

## **Saudi Arabia Construction Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)**

Market Report | 2023-01-23 | 150 pages | Mordor Intelligence

### **AVAILABLE LICENSES:**

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

### **Report description:**

The Saudi Arabian construction market is expected to register a CAGR of more than 5% over the forecast period. Before the COVID-19 outbreak, the infrastructure and construction industry in Saudi Arabia was among the largest in the Gulf Cooperation Council (GCC) region, with more than USD 825 billion worth of planned and un-awarded projects. The industry saw growth in the contracts awarded - from USD 11.2 billion in 2016 to USD 14.6 billion in 2018. The total value of construction contracts awarded in Saudi Arabia during the third quarter (Q3) of 2020 collapsed by 84% to figures for the same period in 2019 as the economic impact of the COVID-19 pandemic continued to spread.

### **Key Highlights**

The improvement in the state of the world economy, along with the relaxation of COVID-19 regulations and a rise in oil prices, all contributed to the industry's output in 2021. The government's initiatives to build transportation and energy infrastructure, as well as its emphasis on diversifying the economy away from oil, are predicted to support the industry's annual average growth of 5% during the forecast period.

The budget for 2022 was set at SAR 955 billion (USD 254.4 billion), of which SAR 42 billion (USD 11.2 billion) was for the infrastructure of transportation, SAR 32 billion (USD 8.5 billion) for general government expenses, and SAR 54 billion (USD 4.4 billion) for economic resources.

The Ministry of Energy stated during the Saudi budget discussion that it anticipates spending on power and renewable energy projects to exceed SAR 1.1 trillion (USD 293.3 billion) by 2030. Power transmission projects will receive investments totaling SAR 430 billion (USD 114.7 billion) of the total. By 2030, the nation also intends to invest SAR 142 billion (USD 37.9 billion) in energy distribution projects and SAR 380 billion (USD 101.3 billion) in renewable energy.

The Saudi Arabian construction market is expected to witness significant growth and offer lucrative potential due to its Vision 2030, NTP 2020, and several ongoing reforms to diversify away from oil. Vision 2030, NTP 2020, the private sector investment

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

boost, and the ongoing reforms are expected to be the growth drivers for the Saudi construction market during the forecasted period.

Saudi Arabia's Vision 2030, along with a significant investment in housing and infrastructure development promoted across the country by local authorities, is revitalizing the construction industry and generating interest in a growing number of international players.

## Saudi Arabia Construction Market Trends

### Giga Infrastructure Projects in Saudi Arabia to Boost the Construction Market Sector

The significance of construction in Saudi Arabia is underscored by its suite of Giga projects, transport and mobility schemes, such as Riyadh Metro, social infrastructure developments, such as the Ministry of Housing's Sakani program, and energy megaprojects, such as the state-owned Aramco's Berri and Marjan oil fields.

Currently, the country's economy is entering a post-oil era in which the kingdom's mega-cities, which are under construction, will provide future growth. According to industry sources, more than 5,200 construction projects are currently ongoing in Saudi Arabia at a value of USD 819 billion. These projects account for approximately 35% of the total value of active projects across the Gulf Cooperation Council (GCC).

Some of the major urban construction projects in Saudi Arabia include the King Abdullah Security Compounds (Phase 5) and the Grand Mosque (Holy Haram Mosque expansion), each valued at USD 21.3 billion and developed by the Ministry of Municipalities and Rural Affairs in Makkah.

The top construction projects in Saudi Arabia include Neom, the Red Sea Project, Qiddiya entertainment city, Amaala, Jean Nouvel's Sharaan resort in Al-Ula, Makkah Grand Mosque - Third Expansion, Jeddah Tower, Ministry of Housing's Sakani homes, Jabal Omar, Al Widyana, Riyadh Metro, Riyadh Rapid Bus Transit System, King Fahd Medical City Expansion, King Abdullah Bin Abdulaziz Medical Complexes, King Salman Energy Park (Spark), Saudi Aramco's Berri and Marjan, Hanergy Solar Park, Dumat Al Jandal Wind Power Plant, Saudi Aramco-Total's PIB factory, and Pan-Asia bottling facility.

### Increase in Demand for Housing Boosts Residential Construction

The residential market in Riyadh continues to expand. Apartment prices in Riyadh were up by 17% in Q3 2021, the highest rate of increase in at least five years. Meanwhile, villa prices increased by close to 10% over the same period.

The growing demand is being fuelled by a growing urban population, which is a direct result of an inflow of Saudi nationals and expatriates who are relocating to Riyadh from other cities. Similar to Riyadh, Jeddah's residential market saw apartment prices surge by 11.7% in Q3 2021, the strongest rate of growth in at least five years.

Villa prices, on the other hand, rose by just 1.3% over the same period. Mirroring the Jeddah market, average apartment prices in Dammam Metropolitan Area (DMA) rose by 5.5% in Q3 2021, while average villa prices declined by 1.9% over the same period. Like elsewhere in the Kingdom, due to the rising affordability challenges, most buyers are gravitating toward apartments and townhouses, and developers are responding to the growing number of townhouse projects.

## Saudi Arabia Construction Market Competitor Analysis

The Saudi Arabian construction market is highly competitive, with the presence of major international players. The Saudi Arabian

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

construction market presents opportunities for growth during the forecast period, which is expected to further drive the market competition.

The government's attention has shifted more and more toward Saudi Arabia's housing scarcity, which is a result of the country's population expansion. The enormous need for cement and other building materials, as well as the number of ongoing and new projects in Saudi Arabia, serve as indicators of the demand for construction services.

The government's focus on the creation of general infrastructure as well as energy and utility construction projects is anticipated to help the construction industry's output as part of its effort to diversify its economy away from the oil industry.

With a few players holding a significant market share, the Saudi Arabian construction market has an observable level of consolidation. Some of the key players include JGC Corp., SNC-Lavalin, Fluor Corp., Van Oord Dredging & Marine Contractors BV, and VINCI.

Additional Benefits:

The market estimate (ME) sheet in Excel format  
3 months of analyst support

### **Table of Contents:**

#### 1 INTRODUCTION

- 1.1 Scope of the Market
- 1.2 Market Definition

#### 2 RESEARCH METHODOLOGY

#### 3 EXECUTIVE SUMMARY

#### 4 MARKET INSIGHTS

- 4.1 Current Economic and Construction Market Scenario
- 4.2 Industry Value Chain Analysis
- 4.3 Technological Innovations in the Construction Sector
- 4.4 Impact of Government Regulations and Initiatives on the Industry
- 4.5 Mapping of Industrial Clusters and SEZs and a Brief Analysis of Investment Opportunity
- 4.6 Review and Commentary on the Extent of Saudi Arabia's Economy Diversification
- 4.7 Comparison of Key Industry Metrics of Saudi Arabia with Other GCC Member Countries (Analyst View)
- 4.8 Comparison of Construction Cost Metrics of Saudi Arabia with Other GCC Member Countries (Analyst View)
- 4.9 Impact of COVID-19 on the Market

#### 5 MARKET DYNAMICS

- 5.1 Market Drivers
- 5.2 Market Restraints
- 5.3 Market Opportunities
- 5.4 Industry Attractiveness- Porter's Five Forces Analysis

#### 6 MARKET SEGMENTATION

- 6.1 BY SECTOR

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

- 6.1.1 Commercial Construction
- 6.1.2 Residential Construction
- 6.1.3 Industrial Construction
- 6.1.4 Infrastructure (Transportation) Construction
- 6.1.5 Energy and Utilities Construction

## 7 COMPETITIVE LANDSCAPE

- 7.1 Market Concentration Overview
- 7.2 Company Profiles
  - 7.2.1 Bechtel
  - 7.2.2 CB&I LLC
  - 7.2.3 China Energy Engineering Corp. Ltd
  - 7.2.4 China Railway Construction Corp. Ltd
  - 7.2.5 Fluor Corp.
  - 7.2.6 Tekfen Construction and Installation Co. Inc.
  - 7.2.7 Gilbane Building Co.
  - 7.2.8 Jacobs
  - 7.2.9 AL Jazirah Engineers & Consultants
  - 7.2.10 Al Latifa Trading and Contracting
  - 7.2.11 Afras For Trading And Contracting Company
  - 7.2.12 Al-Rashid Trading & Contracting Company
  - 7.2.13 Al Yamama For Business And Contracting
  - 7.2.14 Mohammed Al Mojil Group Co.
  - 7.2.15 Al-Jabreen Contracting Co.\*

## 8 INVESTMENT ANALYSIS

## 9 FUTURE OF THE MARKET

## 10 APPENDIX

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

**Saudi Arabia Construction Market - Growth, Trends, Covid-19 Impact, and Forecasts  
(2023 - 2028)**

Market Report | 2023-01-23 | 150 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

**ORDER FORM:**

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

\*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

\*\* VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-05"/>
		Signature	

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

