

Saudi Arabia Projects Spending Smashes Records

Saudi's 2023 projects market hit \$100bn, 56% higher than 2022. The momentum continues in 2024, reflecting an unprecedented construction boom.

DUBAI, UNITED ARAB EMIRATES, February 5, 2024 /EINPresswire.com/ -- Saudi Arabia's projects market witnessed almost \$100bn of contracts in 2023, marking the highest annual value of work ever awarded in a single GCC state, according to leading projects tracking service MEED Projects.

“

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Ed James, Head of Content and Research, MEED

At \$95.7bn, the kingdom's total is some 56% higher than the \$61.3bn-worth of contracts signed in 2022 and more than double its 10-year annual average of \$43.9bn. It also exceeded by a similar margin its previous record of \$62.9bn recorded in 2013.

The eye-catching figure reflects the acceleration in Saudi Arabia's giga projects programme, which MEED estimates

will require some \$880bn of investment over the next decade in one of the world's largest capital spending drives.

Market drivers

Key giga projects contributing to the huge increase in expenditure last year include the Red Sea tourism development, the Diriyah Gate cultural, commercial and residential destination, and Neom, which, with an estimated cost of \$500bn, is reckoned to be the world's largest single project.

Other major contracts included multiple packages on Saudi Aramco's multibillion-dollar Jafurah unconventional gas programme, the Amiral petrochemicals complex, four 1,800MW gas-fired power plants and more than 5,000MW of renewable energy production capacity.

“While we knew that 2023 was going to be an exceptional year, few expected Saudi Arabia and the region as a whole would see such a massive rise in capital expenditure,” said Ed James, head of content and research at MEED, part of London-based business intelligence group

GlobalData.

“This increase has been driven by sustained higher oil prices, a resurgence in real estate spending, and, of course, the iconic giga projects programme, the scale of which has never been attempted anywhere.

“The result is by far the largest value of work awarded by the kingdom in a single year since records began in 2001, and represents one of the biggest project expenditure initiatives globally.”

MEED Projects data suggests that 2024 will likely continue in the same vein. The award in mid-January of the \$4.7bn contract to Italian contractor WeBuild to build three major dams as

part of Neom’s Trojena development is the largest construction and infrastructure deal ever signed in the region with a single company. It indicates that there is little appetite in the kingdom to slow the rate of development.

Other significant projects expected to be awarded this year include the Line 7 and Line 2 extensions to the Riyadh Metro, which will likely total more than \$5bn. There are also many more upcoming contracts on the giga projects programme and what will be the world’s tallest structure – the one-kilometre-plus Jeddah Tower.

“The region is going through an unprecedented construction boom,” said James. “There has never been a better opportunity for contractors and suppliers globally to engage with projects in Saudi Arabia and the GCC as a whole.”

In the context of this unprecedented projects boom, MEED is excited to announce its Saudi Giga Projects and MENA Construction Summit 2024, on 13-14 May in Riyadh.

As the industry experiences massive growth, the summit will provide a unique platform for participants to gain a comprehensive overview and in-depth look at the giga projects. Attendees will leave equipped with the latest strategies from C-level executives, thought leaders and key stakeholders in the industry.

Specific project opportunities, potential challenges and technological innovations will take centre stage at the summit, presenting a golden opportunity for attendees to gain expert industry



knowledge.

Participants will be able to meet and network with key stakeholders and giga project owners, engage in meaningful discussions, tackle industry challenges and explore profitable collaborations.

The Saudi Giga Projects and MENA Construction Summit 2024 will be held at the Crowne Plaza RDC – Riyadh, 13-14 May 2024.

Day 1 agenda: <https://events.meed.com/event/saudigigaprojects/#agenda>

Day 2 agenda: <https://events.meed.com/event/menaconstructions Summit/#agenda>

Don't miss the chance to be part of this historic period in construction development.

To find out more details and take advantage of the delegate tickets for the event visit:

<https://www.reports.meed.com/saudi-gigaprojects-2024>

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