialization opportunities
 - Encourage private sector participation in oil sector activities

KPC Past Efforts in Private Sector Participation (PSP)



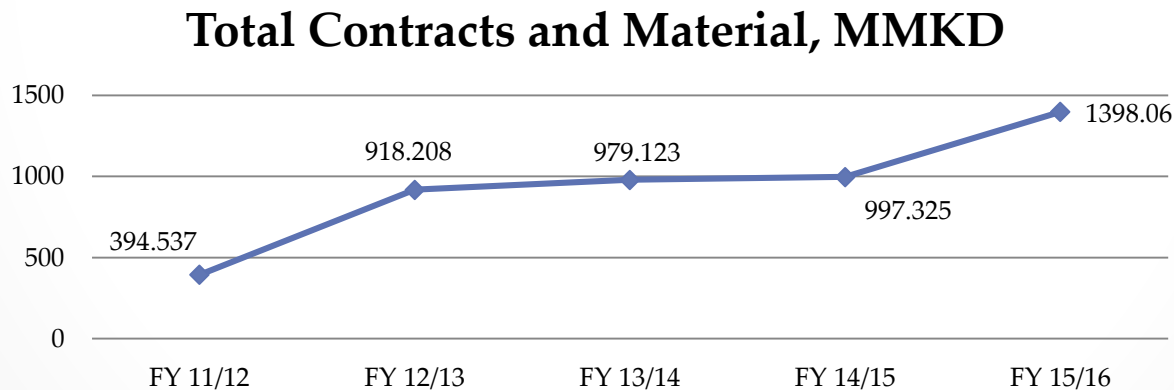
* Participation in Equate (9%), TKOC (9%)

** participation in Equate (6%) , TKOC (6%), TKAC (20%), TKSC (11.5% (TKAC owns 57.5% of TKSC))

KPC Contribution to the Local Content

KPC and its subsidiaries are always striving to maximize the local content in their operations and projects. Currently KPC has an objective of a minimum 20% of contracts , engineering and materials is allocated to the local content. This percentage will increase in accordance to the newly passed tendering law to 30 % .

- Total local content for the last FYP around 4.7 billion KD



KNPC Fuel stations franchising to entrepreneurs

- The oil sector plans to offer KNPC's 43 existing fuel stations to Kuwaiti entrepreneurs.
- Entrepreneurs will manage and operate the stations through franchising agreement.
- An MoU between KPC and Kuwait National Fund for Small to Medium enterprises development has been signed to explore means of cooperation between the two parties and insure success of the fuel stations franchising.
- Currently efforts are underway to determine and approve the franchising model details, and implementation road map.

KPC defines Local Content (Kuwaitization) as activities across three value streams

Workforce development

- Employment and training of direct and indirect local workforce to increase access to and utilization of local human resources in oil & gas operations

Supplier industry development

- Development and procurement of local materials and services to increase local firms' participation in the oil & gas supply chain

Partnerships development

- Enhancement of the private sector's contribution in KPC activities / investments and stimulation of growth and development of PSP businesses

KPC Local Content Mission and Vision Statement, and Strategic Objectives & its supporting Initiatives

Mission

- “Enabling KPC to effectively contribute to sustainable economic growth, through the development of the local industry and national workforce”

Vision

- “Leading the growth of Kuwait’s oil sector through development of the local industry and national workforce”

KPC Local Content Mission and Vision Statement, and Strategic Objectives & its supporting Initiatives

Strategic Objectives

- Facilitate Industry & Government LC collaboration platform
- Maximize in country spend
- Foster know-how transfer
- Develop national workforce
- Support industrialization opportunities
- Encourage private sector participation

Local Content Six Strategic Initiatives

A

- Government-Industry LC Collaboration Platform Set Up

B

- LC Demand and Project Integration / LC Development Opportunities

C

- New Business & Technology Transfer Framework Development

D

- Future O&G Workforce Generation

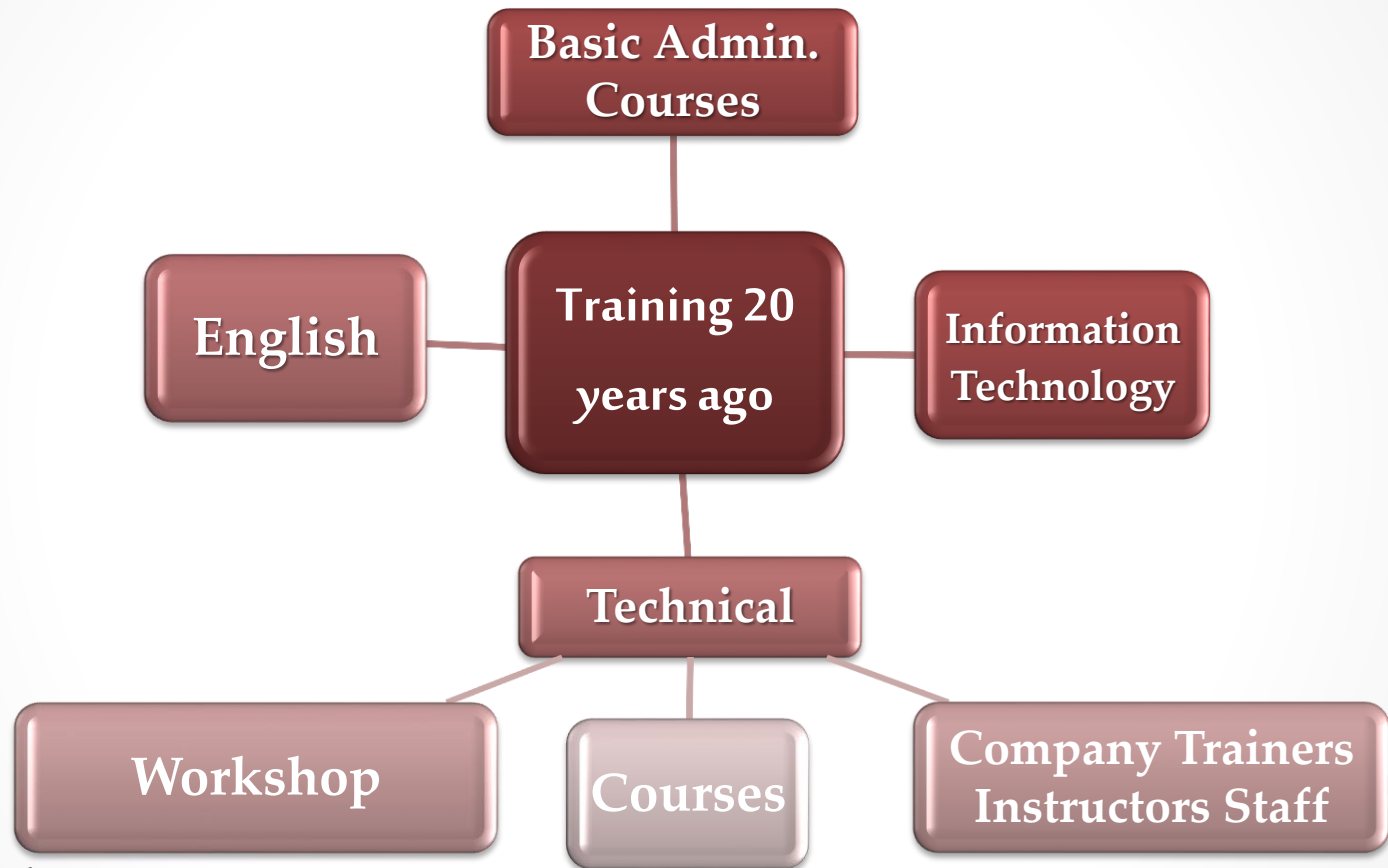
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- Industrialization Opportunity Development

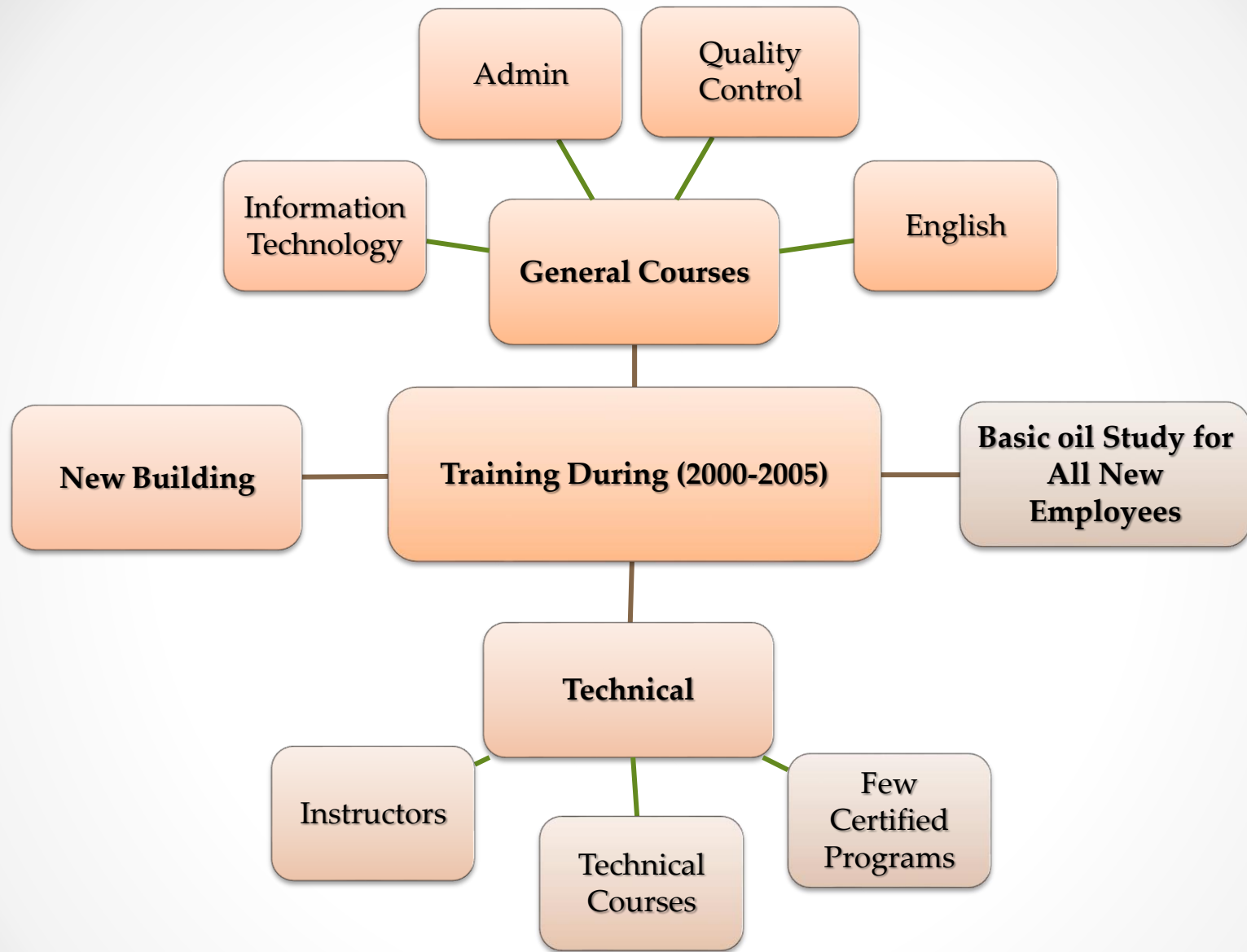
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- Partnership Program

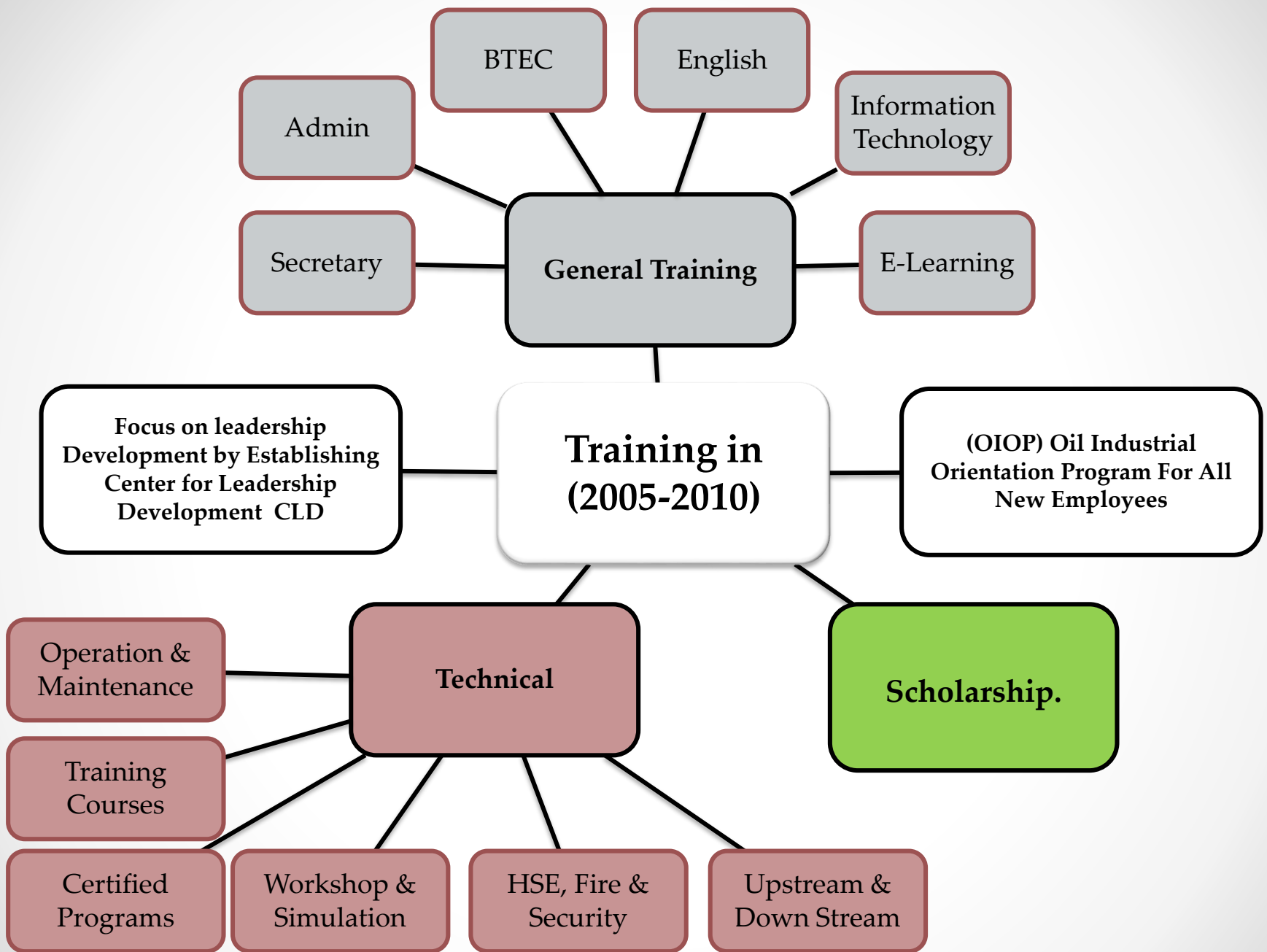
Vocational training journey for Kuwait Oil Sector

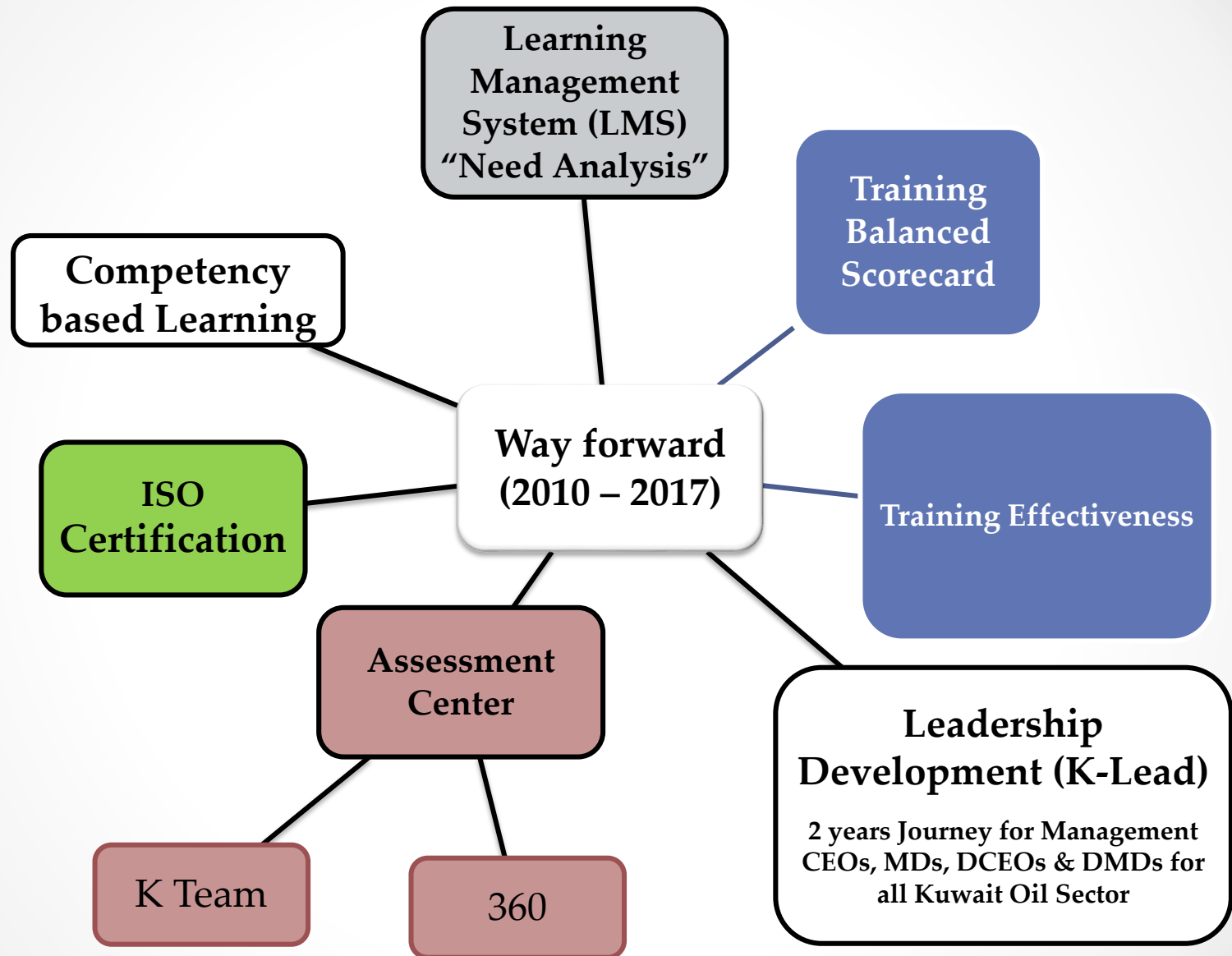


- Classroom Delivery.
- Internal instructor.
- non- certified training.
- basic it courses.
- hands on technical workshop training

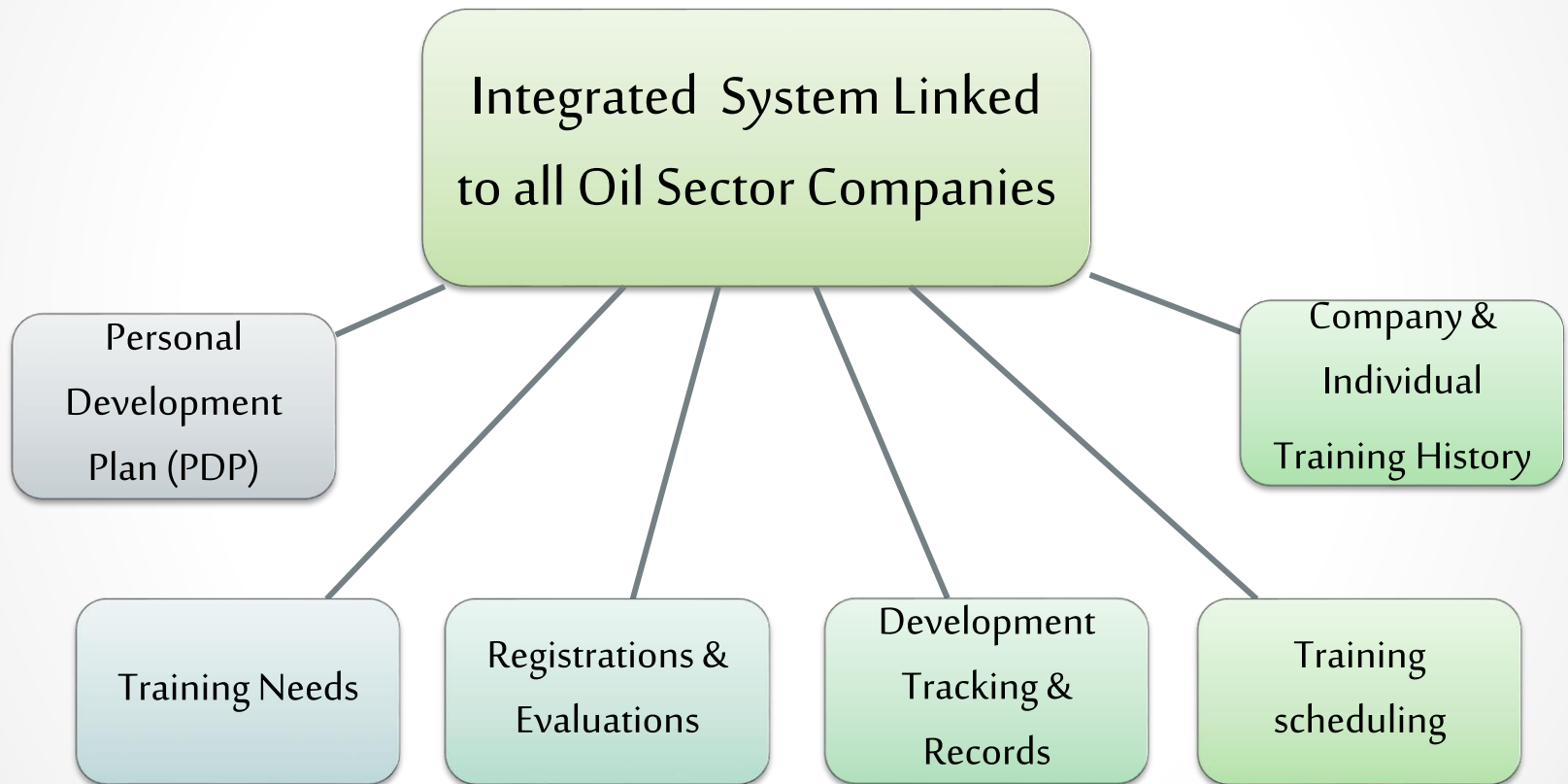


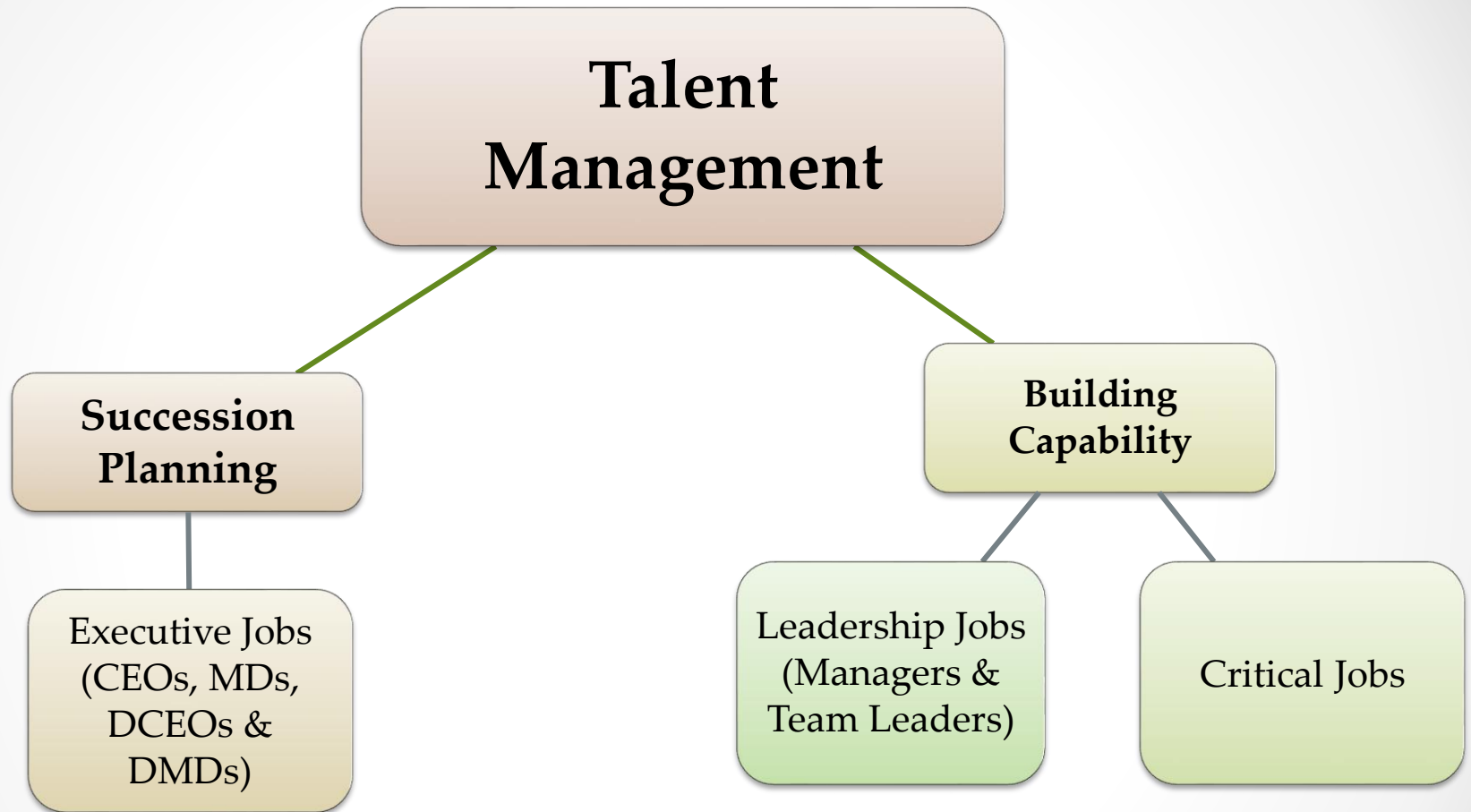
- **Introduce certified technical training to oil sector**



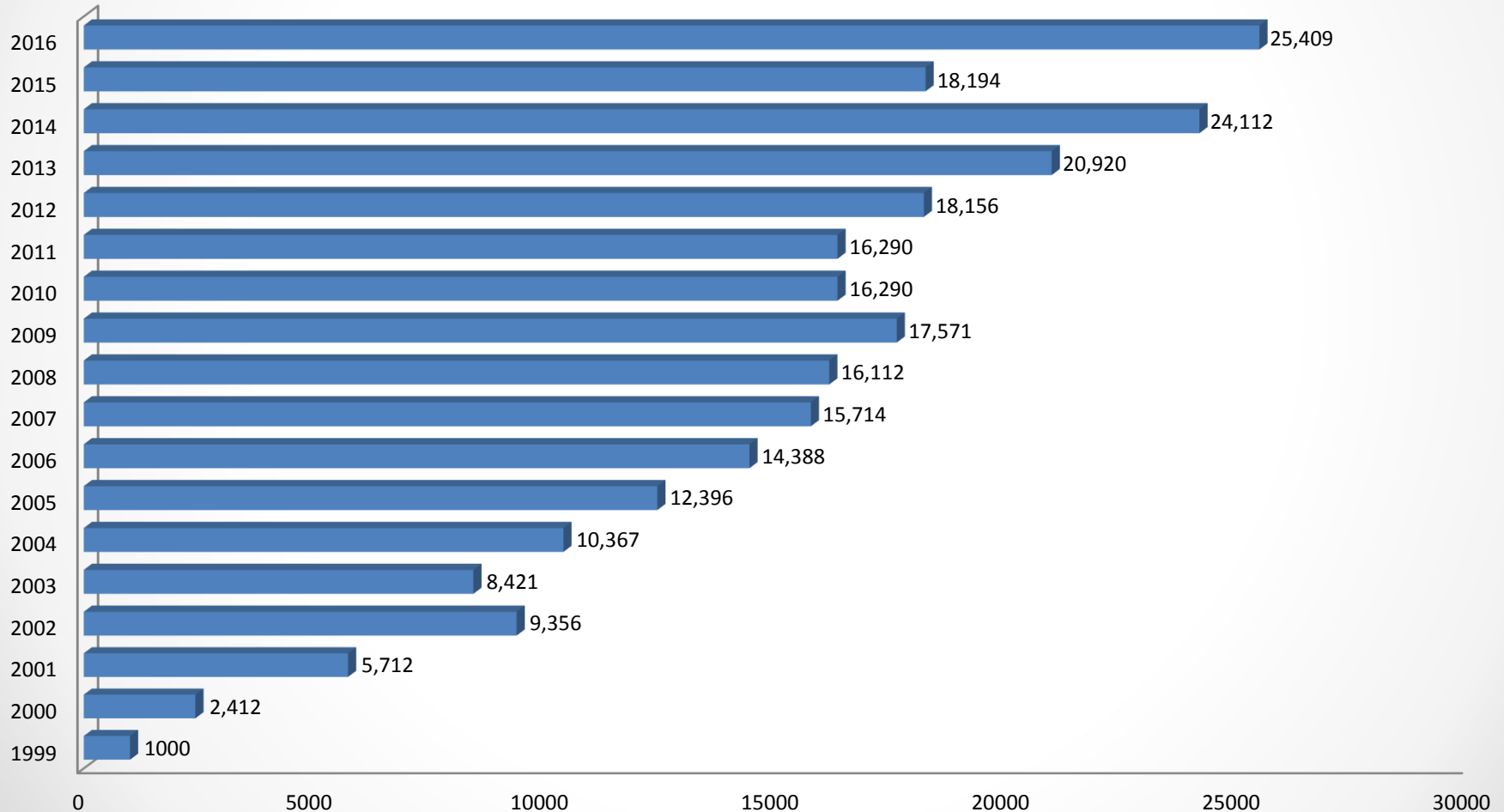


Learning Management System (LMS)





No. of Participants in In House Training



Thank You

