



USSBC Contract Awards Index Fourth Quarter 2020

Contracts Awarded by Sector



37%



23%



20%



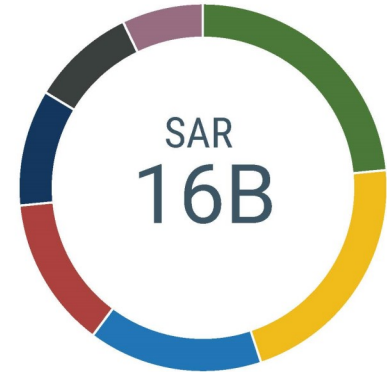
8%



5%

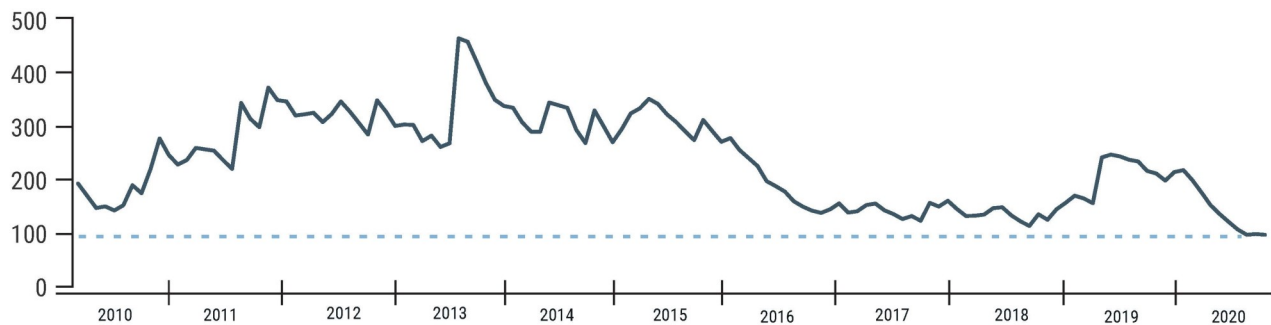


4%



A majority of the awarded contracts were in real estate and power which accounted for 60 percent of the total value of contracts awarded in Q4. The water sector accounted for 20 percent of the value of awarded contracts while the transportation, industrial, oil & gas, and education sectors accounted for the remaining 20 percent of awarded contracts.

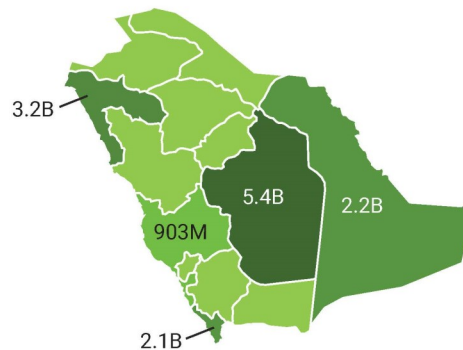
Contract Awards Index Over Time



The USSBC's Contract Awards Index fell to 95.4 points by the end of the fourth quarter. The index steadily declined through Q4, reflecting the lag effects of the early and mid-year slowdown despite the value of contracts increasing in Q4 on quarterly basis.

Contract Awards By Province

Riyadh Province accounted for more than a third of the value of awarded contracts (34%) in Q4, leading the Eastern Province (14%) for the first time in 2020. Riyadh had several large residential real estate contracts awarded while oil & gas contracts slowed in the Eastern Province. Tabuk Province saw the second highest value of contracts awarded in Q4 (20%), hitting its highest level of the year after the Red Sea megaproject awarded a major utilities infrastructure contract and the Amaala megaproject awarded Phase I of Triple Bay Village construction.



*All monetary values are in Saudi Arabian Riyals. \$1 = SAR3.75



Highlights

1. The total value of awarded contracts during the fourth quarter reached SAR16 billion (\$4.3 billion), more than doubling compared to last quarter. The total value of awarded contracts for full year 2020 reached SAR80 billion (\$21.2 billion) as numerous projects were halted stemming from the pandemic.
2. The USSBC Contract Awards Index reached 95.4 points as the construction sector fell into a contraction. This suggests the executable project pipeline will slowdown in the next 6-18 months.
3. The real estate sector registered the highest value of awarded contracts with approximately SAR5.9 billion (\$1.6 billion).
4. The power sector climbed to the second spot as the value of awarded contracts reached approximately SAR3.6 billion (\$958 million).
5. The water sector rounded up the top three sectors with SAR3.2 billion (\$862 million) worth of awards.

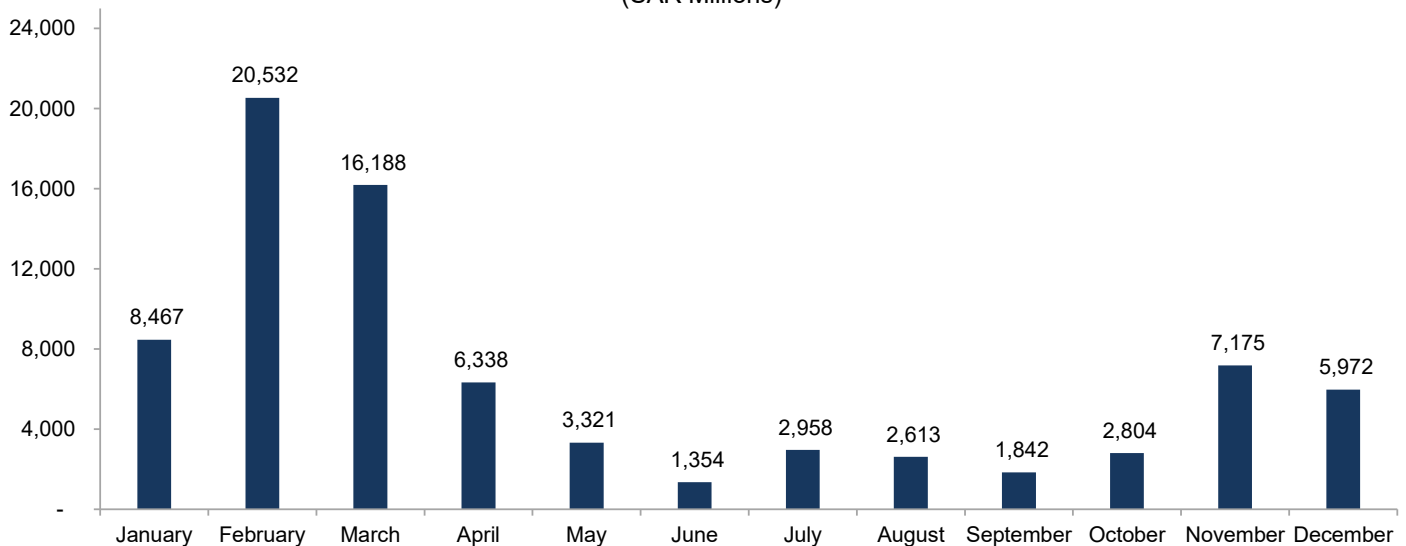
Key Takeaway:



The construction landscape still faces headwinds into 2021 yet breakthroughs such as the increase in the distribution of vaccines, the gradual resumption of social activities, and opening up international travel bodes well for the global economy's outlook. Increasing demand albeit at a slower pace will also lessen the strain on the Saudi construction sector.



Value of Awarded Contracts in 2020
(SAR Millions)



Source: MEED Projects, public outlets, government data, USSBC

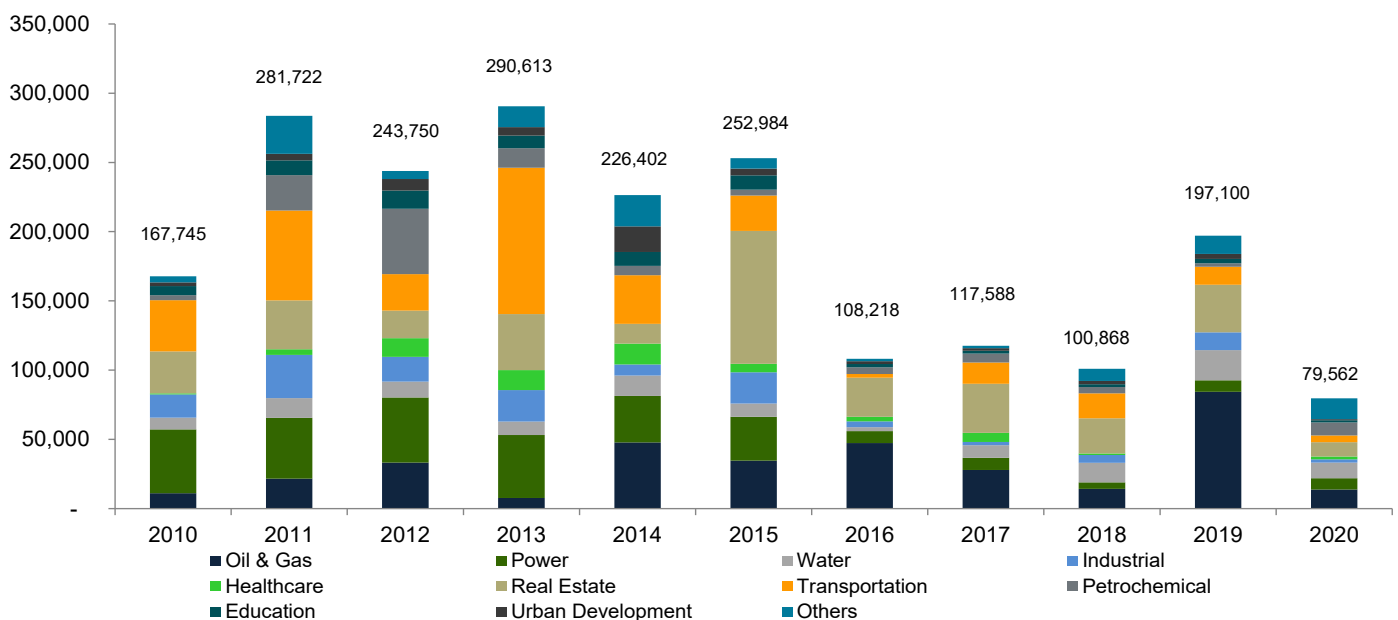


Overview of Awarded Contracts During Q4 2020

The construction sector faced immense challenges during 2020 stemming from the COVID-19 pandemic and significant declines in state revenues as a result of lower oil prices. Numerous project owners and operators were faced with necessary government-imposed health and safety precautions, liquidity crunches, global supply chains disruptions, reductions in manpower capabilities, and movement restrictions. The construction sector was one of the most negatively impacted industries as the sheer volume of project cancellations and delays derailed the momentum that was witnessed in 2019 and into the first quarter of 2020. This resulted in the lowest value of awarded contracts of SAR80 billion (\$21.2 billion) in 2020 according to the USSBC CAI database, which began tracking data in 2007. Nonetheless, the value of awarded contracts rebounded during Q4'20 to reach SAR16 billion (\$4.3 billion), marking a 115 percent jump QoQ compared to Q3'20. This rebound was attributed to strong efforts to mitigate the spread of COVID-19, the gradual reopening of socially restricted activities, as well as liquidity and subsidy support by the government to stimulate the economy.

The value of awarded contracts during Q4'20 was led by the real estate, power, and water sectors, which accounted for a combined 80 percent of the SAR16 billion (\$4.3 billion). The real estate sector has been buoyed by the residential segment, which witnessed numerous housing projects despite the downturn in the projects market, led by the Ministry of Housing's drive to meet demand for affordable housing. Other contributing sectors included transportation, industrial, oil & gas, and education among others. Despite the rebound, the value of awarded contracts were significantly below Q4'19, which reached SAR35.3 billion (\$9.4 billion).

Value of Awarded Contracts by Year (SAR Millions)



Source: MEED Projects, public outlets, government data, USSBC



USSBC's Contract Awards Index Performance Through Q4 2020*

The USSBC Contract Awards Index (CAI) fell to 95.4 points during Q4'20, suggesting projects reaching the executable phase are likely to slow in the coming 6-18 months. The decline in awarded contracts coupled with the increases in delays and cancelations of projects in the design and study phases led the CAI to dip below the 100 point threshold. The contraction of the project pipeline in execution is expected to roll over into 2021 as a number of major projects led by Saudi Aramco in the oil & gas sector are yet to be awarded. The effects of these delays will lead to many executable megaprojects being pushed back into the latter half of 2021 and into 2022. This will present challenges to the Kingdom's plans to expand its localization efforts as well as increasing the share of Saudi's working in the construction sector. The outlier in the construction sector in 2020 has been the exponential growth of the housing sector, which was driven by the development of affordable housing to meet pent-up demand.

The CAI concluded the final quarter of 2020 with 95.38 points in October, 96.86 points in November, and 95.4 points in December. The CAI declined by 9.86 points compared to Q3'20 and by 114.86 points compared to Q4'19. The rise in CAI will be dependent on the recovery of the economy given existing COVID-19 risks.

USSBC Contract Awards Index Performance



Source: MEED Projects, public outlets, government data, USSBC

* The USSBC CAI is calculated using a 12 month exponential moving average. This calculation smoothens the data while reducing the effects of outliers within the observation period. The index aims to give our readers a sense of direction on construction activities that will transfer to the execution phase over the next 6 to 18 months. Thus, the CAI should be used as a forward looking tool to gauge the health of construction activities across all sectors. In general, a CAI reading of 100 points and above indicates an expansion while a sub-100 point reading indicates a possible contraction.

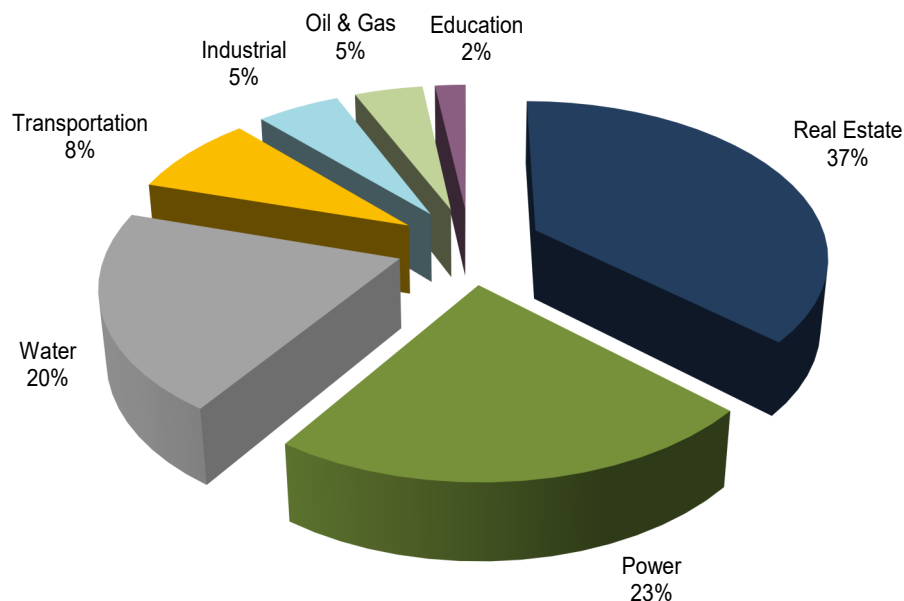


Overview of Awarded Contracts By Sector During Q4 2020

The real estate sector surged to the top spot in the value of awarded contracts by capturing 37 percent of the total during Q4'20. Approximately SAR5.9 billion (\$1.6 billion) worth of contracts were awarded in real estate of which residential projects accounted for SAR5.6 (\$1.5 billion) or 95 percent. The hospitality sector accounted for the remaining SAR300 million (\$80 million) or 5 percent. The ramp up in awarded contracts was attributed to new developments implemented by the newly created Public Investment Fund (PIF) company, Roshn, to build residential units as part of the Riyadh Community Project. The jump in Q4'20 brings the total value of awarded contracts in the real estate sector to SAR10.4 billion (\$2.8 billion) or 13 percent in 2020.

The power sector garnered the second highest value of awarded contracts during Q4'20 with approximately SAR3.6 billion (\$958 million) or 23 percent of the total. The power sector was led by The Red Sea Development Company's SAR1.5 billion (\$400 million) power and renewable energy project in Tabuk. Despite the slowdown in awarded contracts during 2020, the power sector remained relatively unchanged compared to last year as it tallied approximately SAR8.1 billion (\$2.1 billion), or 10 percent, versus SAR8.3 billion (\$2.2 billion) in 2019. The water sector rounded out the top three sectors by value with approximately SAR3.2 billion (\$862 million) or 20 percent of the total during Q4'20. The water sector was led by a contract from the Saline Water Conversion Company to develop a desalination plant containing reverse osmosis technology in the amount of SAR1.4 billion (\$384 million). The total value of awarded contracts in the water sector reached approximately SAR11.3 billion (\$3 billion) or 14 percent in 2020.

Value of Awarded Contracts by Sector During Q4 2020



Source: MEED Projects, public outlets, government data, USSBC



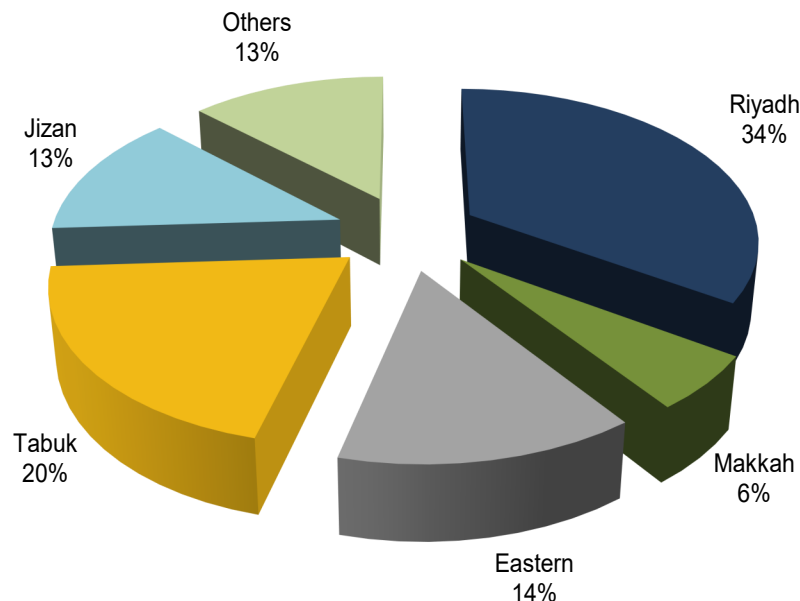
Overview of Awarded Contracts By Region During Q4 2020

The value of awarded contracts by region was led by Riyadh in Q4'20 with approximately SAR5.5 billion (\$1.5 billion) or 34 percent of the total. The Riyadh region was supported by the real estate, transportation, and power sectors as they accounted for approximately SAR5.3 billion (\$1.4 billion) or 97 percent of the combined total value. The largest contracts pertained to Roshn's Riyadh Community Project in the residential real estate sector as well as the construction of roads and bridges for the Qiddiya Investment Company within the transportation sector. This brings the total value of awarded contracts in the Riyadh region to approximately SAR24.1 billion (\$6.4 billion) or 30 percent during 2020.

The Tabuk region garnered the second highest value of awarded contracts with approximately SAR3.2 billion (\$859 million) or 20 percent of the total during Q4'20. The Red Sea Development Company accounted for approximately SAR2.6 billion (\$680 million) or 79 percent of all contract awards in Tabuk. The projects revolved around the development of its utilities infrastructure along with real estate construction work. For 2020, Tabuk accounted for approximately SAR6.1 billion (\$1.6 billion) or 8 percent of the total value of awarded contracts.

The Eastern region edged out the Jizan region by 1 percent to reach approximately SAR2.2 billion (\$589 million) or 14 percent during Q4'20. The oil & gas, real estate, and industrial sectors led the Eastern region with approximately SAR1.5 billion (\$386 million) or 66 percent of the combined total value of awarded contracts. Despite the decrease in oil & gas contracts, the Eastern region accounted for the highest value of awarded contracts with SAR34.6 billion (\$9.2 billion) or 44 percent of the total in 2020.

Value of Awarded Contracts by Region During Q4 2020





Breakdown of Awarded Contracts Across Top Performing Sectors

Real Estate

The real estate sector's SAR5.9 billion (\$1.6 billion) during Q4'20 increased the total value of awarded contracts to SAR10.4 billion (\$2.8 billion) in 2020. This placed the real estate sector at the fourth highest spot compared to all other sectors in 2020. The value of awarded contracts grew by SAR4.8 billion (\$1.3 billion) during Q4'20 compared to Q3'20 but still lagged compared to the same period last year, which reached SAR12.2 billion (\$3.2 billion). On an annual basis, the real estate sector in 2020 decreased compared to 2019 as approximately SAR34.4 billion (\$9.2 billion) worth of contracts were awarded last year.

Roshn awarded the highest value of contracts in the real estate sector during Q4'20 as part of its plans to construct 30,000 housing units in Riyadh. Contracts for phase one of the Riyadh Community Homes development were awarded to a number of contractors with the largest going to India's Shapoorji Pallonji in December in the amount of SAR1.3 billion (\$350 million). According to MEED Projects, Shapoorji Pallonji will be responsible for the construction of 3,000 housing units in addition to infrastructure works, road works, landscaping, and underground cabling. The project is expected to be completed by the second quarter of 2026.

A second contract was awarded by Roshn as part of package two of the first phase of the Riyadh Community Homes development in October. The contract was awarded to local developer, Rezaik Al Gedrawy Contracting in the amount of SAR600 million (\$160 million). According to MEED Projects, the project calls for the construction of 1,082 housing units. Additional work will include infrastructure works, road works and landscaping. The project is expected to be completed by the fourth quarter of 2024.

The Red Sea Development Company also played a large role in the increase in awarded contracts within the real estate sector. It awarded two contracts to the local Alkifah Contracting in the amount of SAR1.1 billion (\$280 million). According to MEED Projects, the first contract was awarded in November in the amount of SAR750 million (\$200 million) for the construction of The Red Sea Development Company's workers housing area, which includes 40 units. USSBC member, Jacobs will handle project management duties for the development. In addition to the housing units, Alkifah Contracting will construct administrative offices, infrastructure works, road works, security zones, and parking facilities. The project is expected to be completed by the fourth quarter of 2022.

The second contract awarded to Alkifah Contracting was awarded in December in the amount of SAR300 million (\$80 million). This project calls for the construction of the Coastal Village, which will include 40 apartment blocks in addition to infrastructure works, water and sewage networks, road works, and power



works. The project is expected to be completed by the fourth quarter of 2022.

The National Housing Company was also actively involved in the development of residential units during Q4'20. The National Housing Company awarded two contracts worth a total of SAR754 million (\$201 million) in November. According to MEED Projects, the first contract was awarded to local firm Al Rawaf Trading and Contracting in the amount of SAR413 (\$110 million). The contract calls for developing the infrastructure works package for the Orchid Housing Project in Riyadh. The infrastructure works will span over an area of 3.8 squared kilometers and will include the development of water and sewage networks, cable installation, and communication networks. The project is expected to be completed by the first quarter of 2023.

The second contract awarded by the National Housing Company went to the local Al Fahd Company in the amount of SAR341 million (\$91 million). According to MEED Projects, Al Fahd Company will be tasked with developing the infrastructure package of Al-Mashriqiyah Housing Project in Riyadh. The infrastructure works will span over 3.3 squared kilometers. The project is expected to be completed by the first quarter of 2023.

Power

The value of awarded contracts in the power sector during Q4'20 of SAR3.6 billion (\$958 million) was the highest it achieved in 2020. For the year, the power sector generated SAR8.1 billion (\$2.1 billion) worth of contract awards, placing it as the sixth highest sector by value. The value of awarded contracts grew by SAR2 billion (\$544 million) during Q4'20 compared to Q3'20, but still lagged compared to the same period last year which reached SAR4.4 billion (\$1.2 billion). On an annual basis, the power sector in 2020 marginally lagged behind 2019 as approximately SAR8.3 billion (\$2.2 billion) in contracts were awarded last year.

The majority of the contracts were awarded by the Saudi Electricity Company (SEC) during Q4'20. The SEC awarded approximately SAR1.6 billion (\$414 million) worth of contracts across the Kingdom. A majority of the contracts involved the construction of substations, installing overhead transmission lines, and expanding the Kingdom's electricity reach to remote parts of the country.

The single largest contract in the power sector during Q4'20 was awarded in November by The Red Sea Development Company to China's SEPCOIII Electric Power Construction Corporation in the amount of SAR1.5 billion (\$400 million). The project contains both power and water related developments as part of The Red Sea Development Company's infrastructure works. According to MEED Projects, the large scale project will include the development of a solar and wind renewable energy works that is expected to generate 210MW of power. It will also include the construction of a 30,000 cubic meter desalination plant



that will serve the southern area of the complex and the associated Shaybarah South Island. Additional works include the construction of an 18,000 square meter wastewater treatment plant, a 30-ton per day solid waste processing facility, and the construction of a cooling district plant and network. The project is expected to be completed by the fourth quarter of 2025.

Roshn was also active in the power sector as it awarded a SAR338 million (\$90 million) contract in December to Siemens. According to MEED Projects, Siemens will be responsible for the construction of a substation and underground cables in Riyadh. It will include the construction of power conductors, the installation of 380kV underground cables, and the installation of 132kV cables. The project is expected to be completed by the first quarter of 2023.

Water

The water sector's SAR3.2 billion (\$862 billion) during Q4'20 increased the total value of awarded contracts within the sector to SAR11.3 billion (\$3 billion) in 2020. This placed the water sector at the third highest spot compared to all other sectors in 2020. The value of awarded contracts grew by SAR2.3 billion (\$607 million) during Q4'20 compared to Q3'20 but still lagged compared to the same period last year, which reached SAR6.3 billion (\$1.7 billion). On an annual basis, the water sector in 2020 fell behind 2019 as approximately SAR21.9 billion (\$5.8 billion) worth of contracts were awarded last year.

The water sector was led by the Saline Water Conversion Company during Q4'20 as it awarded approximately SAR2.2 billion worth of contracts. The largest contract was awarded in December to a consortium consisting of Spain's ACCIONA and local firm Al Rashid Trading and Contracting in the amount of SAR1.4 billion (\$384 million). According to MEED Projects, the project calls for the upgrading of the Shuqaiq desalination plant to reverse osmosis membrane technology in Jizan. The plant is expected to produce 400,000 cubic meters per day and will include the installation of electromechanical and electrical equipment, installation of pumps, and marine works. The project is expected to be completed by the fourth quarter of 2023.

The second contract awarded by the Saline Water Conversion Company in December went to a local consortium of Advanced Water Technology and Rawafid Holding in the amount of SAR450 million (\$120 million). According to MEED Projects, the project calls for upgrading the Shoaiba Desalination Plant Phase 5 in Jizan. The main scope of the project will involve upgrading the plant equipped with thermal desalination technologies that contain multi-stage flash with more energy efficient reverse osmosis membrane technology. The desalination plant is expected to increase its capacity to 600,000 cubic meters per day. The project is expected to be completed by the fourth quarter of 2023.

The National Water Company awarded several contracts to local contractors in December that were



worth SAR800 million (\$213 million). The projects are aimed at developing water and environmental projects in the Asir region. The scope of work includes the implementation of a transmission line from the water purification plant in the Rona reservoirs, the construction of a water purification plant on the Wadi Tindaha Dam, and the implementation of the project delivering treated water to Yalla Park in the Bisha Governorate. The environmental projects also include drinking water reservoirs in Abha city with a 300,000 cubic meter capacity and a new transmission line from the purification plant at Wadi Tabala Dam to the centers of Tabala and Al Thaniya with a total capacity of 5,300 cubic meters. Additional works include the construction of a distribution plant for drinking water tankers to deliver water to more than 20,000 beneficiaries.

Contract Awards Outlook

Faced with the backdrop of a global pandemic and volatile oil prices in 2020, the construction sector witnessed steep declines in the pace of awarded contracts as well as the execution of ongoing projects. Companies grappled with lackluster demand and severe disruptions to global supply chains, which impacted the status of construction projects financially and on a human capital level. The Saudi government was faced with the decision of cutting spending in several areas to address the need for humanitarian support.

The government expenditures to combat the pandemic were sizeable as additional allocations above the budget totaled approximately SAR159 billion (\$42 billion) since the onset of COVID-19. These allocations served to stabilize the healthcare sector as well as keeping the private sector buoyant. However, the increases in spending were offset by a reduction of SAR111 (\$30 billion) in operational and capital expenditures that necessitated project delays and cancellations. The cuts in spending had the most impact on capital expenditures as this category fell from its budgeted SAR173 billion (\$46 billion) to SAR137 billion (\$37 billion) in 2020. The coronavirus pandemic impacted capital projects, especially Vision Realization Programs (VRPs). Furthermore, the government opted for a more targeted approach with its capital expenditures as it focused on developmental needs while improving its efficiency and effectiveness.

Capital expenditures are budgeted to reach SAR101 billion (\$27 billion) in 2021, representing a 26 percent decline compared to 2020. The government noted that heavy investments in prior years to develop its infrastructure capabilities warranted a slowdown in its own spending while allowing the private sector to continue its growing involvement in the development of the country. The pandemic caused delays to a number of VRP spending plans in 2020, yet the government is keen on delivering on its Vision 2030 mandate. The private sector will play a prominent role in developing the economy coupled with significant support from the PIF, which has already committed SAR150 billion (\$40 billion) per year as



part of its VRP2 strategy between 2021-2025.

As the global economy crawls back to a new normal, the role of the PIF will be instrumental in developing the local economy. The PIF will lessen the burden on the government, which has shouldered much of the capital expenditures over the years, as it will contribute up to 85 percent of the government's recently announced SAR6 trillion (\$1.6 trillion) in investment opportunities over the next 10 years. New projects that are part of the Vision 2030 strategy will account for SAR3 trillion (\$800 billion) or 50 percent of the SAR6 trillion (\$1.6 trillion).

The role of Saudi Aramco, which has been the largest awardee of contracts in the oil & gas sector will be worth monitoring in 2021. According to data from MEED Projects, Saudi Aramco cancelled or put on hold approximately SAR82 billion (\$22 billion) worth of contracts in 2020 alone. This figure is larger than the total value of awarded contracts across all sectors in 2020. The decision by Saudi Arabia during the most recent OPEC+ meeting to continue withholding the production of one million barrels per day through April 2021 to accommodate the global oil market, which allowed oil prices to hover around the \$70 per barrel range, will impact Saudi Aramco's expansion plans this year.

Despite the impact on Saudi Aramco's projects in 2021, the Kingdom is pushing forward with sizeable privatization plans such as a SAR60 billion (\$16 billion) water expansion project. The newly created Water Transmission and Technologies Company (WTTC) will attract global investors to take part in the Kingdom's expansive water program. WTTC will be responsible for 8,400 kilometers of transmission, distribution, and water storage systems, which is expected to handle 7 million cubic meters of desalinated water daily. Furthermore, the WTTC has plans to increase 3,500 kilometers of new transmission lines that will distribute more than 4 million cubic meters of desalinated water daily.

The resumption of the Renewable Energy Project Development Office (REPDO) tendering and awarding of round three in 2021 will boost contracts awards in the power sector. Round three will award approximately SAR31.5 billion (\$8.4 billion) worth of contracts in the second half of 2021 after delays in 2020. Category A and B submission deadlines were pushed to April and May 2021, respectively.

The Residential real estate sector is expected to continue to expand construction activities as the Ministry of Housing aims to increase the supply of affordable housing options. The growth of the mortgage market that was witnessed in 2020 continued unabated in January of this year to grow by 33,000 contracts worth SAR16.4 billion (\$4.4 billion).

The construction landscape still faces headwinds into 2021 yet breakthroughs such as the increase in the distribution of vaccines, the gradual resumption of social activities, and opening up international travel



bodes well for the global economy's outlook. Increasing demand albeit at a slower pace will also lessen the strain on the Saudi construction sector.



Notable Contracts During Q4 2020

Sector	Region	Client	Contractor	Details	Value (SAR Million)
Power	Tabuk	The Red Sea Development Company	China Gezhouba Group International Engineering	Renewable utilities infrastructure for the Red Sea project	1,500
Residential Real Estate	Riyadh	Roshn	Shapoorji Pallonji	Riyadh Community Project Package I to construct 3,000 homes	1,313
			Rezaik Al Gedrawy Contracting	Riyadh Community Homes Package II to construct 1,000 housing units	600
	Tabuk	The Red Sea Development Company	Alkifah Contracting	Workers apartment facility for the Red Sea project	750
Water	Jizan	SWCC	Acciona / Al Rashid Trading & Contracting	SWCC is upgrading energy efficiency at Shuqaiq desalination plant with thermal desalination and reverse osmosis tech	1,440
	Asir	National Water Company		Transmission line from The Rona reservoirs and the construction of a water purification plant	800
Transportation	Riyadh	Qiddiya Investment Company	Freyssinet Saudi Arabia / Haif Company (JV)	Construction of roads and bridges for Qiddiya entertainment city project	1,095
Oil & Gas	Eastern	Saudi Aramco	Al Rashid Trading & Contracting	New gas pipeline from Hawiyah Unayzah gas storage facility to Saudi Arabia's Master Gas System	375
Industrial	Makkah	Middle East Paper Co.		Tissue paper and hygienic paper jumbo rolls production plant at the Industrial Valley in KAEC	338

Source: Various Sources, USSBC



2020 Year in Review

Contract Award Summary and Top Sectors



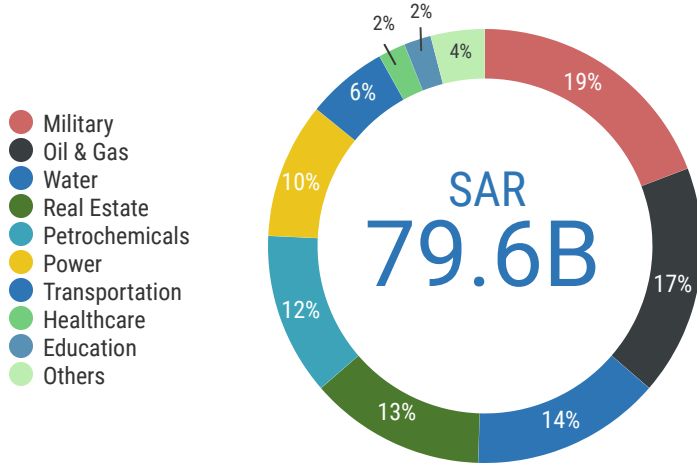
USSBC Contract Awards Index: 2020 Overview

Construction Contract Awards in Saudi Arabia

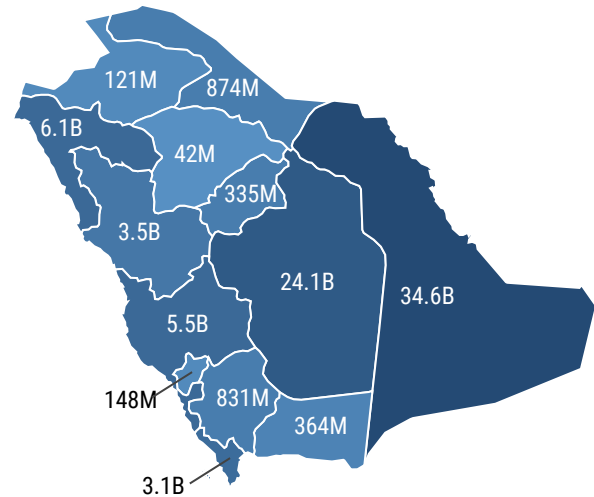


U.S.-Saudi Business Council
مجلس الأعمال السعودي الأمريكي

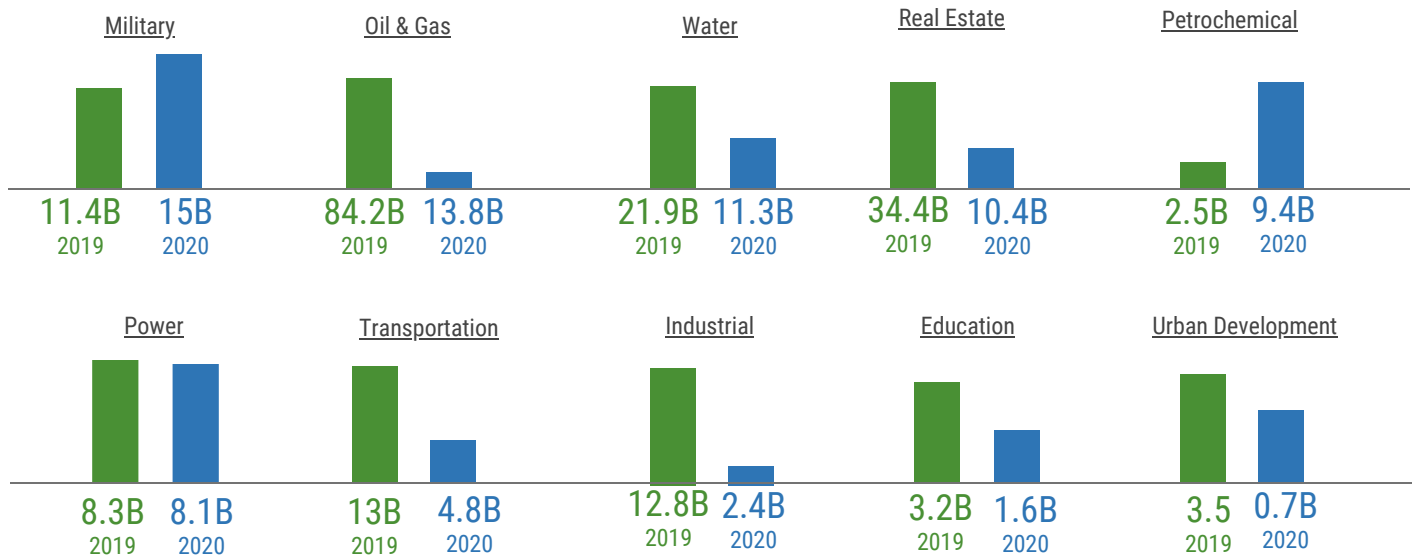
Value of Awarded Contracts (SAR)



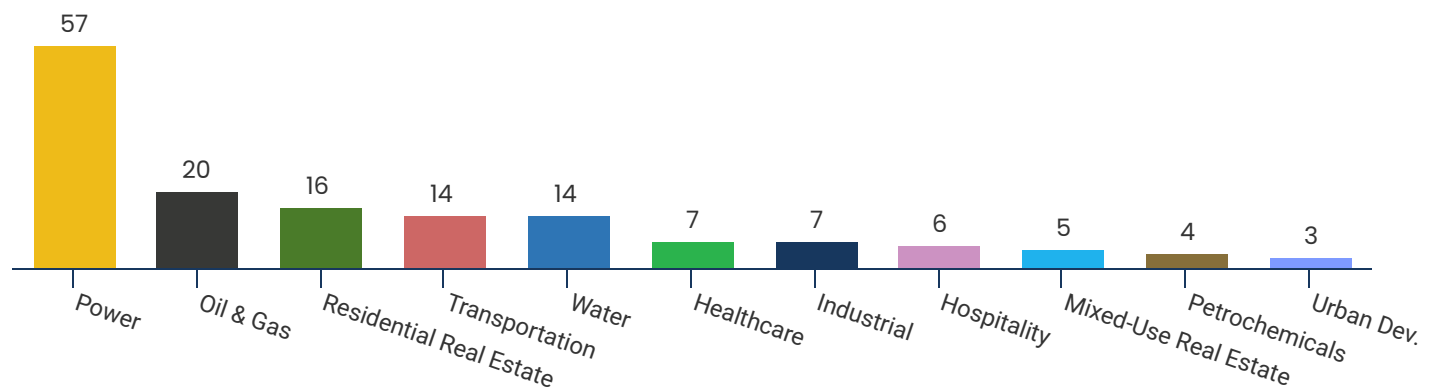
Value of Awarded Contracts by Region (SAR)



Value of Awarded Contracts by Sector (SAR)



Number of Awarded Contracts by Sector

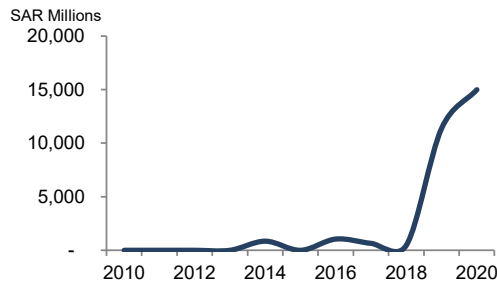




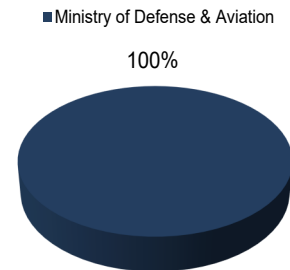
Military

The value of awarded contracts in the military sector accounted for 19 percent of the total and climbed to SAR15 billion (\$4 billion) in 2020 after netting SAR11.4 billion (\$3 billion) in 2019. Although the military garnered the highest share of awarded contracts in 2020, only two contracts worth SAR7.5 billion (\$2 billion) each were awarded. Both contracts were awarded by the Ministry of Defense & Aviation.

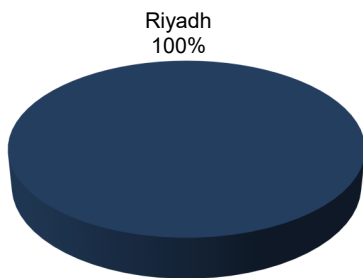
Value of Awarded Contracts in Military



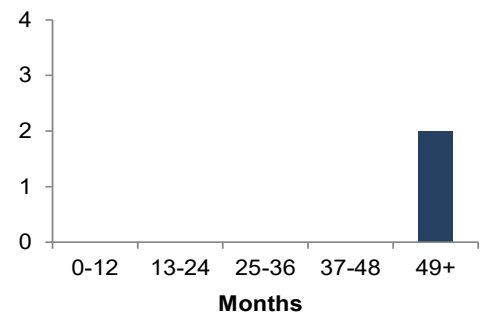
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

The Military sector has witnessed sizeable contracts over the last two years. The Ministry of Defense & Aviation awarded both contracts to consortiums given the scale of each project. The two airbase facilities are located in Riyadh and are being built by a combination of local and European contractors.

Top Five Contracts by Value During 2020:

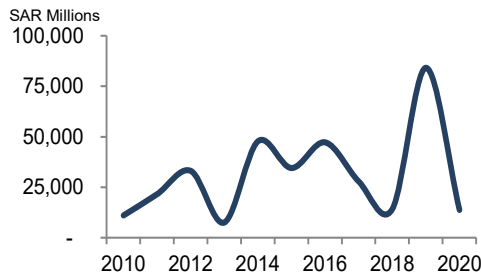
Contractor	Client	Details	Value (SAR Millions)
Nesma & Partners, El Seif Engineering Group, Almagani, Advanced Telecom Systems (Joint Venture)	Ministry of Defense & Aviation	Constructing King Salman airbase facilities and relocation projects	7,500
Nesma & Partners, El Seif Engineering Contracting, and Almagani (Joint Venture) + Shihb Al Jazira Contracting, Salini Impregilo, and Al Bawani (Joint Venture)	Ministry of Defense & Aviation	King Faisal air academy construction and relocation project in Riyadh	7,500



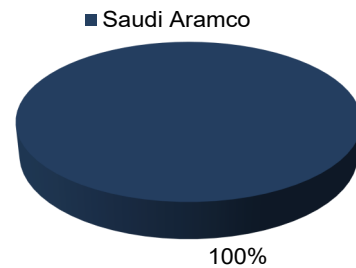
Oil & Gas

The value of awarded contracts in the oil & gas sector accounted for 17 percent of the total and declined to SAR13.8 billion (\$3.7 billion) in 2020 after an extraordinary SAR84.2 billion (\$22.5 billion) in 2019. Saudi Aramco was the sole awardee of contracts and the Eastern Province contained all of its projects in 2020. Oil & gas was the most adversely affected sector as a result of COVID-19.

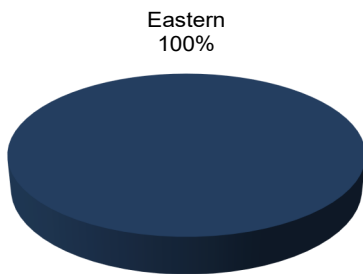
Value of Awarded Contracts in Oil & Gas



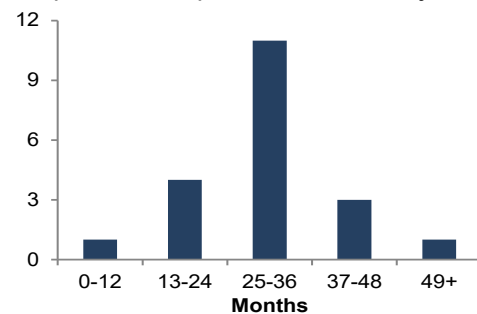
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

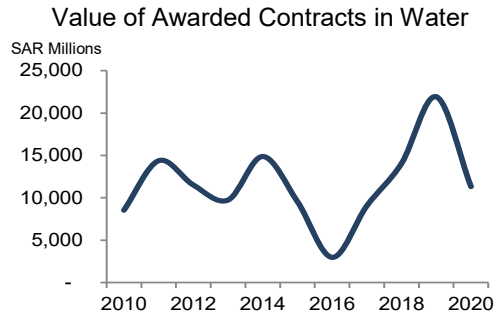
Despite Saudi Aramco's steep fall in awarded contracts in 2020, there were sizeable projects that were awarded to local and international companies. Saudi Aramco continued its investments in the Berri field and the South Ghawar region. Saudi Aramco is expected to resume several projects that were put on hold in 2020 as nearly SAR82 billion (\$22 billion) worth of contracts were suspended. Japanese and South Korean companies received the highest value of contracts among the international contractors.

Top Five Contracts by Value During 2020:

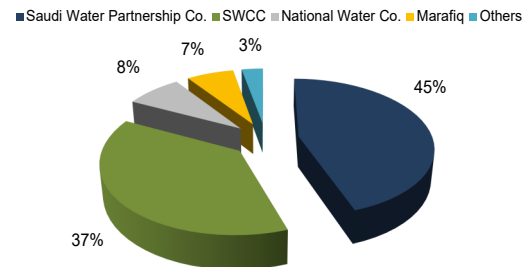
Contractor	Client	Details	Value (SAR Millions)
Samsung C&T	Saudi Aramco	Marjan co-generation independent steam and power project (ISPP) plant	1,313
JGC Corporation	Saudi Aramco	Produce 330MMSCFD of raw gas, 200MMSCFD of sales gas and 34MBPD Condensate in Mazalij and Mihwaz	2,100
National Petroleum Construction Company	Saudi Aramco	Upgrade of two production deck modules, installation of three new production deck modules, laying 5.8km pipeline and 57.3 subsea cables at Safaniya	1,500
CAT Group	Saudi Aramco	Constructing transmission pipelines in the South Ghawar region. The lines will connect to the main Haradh gas separation plant.	1,500
National Petroleum Construction Company	Saudi Aramco	Project includes four production modules at Berri field, installation of two production deck modules at Abu Safah field.	938

Water

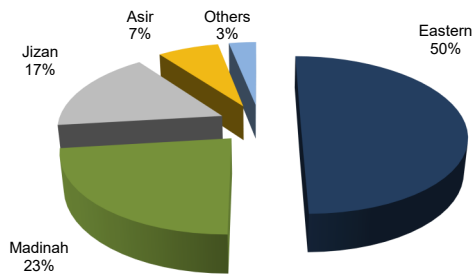
The value of awarded contracts in the water sector accounted for 14 percent of the total and declined to SAR11.3 billion (\$3 billion) in 2020 after witnessing SAR21.9 billion (\$5.8 billion) in 2019. The Saudi Water Partnership Company and the SWCC accounted for 82 percent of the total awarded contracts. The Eastern region dominated with 50 percent of the total value of contracts in 2020.



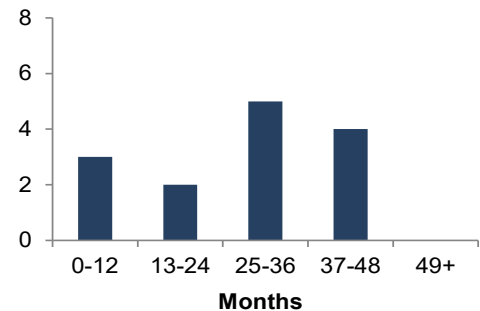
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

The water sector continued to see investments in desalination plants as reverse osmosis was the preferred technology method. The largest contracts were awarded to international contractors with South Korean and Chinese firms winning the largest bids. Local contractors partnered with European international firms. Significant investments in the water sector in 2021 are expected to see a wave of contract awards in 2021 and into the medium-term.

Top Five Contracts by Value During 2020:

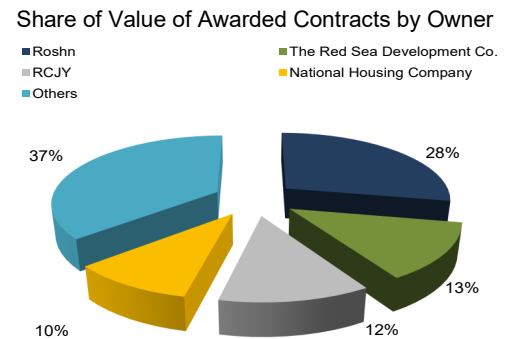
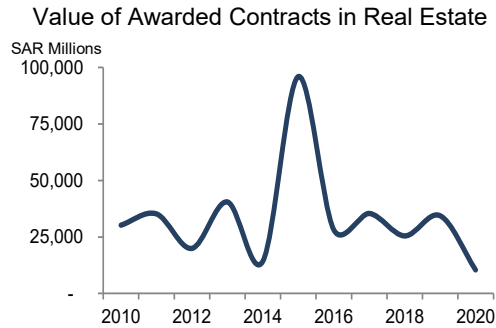
Contractor	Client	Details	Value (SAR Millions)
Doosan Heavy Industries & Construction	Saudi Water Partnership Co.	Construction of a water plant with a net potable water capacity of 450,000 m ³ /day using reverse osmosis seawater desalination technology.	2,625
SEPCO III	Saudi Water Partnership Co.	Construction of a seawater reverse osmosis plant, 380/33kV electrical substation, pumping station, water storage tank, installation of field solar photovoltaics	2,438
ACCIONA & RTC	SWCC	Construction of the Al Khobar 2 desalination plant in Khobar	1,875
ACCIONA & Al Rashid Trading & Contracting	SWCC	Upgrading the Shuqaiq desalination plant with thermal desalination tech and more energy efficient reverse osmosis tech.	1,440
National Petroleum Construction Company	National Water Company	Construction of water purification plant and transmission lines in Asir	800

Source: MEED Projects, public outlets, government data, USSBC

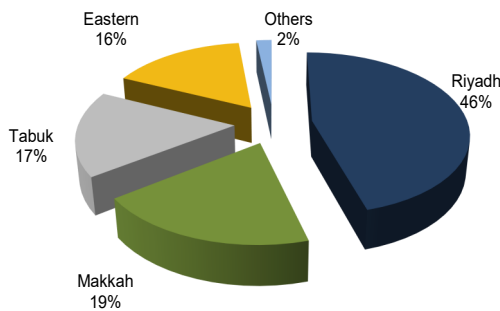


Real Estate

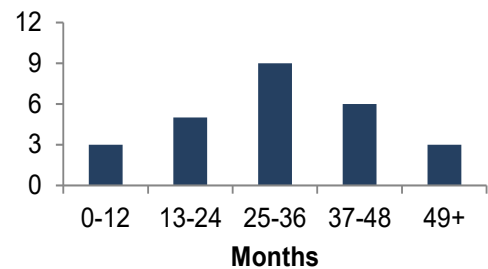
The value of awarded contracts in the real estate sector accounted for 14 percent of the total and slipped to SAR10.4 billion (\$2.8 billion) in 2020 after a strong SAR34.4 billion (\$9.2 billion) in 2019. Residential real estate led other subsectors on the back of record mortgage lending growth in 2020, which has fueled demand for affordable housing. After Riyadh, the contracts were dispersed across a number of regions.



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

The impact of COVID-19 subjected many commercial and mixed-used real estate projects to delays while the residential sector benefitted from the Ministry of Housing and the PIF's, through Roshn, mandate to supply needed affordable housing. International and local firms were selected to build many of the residential and commercial projects that were awarded. As the economy recovers from the pandemic, the commercial real estate sector is expected to garner an additional share of awarded contracts.

Top Five Contracts by Value During 2020:

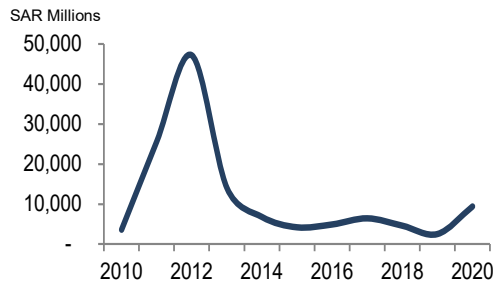
Contractor	Client	Details	Value (SAR Millions)
Shapoorji Pallonji	Roshn	Riyadh Community Project which includes 3,000 housing units and associated roads, parks, and landscaping works	1,313
Azad Properties Turkiye	AJW Group	Development of Souq7, a retail shopping complex in Jeddah	900
Alkifah Contracting	TRSDC	Workers apartment facility for the Red Sea project which includes 40 units and associated works	750
Rezaik Al Gedrawy Contracting	Roshn	Riyadh Community Homes Package II that includes 1,000 housing units and associated infrastructure works	600
Sinohydro	Dhahran Techno Valley Company	Constructing a ten-story, four-star hotel building with 216 hotel rooms and 118 apartment rooms	450



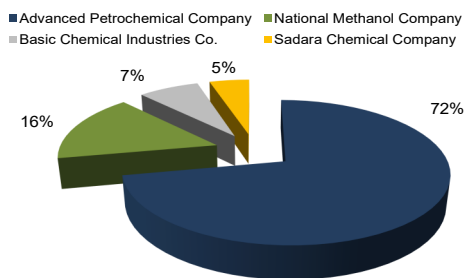
Petrochemicals

The value of awarded contracts in the real estate sector accounted for 12 percent of the total and surged to SAR9.4 billion (\$2.5 billion) in 2020 after a weaker SAR2.5 billion (\$662 million) in 2019. The petrochemicals sector was one of the few that witnessed growth in 2020 as the Advanced Petrochemical Company awarded 72 percent of all contracts. All contracts were awarded in the Eastern region.

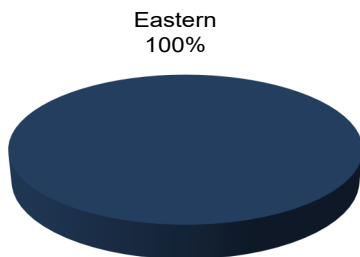
Value of Awarded Contracts in Petrochemicals



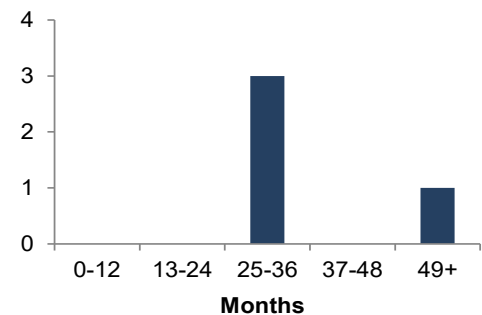
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

The petrochemicals sector has been relatively dormant over the last few years after witnessing sizeable activity between 2011-2013. Although the petrochemicals sector recorded only four contracts in 2020, the contracts values pushed it to finish in the top five sectors in 2020. Asian contractors from South Korea and China were awarded the largest contracts while a local firm was also active.

Top Five Contracts by Value During 2020:

Contractor	Client	Details	Value (SAR Millions)
SK Gas Petrochemical	Advanced Petrochemical Company	Construct and operate a propane dehydrogeneration unit and a polypropylene unit	6,750
Wison Engineering	National Methanol Company	Construction of Autothermal Reformer (ATR) and Methanol Converters Project in Jubail Industrial City	1,500
Nasser Saeed Al Hajri & Partners Contracting Co.	Basic Chemicals Industries Co.	Construction of chlorine derivatives plant in Jubail	685
ATCO Group	Sadara Chemical Company	Constructing transmission pipelines in the South Ghawar region. The lines will connect to the main Haradh gas separation plant.	450



Disclaimer:

The sources used to obtain data in this report are derived from government/ministerial agencies, news outlets, interviews, subscription based databases, and other related sources. The awarded contract values are subject to change each month as a result of changes to the status of a contract. There may be situations in which previously reported contracts are delayed, cancelled, or otherwise altered in any way. The information contained in this document was gathered from sources believed to be accurate at the time, and the U.S.-Saudi Arabian Business Council accepts no liability from errors or omissions in any part due to human or mechanical error. The above information should not be taken as investment advice or as trading recommendation on behalf of the U.S.-Saudi Arabian Business Council.

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