

**An IFC Reports Interview with
Mr. Adel Al-Roumi, President, Partnerships
Technical Bureau (PTB), Kuwait**

On the
9th February 2011

For our special report on Kuwait



IFC REPORTS: The Development plan was unanimously approved by parliament last year, the first one since 1986. Given this and many other changes we believe that 2010 has been an extremely important year for Kuwait, acting as a catalyst for moving the country forward. Partnership Technical Bureau was established prior to this in 2008, however its function is very much in line with the Development Plan. Please discuss with us the importance of PTB in ensuring that the development plan is a success?

MR. ADEL AL-ROUMI: The plan aims to enhance the contribution of the private sector in the economy and PTB is entrusted with this side of the plan. Most of our projects are services that the Government used to provide directly, but we are now providing these services through partnerships with the private sector. A lot of these are major infrastructure projects.

IFC REPORTS: How does PTB increase these private-public partnerships?

MR. ADEL AL-ROUMI: Our first concern is to increase competition in the private sector and we want to create a fair and transparent process for local and international participators. These projects are vital for the future of Kuwait and carrying them out on a long-term sustainable basis is in the interest of Kuwait. We have to attract the most qualified investors for these projects and people with experience and technology for these projects.

IFC REPORTS: How do you assess this? What criteria do you set?

MR. ADEL AL-ROUMI: We have divided the projects into 3 areas. Firstly, there are projects valued at KD60 million and under. Depending on the technical nature of these projects, they will be tendered on a competitive basis and if there is not a huge requirement for a technical background, it will be a purely financial competition. For projects between KD60-250 million the law has stated that Kuwaiti companies must own at least 40% and for projects of KD250 million and over, they have to be fully Kuwaiti owned.

IFC REPORTS: Given these criteria, do you want to change anything for foreign investors to allow them to participate in the bigger projects?

MR. ADEL AL-ROUMI: These projects are attractive to international investors by nature. We have tried to raise the profile of them as much as we can through the media and other sources, but this is the first time a major project in Kuwait is being offered to the private sector with a clearly defined bidding and valuation process.

IFC REPORTS: How is the private sector receiving these new opportunities?

MR. ADEL AL-ROUMI: North Isor is our first advanced project and from what I've seen various international investors are qualified to bid for this project. We were surprised by the good reception in the market. We need to replicate this in other sectors. PTB's goal is to attract as many bidders as we can and increase competition.

IFC REPORTS: We have already interviewed the Kuwait Foreign Investment Bureau and the National Offset Company and the aims of these companies are similar, albeit in somewhat different directions. What is PTB doing to coordinate with these other institutions?

MR. ADEL AL-ROUMI: We have a committee that is in charge of the tax implications for foreign investors, which is part of the Ministry of Finance. We aim to create a transparent package for all participants including their duties and legal obligations when investing in Kuwait.

IFC REPORTS: Are there any projects you would care to highlight for our international readers?

MR. ADEL AL-ROUMI: We want to increase the amount of foreign direct investment and we want to create an equal playing field for international investors in the State of Kuwait. But the major thing that will attract them is the size of these projects. For example, we have major projects in waste water management and solid waste management as well as renewable power which includes solar energy. These will attract international as well as local investors.

IFC REPORTS: By the end of the development plan, 2014, what does the PTB wish to have accomplished?

MR. ADEL AL-ROUMI: PTB provides services of the Ministry of Finance and one of the Ministry's goals is to increase the amount of foreign direct investment and competition. We are at the early stages; we have just started with the new projects so it is too early to talk about targets, but we have been received well so far. We would like to increase the amount of foreign direct investment to the regional level. We would also like to reduce the burden on the budget. We really need to improve services for society, and by working in partnership with the private sector this will reduce the burden on the government budget. We would like to reduce it by around 30% by 2014. We have a problem with the quality of our workforce in Kuwait, and hopefully we can improve this.

IFC REPORTS: Is there any other message you would like to convey to our American readers?

MR. ADEL AL-ROUMI: I think there are commercial and retail opportunities for them in Kuwait, which the Government has not provided to the private sector before.

IFC REPORTS: Thank you very much.