

Kuwait to spend \$500 bn on oil projects by 2040

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The announcement of the huge investments comes despite Kuwait projecting a [budget deficit](#) in the next fiscal year for the fourth year in a row due to low world oil prices.

The [chief executive officer](#) of state-run Kuwait Petroleum Corp. (KPC), Nezar al-Adasani, said the firm plans to carry out a number of major projects to boost oil production to 4.75 million barrels per day by 2040.

"To achieve these targets, KPC plans to spend \$114 billion in capital expenditure over the next five years and an additional \$394 billion beyond that to 2040," Adasani told the Energy Strategy Forum in Kuwait City.

"KPC has launched the 2040 strategy which focuses on growth in all its activities that require significant funds to finance the mega projects," he said.

Kuwait currently has a crude production capacity of around 3.1 million bpd, excluding some 250,000 bpd from the neutral zone with Saudi Arabia which has remained shut since October 2014.

It plans to raise its output capacity to four million bpd by 2020.

Adasani said the firm also plans to raise free [natural gas production](#) to 2.5 billion cubic feet a day by 2040 from just 200 million cubic feet a day currently.

Free gas production will reach half a billion cubic feet in April and one billion cubic feet in 2023, he said.

Kuwait also produces about 1.2 billion cubic [feet](#) a day of associated gas, which is produced along with crude oil.

The oil-rich emirate plans to raise its refining capacity to two million bpd by 2035 from less than 800,000 bpd now, Adasani said.

Around 90 percent of Kuwait's state revenues come from oil. The emirate amassed around \$600 billion in surpluses in the 16 years to 2014 when world prices were high.

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