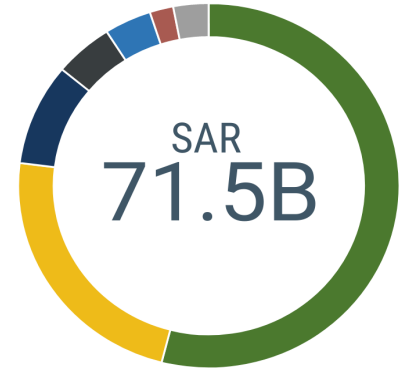
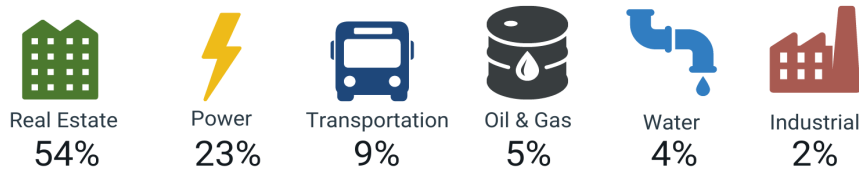




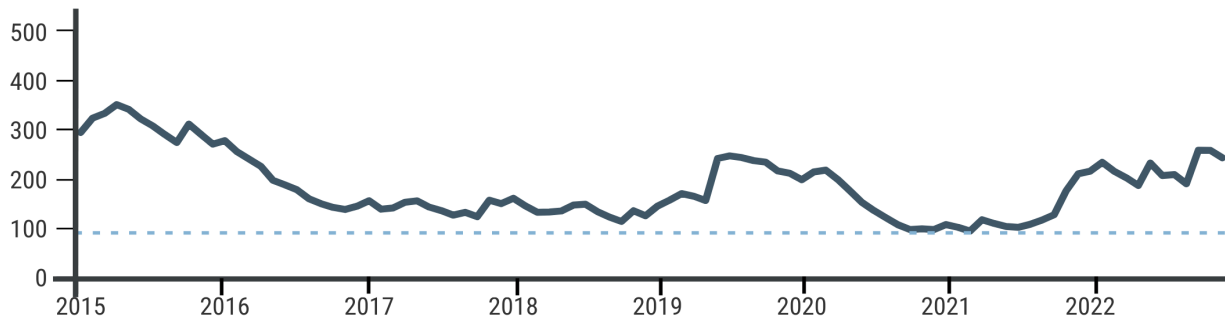
USSBC Contract Awards Index Fourth Quarter 2022

Contracts Awarded by Sector



Real estate contributed the largest share of the value of awarded contracts in Q4 with 54 percent. Power constituted 23 percent of the total value, followed by transportation 9 percent, oil & gas 5 percent, water 4 percent, and industrial 2 percent. Other categories accounted for the remaining 3 percent.

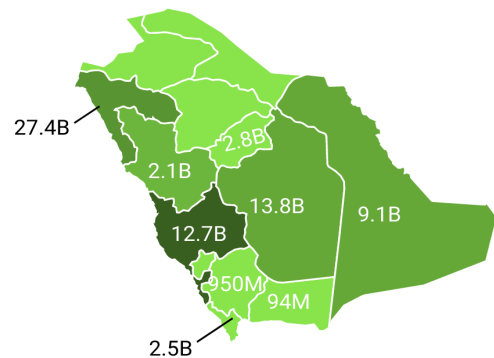
Contract Awards Index Over Time



The USSBC Contract Awards Index reached 241.71 points as market fundamentals strengthen on growing construction activity. The total value of contracts reached SAR192.4 billion (\$51.3 billion) during 2022.

Contract Awards By Province

Tabuk Province registered the highest tally of awarded contracts, accounting for 38 percent of the total. NEOM accounted for a majority of the contracts, accounting for 94 percent of Tabuk's total. Riyadh Province captured the second highest value, accounting for 19 percent of the total. The real estate sector contributed a 63 percent share in Riyadh. Makkah Province rounded the top three regions as it awarded 18 percent of the total. The power sector accounted for 77 percent of Makkah's total. The Eastern Province received 13 percent of contract values. The power sector accounted for 36 percent of the total while the oil & gas sector garnered 32 percent of the Eastern Province's total.



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

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Highlights

1. The value of awarded contracts catapulted to SAR71.5 billion (\$19.1 billion) during the fourth quarter, marking a 2 percent increase YoY. The total value reached approximately SAR192.4 billion (\$51.3 billion) in 2022, a 35 percent jump compared to 2021.
2. The USSBC Contract Awards Index surged to 241.71 points, growing by 52.92 points during the quarter. The CAI grew by 16 percent YoY to finish 2022.
3. The real estate sector witnessed a sizeable increase to reach the highest value of awarded contracts worth approximately SAR38.9 billion (\$10.4 billion), repeating last quarter's rank.
4. The power sector rebounded to reach the second spot as the value of awarded contracts rose to approximately SAR16.4 billion (\$4.4 billion).
5. The transportation sector fell to the third position with approximately SAR6 billion (\$1.6 billion) worth of awards despite surpassing last quarter's total.

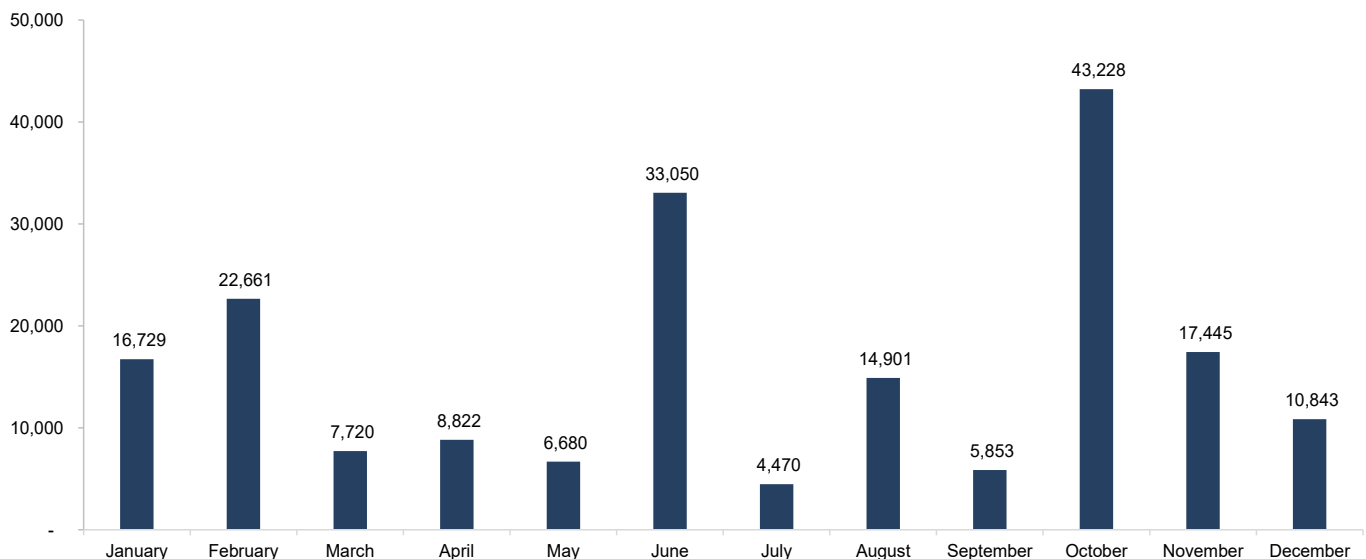
Key Takeaway:



The surge in contract awards continues unabated on the back of a growing economy that was fueled by significant oil revenues and the acceleration of mega-projects following the COVID-19 slowdown. Furthermore, the private sector's increasing contribution to the Kingdom's diversification strategy is aiding in the rebound of the construction sector to pre-pandemic periods.



Value of Awarded Contracts During 2022 (SAR Millions)



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

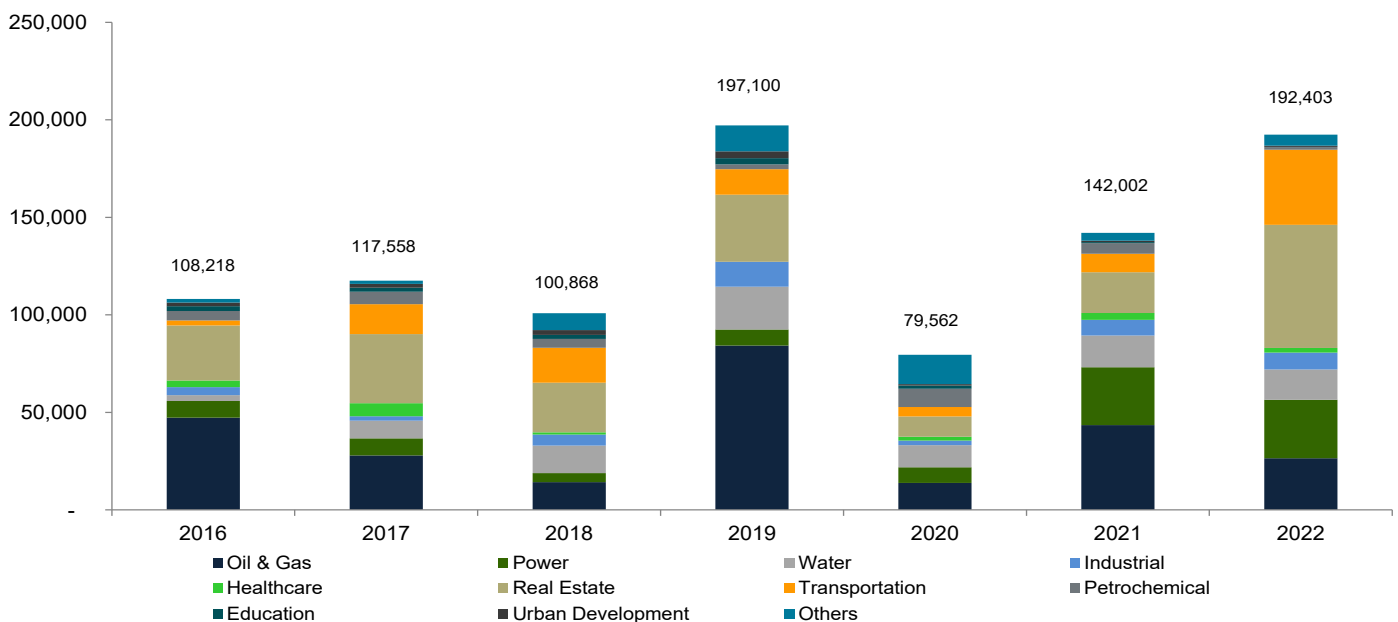


Overview of Awarded Contracts During Q4 2022

The construction sector continued its ascension during 2022 as the value of awarded contracts returned to pre-pandemic levels. The Kingdom witnessed strong growth across a majority of sectors led by ongoing investments in giga-projects such as NEOM, Diriyah Gate, and the Red Sea project along with social infrastructure projects led by ROSHN and the National Housing Company. The growth in contracts were also supported by sizeable physical infrastructure projects within the transportation and water sectors in addition to numerous oil & gas and power sector projects led by Saudi Aramco and the Saline Water Conversion Corporation. This progression aided Saudi Arabia's economy whereby it achieved a GDP growth rate of 8.7 percent, which was highest among G20 countries. The Kingdom's oil GDP grew by 15.4 percent YoY in 2022, while growth in non-oil GDP witnessed 5.4 percent increase. The scale of domestic activities was further supported by the gross fixed capital formation, which grew by 24.1 percent YoY.

The value of awarded contracts during Q4'22 surged to SAR71.5 billion (\$19.1 billion), accounting for 37 percent of this year's awards. This marks the highest value of awarded contracts in a quarter in nearly seven years when the value reached SAR88.1 billion (\$23.6 billion) in the first quarter of 2015. The remarkable growth during Q4'22 brings the total value of awarded contracts in 2022 to SAR192.4 billion (\$51.3 billion), reflecting a 35 percent increase over 2021. Although the value of contract awards did not eclipse 2019's SAR197.1 billion (\$52.3 billion), it is the second highest tally by year since 2015. The value of awarded contracts during Q4'22 were led by the real estate, power, and water sectors, which accounted for 86 percent of the total. The real estate sector alone accounted for 54 percent of the total.

Value of Awarded Contracts by Year (SAR Millions)



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

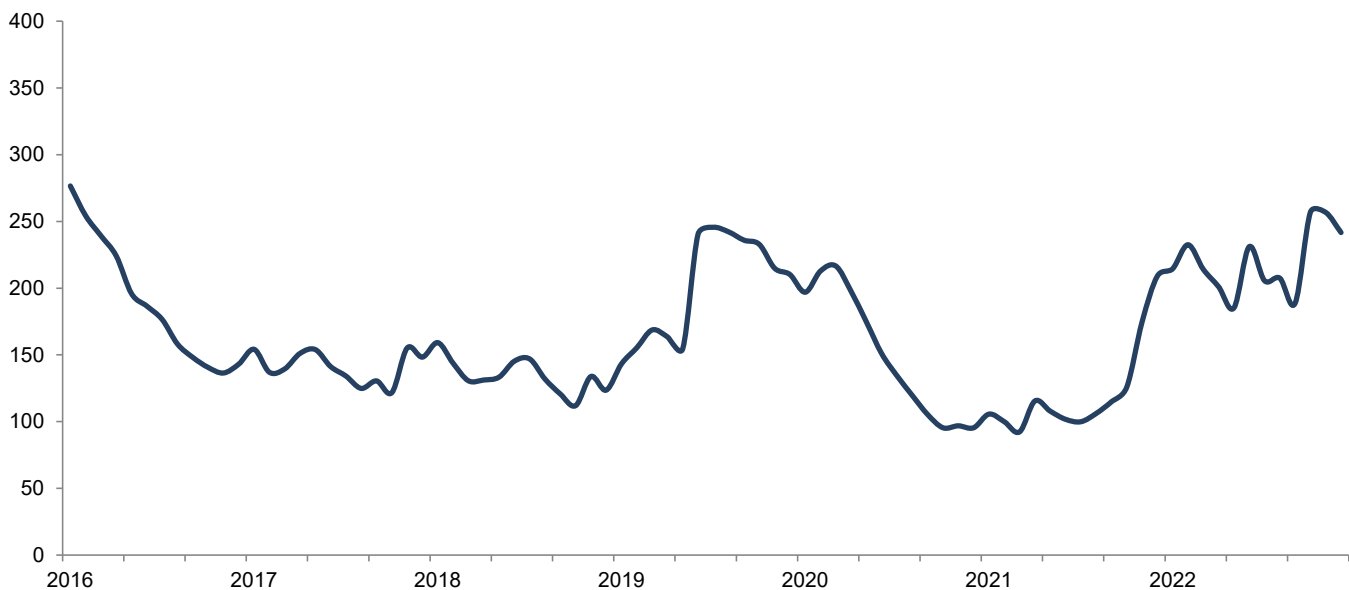


USSBC's Contract Awards Index Performance Through Q4 2022*

The USSBC Contract Awards Index (CAI) climbed to 241.71 points at the end of the fourth quarter. The CAI ended the year above the 200-point mark in 11 out of the 12 months in 2022 following its recovery during the second half of 2021. The CAI grew by 52.92 points or 28 percent QoQ while also growing by 32.66 points or 16 percent YoY. The resurgence in awarded contracts on the back of numerous giga-projects fueled the surge following the pandemic induced slow down that hampered the construction sector. The CAI grew to 257.07 points in October, remained steady in November at 256.80 points, before finishing December at 241.71 points.

Following the rebound in awarded contracts that began to rise during the second half of 2021 through 2022, the scale of projects under the execution phase grew by SAR6 billion (\$1.6 billion) or 12 percent YoY to reach SAR712 billion (\$190 billion) in 2022, according to MEED Projects. Furthermore, projects under the execution phase grew by SAR38.4 billion (\$10.2 billion) or 221 percent compared to 2020. The CAI is expected to remain elevated throughout 2023 as the Kingdom's diversification plans gear closer to 2030.

USSBC Contract Awards Index Performance



Source: MEED Projects, Saudi Gulf 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.



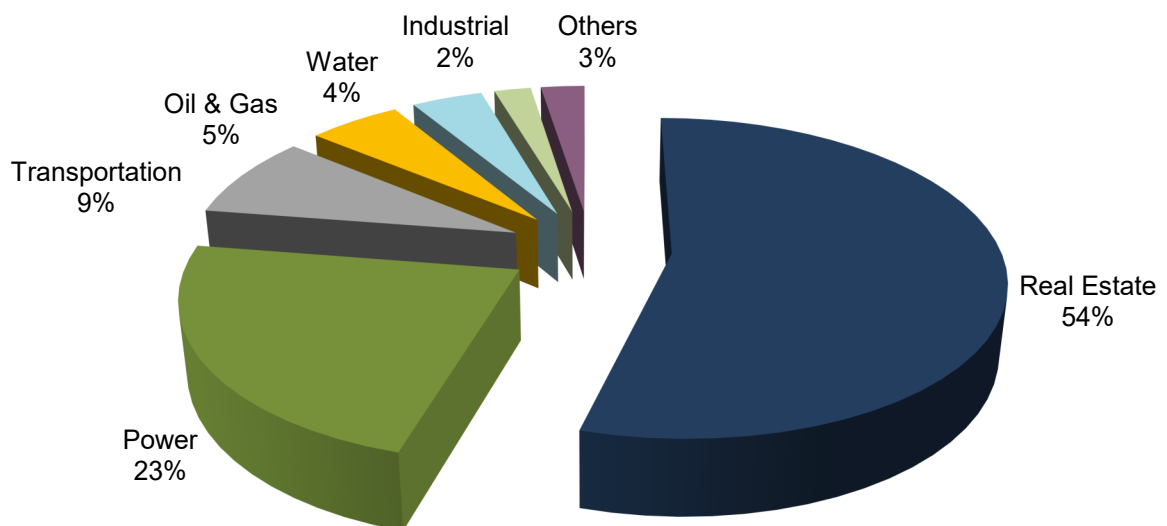
Overview of Awarded Contracts By Sector During Q4 2022

The real estate sector remained the highest awardee of contracts during Q4'22 as it reached SAR38.9 billion (\$10.4 billion) or 54 percent of the total. The residential real estate market accounted for the highest value of awarded contracts within the real estate sector with SAR29.2 billion (\$7.8 billion) as NEOM and ROSHN led with the majority of the awards. The mixed-use and commercial real estate markets accounted for SAR4.9 billion (\$1.3 billion) and SAR3.7 billion (\$1 billion), respectively. The hospitality market accounted for the remaining SAR1.1 billion (\$297 million).

The power sector climbed to reach SAR16.4 billion (\$4.4 billion) or 23 percent of the total during the fourth quarter after a slow third quarter. ACWA Power was responsible for a majority of the share of awards with a single contract worth SAR9.6 billion (\$2.6 billion) related to the Shuaibah 2 solar PV power plant. SWCC, SEC, and the GCC Interconnection Authority accounted for a majority of the remaining contracts across the Kingdom.

The transportation sector continued to witness sizeable contract awards during the quarter as it garnered SAR6 billion (\$1.6 billion) or 9 percent of the total. A majority of the contracts were awarded by NEOM as it continues to develop excavation and earthworks related to infrastructure projects, while Red Sea Global and Diriyah Gate Development Authority also accounted for a number of project awards. The Qiddiya Investment Company also awarded a single contract worth SAR1 billion (\$266 million) relating to tunnel works at the Qiddiya Entertainment City.

Value of Awarded Contracts by Sector During Q4 2022





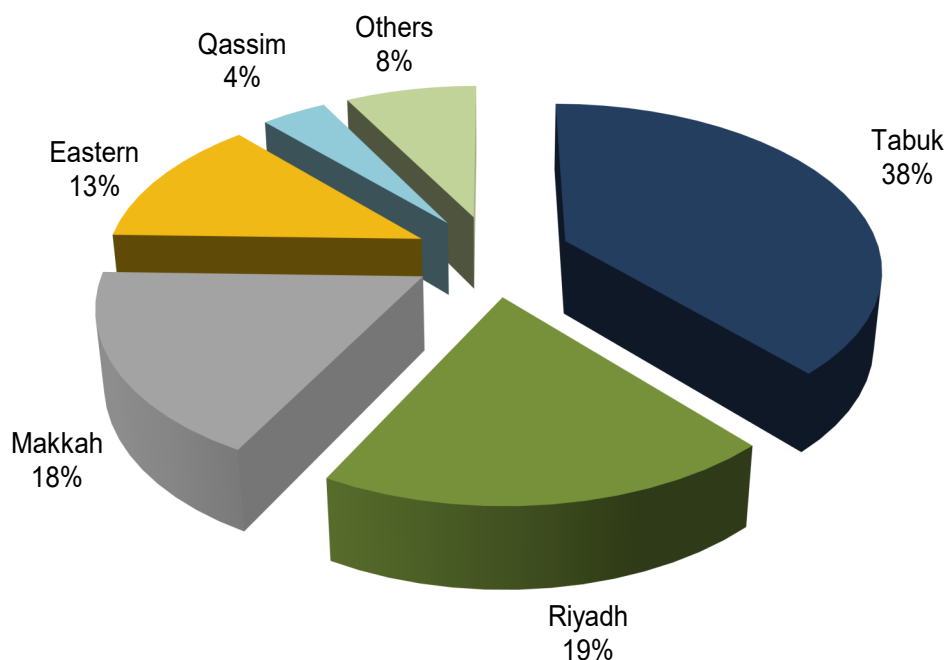
Overview of Awarded Contracts By Region During Q4 2022

The Tabuk region registered the highest tally of awarded contracts at it attracted SAR27.4 billion (\$7.3 billion) or 38 percent of the total. NEOM accounted for a majority of the contracts as it awarded SAR25.7 billion (\$6.9 billion) or 94 percent of all contracts during the quarter. NEOM's contract awards were in the real estate and transportation sectors. The remaining SAR1.8 billion (\$468 million) or 6 percent in contracts were awarded by Red Sea Global, SEVEN, and Tabuk Municipality also across the real estate and transportation sectors.

The Riyadh region captured the second highest value of awarded contracts with SAR13.8 billion (\$3.7 billion) or 19 percent of the total. The real estate sector accounted for the highest share of Riyadh's contracts with SAR8.7 billion (\$2.3 billion) or 63 percent of the total. The transportation sector attracted the second largest share of Riyadh's awarded contracts with SAR1.6 billion (\$438 million) or 12 percent. The remaining 25 percent of the awarded contracts came from the healthcare, industrial, power, water, and oil & gas sectors.

The Makkah region rounded the top three regions by awarded contracts with SAR12.7 billion (\$3.4 billion) or 18 percent of the total. The power sector's two contract awards accounted for SAR9.8 billion (\$2.6 billion) or 77 percent of the total. Meanwhile, the real estate sector captured the second highest value of awarded contracts in Makkah with SAR1.8 billion (\$493 million) or 15 percent. The remaining 8 percent of awarded contracts were distributed between the transportation, military, industrial, and water sectors.

Value of Awarded Contracts by Region During Q4 2022





Breakdown of Awarded Contracts Across Top Performing Sectors

Real Estate

The real estate sector's surge of SAR38.9 billion (\$10.4 billion) in awards from 33 contracts during Q4'22 was the highest grossing sector by quarter in 2022. The growth was fueled by the residential real estate market, which grew by SAR25.3 billion (\$6.7 billion) or 637 percent QoQ and by a significant SAR27.6 billion (\$7.4 billion) or 1,721 percent YoY. This was the largest tally by quarter for the residential real estate market since Q1'15 when it reached SAR33.2 billion (\$8.9 billion). Overall, the real estate sector grew by SAR26.4 billion (\$7 billion) or 210 percent QoQ during Q4'22 and increased by SAR31.4 billion (\$8.4 billion) or 415 percent YoY. For the year, the real estate sector achieved the highest tally in awarded contracts with SAR63.1 billion (\$16.8 billion), which was SAR42.2 billion (\$11.3 billion) or 202 percent greater than 2021. It also marked the second highest annual tally on record following 2015, which attracted SAR96 billion (\$25.6 billion). The real estate sector accounted for 33 percent of the total value of awarded contracts during 2022.

The largest contract in the real estate sector during Q4'22 was awarded within the residential real estate market by NEOM to Alfanar Construction in the amount of SAR13.1 billion (\$3.5 billion). The contract, which was awarded in October, pertains to the development of housing for staff working at NEOM as part of a public-private partnership (PPP) model for the NEOM City Project. NEOM awarded two additional contracts under the PPP model for staff housing. According to MEED Projects, the development will include five housing clusters as part of Phase one. This will involve the construction of 50,000 housing units along with utility buildings, parking facilities, entertainment facilities, mosques, clinics, and infrastructure works. The project is expected to be completed by the fourth quarter of 2025.

The second contract awarded by NEOM went to Tamasuk Holding Co. in the amount of SAR5.6 billion (\$1.5 billion). This project calls for the development of three housing clusters as part of Phase one that will involve apartments, landscaping, parking facilities, and related infrastructure works. The project is expected to be completed by the third quarter of 2024.

The third contract awarded by NEOM went to Almutlaq Group in the amount of SAR3.8 billion (\$1 billion). This project entails developing two housing clusters as part of Phase one that will also involve constructing apartments, landscaping, parking facilities, and related infrastructure works. The project is expected to be completed by the fourth quarter of 2025.

The next largest contract during the quarter was awarded within the commercial real estate market in November by Majid Al Futtaim Group to a joint venture between the local El Seif Engineering Contracting and the U.A.E.'s ALEC in the amount of SAR2.6 billion (\$700 million) to build "Mall of Saudi" in Riyadh.



The project will be situated on 866,500 sqm of land and will contain over 600 stores on 300,000 sqm of gross leasable area. It will also house the largest ski slope and snow park in the Middle East that will be situated on an area of 26,000 sqm. The mall will also include 31 VOX cinema screens, additional entertainment and dining facilities, and associated parking. The project is expected to be completed by the first quarter of 2026.

A sizeable contract was awarded within the mixed-use real estate market by Saudi Entertainment Ventures (SEVEN) in November as part of the Al Nahadah Entertainment Complex in Riyadh. The project was awarded to Greece's Consolidated Contractors Company in the amount of SAR2.4 billion (\$650 million). The entertainment complex will be situated on 215,000 sqm of land and will include recreational spaces, retail and dining, amusement parks, a ski slope, a water park, a theatre, and associated facilities. According to MEED Projects, the project is expected to be completed by the third quarter of 2025.

SEVEN awarded another project in December to the local Modern Building Leaders in the amount of SAR1.1 billion (\$293 million). The project calls for the development of an Abha entertainment complex that will situate on 70,000 sqm of land. It will include open recreational spaces, dining, cinemas, indoor sport facilities, go karting, and additional entertainment facilities. The project is expected to be completed by the fourth quarter of 2025.

Saudi Aramco awarded a workers accommodation camp project in December to the local Arabian Construction Company in the amount of SAR1.7 billion (\$450 million). According to MEED Projects, the project is being developed on a PPP model that will include 11 residential buildings for 2,800 workers, two mosques, a recreation building, medical clinic, fire station, security station, and associated buildings. The project is expected to be completed by the fourth quarter of 2025.

ROSHN awarded three contracts of which two were noteworthy. The first contract was awarded in November to India's Shapoorji Pallonji in the amount of SAR1.1 billion (\$300 million). The project involves the development of 2,171 housing units as part of Phase two of the Sedra District Community Homes in Riyadh. According to MEED Projects, the development is divided into three categories consisting of 3A, 3B, and 3C. 3A will have 659 units constructed, 3B will have 665 units constructed, and 3C will have 847 units constructed. The project is expected to be completed by the second quarter of 2025.

The second contract awarded by ROSHN was to the local Abr Contracting Company in the amount of SAR1.3 billion (\$350 million). The project involves the development of phase one of the Al Arous Community in Jeddah. According to MEED Projects, the project will consist of three zones that will develop single family homes. Zone A will contain 790 housing units, Zone B 751 housing units, and Zone C with 810 housing units. The project is expected to be completed by the fourth quarter of 2025.



Power

The power sector rebounded during Q4'22 after witnessing 20 contracts worth SAR16.4 billion (\$4.4 billion) being awarded. The resurgence was mainly attributed to a sizeable contract by ACWA Power related to the Shuaibah 2 solar PV power plant and marked the largest contract award in the power sector during 2022. This was the largest tally by quarter for the power sector since Q2'14, which reached SAR16.6 billion (\$4.4 billion). The power sector grew by SAR13.8 billion (\$3.7 billion) or 527 QoQ and by SAR4.3 billion (\$1.1 billion) or 36 percent YoY. For the year, the power sector garnered the third highest value of awarded contracts by sector with SAR30 billion (\$8 billion), which was SAR383 million or 1 percent higher than 2021. It marked the highest annual tally since 2015, which reached SAR31.7 billion (\$8.5 billion). The power sector accounted for 16 percent of the total value of awarded contracts during 2022.

ACWA Power awarded a SAR9.6 billion (\$2.6 billion) contract to a Chinese joint venture between China Energy Engineering Corp. and Guangdong Electric Power Design Institute in October to build a 2,060 MW solar plant in Al Shuaibah, Makkah region. The power plant will be the largest facility of its kind in the Middle East. Moreover, the Shuaibah Two Electrical Energy Company entered a power purchasing agreement with the Saudi Power Procurement Company (SPPC). The plant is expected to power 350,000 homes. The Shuaibah 2 project is ACWA Power's sixth solar energy facility in Saudi Arabia. The project is expected to be completed by the fourth quarter of 2025.

A second solar PV power plant project was awarded in the amount of SAR2.4 billion (\$640 million) by the Renewable Energy Project Development Office (REPDO) to India's Larsen & Toubro. ACWA Power will be the project's developer. The 700 MW solar PV power plant is located in Ar Rass, Qassim region and will include the construction of control rooms and the installation of solar panels, transformers, transmission lines, and additional works. The project is expected to be completed by the second quarter of 2024.

A third solar PV power plant project was awarded in the amount of SAR1.2 billion (\$320 million) by SWCC to Alfanar Group in October. The 110 MW solar PV power plant will be ground mounted, with a portion reserved for floating solar capabilities. The project will provide electricity to desalinate seawater through reverse osmosis at the Jubail 2 Desalination Plant. The project will also include a 380 kV substation and 173 kilometers of overhead transmission lines. The project is also expected to reduce the use of crude oil by 500,000 barrels per year. The project is expected to be completed by the fourth quarter of 2025.

The GCC Interconnection Authority awarded six contracts worth SAR1.2 billion (\$312.3 billion) all to India's KEC International Limited in October. The scope of the contracts involve the construction of high voltage transmission lines between Saudi Arabia and Kuwait. Additional work will include the construction



of regional control centers, electric feeder systems, and related works. According to MEED Projects, the contracts are expected to be completed by the third quarter of 2025.

The SEC awarded 10 contracts during the fourth quarter worth SAR1.9 billion (\$506 million) of which nine were awarded to local contractors. The largest contract was awarded to Larsen & Toubro in the amount of SAR795 million (\$212 million). According to MEED Projects, the project entails the construction of a 400 km, 380 kV overhead transmission line in Dammam. The project will include the construction of a 230 kV gas-insulated substation. The project is expected to be completed by the third quarter of 2025.

Transportation

The transportation sector maintained its position as a top contributor during Q4'22 as it awarded SAR6 billion (\$1.6 billion) on 16 contracts. NEOM was the most active awarder of contracts as it continues to develop its transportation network including tunneling, dredging, and earthworks. Red Sea Global and QIC also contributed with several sizeable contracts during the quarter. The transportation sector declined by SAR18.9 billion (\$5 billion) or 85 percent QoQ but grew by SAR780 million (\$208 million) or 30 percent YoY. For the year, the transportation sector received the second highest value of awarded contracts with SAR38.6 billion (\$10.3 billion), which was SAR29.1 billion (\$7.8 billion) higher than 2021. It marked the third highest tally on record after 2013 and 2011, which had accumulated SAR105.8 billion (\$28.2 billion) and SAR65 billion (\$17.3 billion), respectively. The transportation sector accounted for 20 percent of the total value of awarded contracts during 2022.

NEOM awarded six contracts worth SAR2.8 billion (\$750 million) to a mix of local and international contractors. The largest contract was awarded to Greece's Archirodon in the amount of SAR1.1 billion (\$300 million) in December. According to MEED Projects, the scope of work entails the development of onshore and offshore infrastructure works of 12 islands as part of the NEOM City Development Program. Additional work includes dredging and reclamation, permanent and temporary site works, landscaping, and associated works. The project is expected to be completed by the fourth quarter of 2026.

NEOM awarded another sizeable project to Germany's Bauer in the amount of SAR600 million (\$160 million) in December. Bauer will be responsible for constructing 70 meter deep large-diameter bored piles up to 2.5 meters in diameter for 'The Line' project. According to MEED Projects, the project is expected to be completed by the third quarter of 2025.

Red Sea Global awarded a contract in October to the local Al Ayuni Investment & Contracting to develop the infrastructure and road works for the 'Triple Bay' as part of the Amaala Tourist Destination Development project. According to MEED Projects, the SAR1 billion (\$266 million) project will include two phases that will develop roads, street lighting, wadi crossings, culverts, and irrigation pumping stations.



The project is expected to be completed by the fourth quarter of 2025.

QIC awarded a contract to the local Shibh Al Jazira Contracting during November in the amount of SAR1 billion (\$266 million). The project will involve bulk grading and tunnel works as part of 'Resort Core' at the Qiddiya Entertainment City. Additional work will include earthworks, road construction, and associated infrastructure works. According to MEED Projects, the project is expected to be completed by the fourth quarter of 2024.

Contract Awards Outlook

The surge in contract awards continues unabated on the back of a growing economy that was fueled by significant oil revenues and the acceleration of giga-projects following the COVID-19 slowdown. Furthermore, the private sector's increasing contribution to the Kingdom's diversification strategy is aiding in the rebound of the construction sector to pre-pandemic periods. Oil GDP's YoY growth of 15.3 percent in 2022 was the highest since 2003 when it reached 17.4 percent. The windfall in oil revenues strengthened the Kingdom's position to support the funding of national diversification strategies while accelerating the development of its non-oil sector. The private sector's contribution to GDP reached an all-time high in 2022 as it accumulated SAR1.2 trillion (\$325 billion), growing by 5.3 percent YoY. These developments supported construction sector GDP as it grew by 4.5 percent, the highest rate since 2014 when it reached 6.6 percent.

The growth in the Kingdom's construction spending was evident in part by the government's increase in state capital expenditures (capex). Capex surpassed the budgeted SAR92 billion (\$24.5 billion) for 2022 by 56 percent to reach SAR143 billion (\$38.3 billion). Furthermore, capex grew by SAR26 billion (\$7 billion) or 22 percent compared to 2021. However, capex as a share of total expenditures was 12 percent, which was lower than the historical average. The 2023 state budget allocated SAR157 billion (\$42 billion) in capex, marking a 10 percent increase YoY, and a contribution of 14 percent to total expenditures. The 2023 budget further allocated spending across numerous sectors with the aim of improving education, healthcare, municipal development, and domestic security. Spending in these areas will prioritize the fulfillment of Vision 2030 mandates, which include the construction of new hospitals, schools, expansion of road and rail networks, and providing municipal services to residents.

The Kingdom's Gross Fixed Capital Formation (GFCF) rebounded strongly in 2022 as construction activities picked up causing demand for machinery, land improvements, investments in unfinished dwellings, and non-residential building to surge. GFCF grew to SAR800 billion (\$213 billion) in 2022, marking a 24.1 percent increase YoY, the highest in decades. Impressively, the private sector accounted for 87 percent of total GFCF, reinforcing its role as growing contributor to the economy.



The role of the Public Investment Fund (PIF) has been instrumental in the development of the economy in general and in the construction sector in particular. It has launched numerous companies across many sectors with the aim of developing the domestic market. In 2022, it launched the Saudi Downtown Company, which will develop urban centers and destination attractions across the Kingdom. This will advance the development and expansion of the Kingdom's infrastructure needs through strengthening partnerships with the private sector and foreign investors. Its goal of injecting SAR1 trillion (\$266 billion) into new projects domestically, contribute to non-oil GDP by SAR1.2 trillion (\$320 billion) by 2025, and increasing the contribution of its subsidiaries to local content to reach 60 percent will have a significant impact on construction developments over the medium to long-term.

Looking ahead, a number of projects are expected to commence in 2023 to keep up with the strong pace of awarded contracts that was witnessed in 2022. ROSHN will continue to award numerous contracts in the real estate sector as the Kingdom's aims to meet the 2030 target of a 70 percent home ownership rate. The Saudi Aramco Total Refining and Petrochemical Company (SATORP) will begin developing the Amiral Complex in Jubail that has an estimated budget value of SAR11 billion (\$2.9 billion). The development of the Riyadh Sport Boulevard will also attract a number of sizeable contract awards. Meanwhile, the oil & gas, water, and power sectors will contribute to sizeable mega-projects by Saudi Aramco, SEC, and SWCC. NEOM's push to develop 'The Line' will attract contract awards across multiple sectors as it pushes to meet its 2030 deadlines.



Notable Contracts During Q4 2022

Sector	Region	Client	Contractor	Details	Value (SAR million)
Real Estate	Tabuk	NEOM	Alfanar Construction	Five housing clusters as part of Phase 1	13,125
	Tabuk	NEOM	Tamasuk Holding Co.	Three housing clusters as part of Phase 1	5,625
	Tabuk	NEOM	Almutlaq Group	Two housing clusters as part of Phase 1	3,750
	Riyadh	SEVEN	Consolidated Contractors Company	Al Nahdah Entertainment Complex	2,438
	Riyadh	Majid Al Futtaim	ALEC/EI Seif Engineering Contracting	Construction of 'Mall of Saudi'	2,625
	Eastern	Saudi Aramco	Arabian Construction Company	Two staff accommodation complexes	1,688
	Riyadh	ROSHN	Abr Contracting Company	Three packages at the Sedra District Community	1,125
Power	Makkah	ACWA Power	China Energy Engineering Corp/ Guangdong Electric Power Design Institute	Shuaibah 2 solar PV power plant 2060 MW	9,600
	Qassim	REPDO	Larsen & Toubro	Ar Rass solar PV power plant 700 MW	2,400
	Eastern	SWCC	Alfanar Group	Jubail solar power plant 110 MW	1,200
Water	Jizan	RCJ&Y	China Harbor Engineering Company	Sea water cooling System for Jizan City	2,438
Transportation	Tabuk	NEOM	Archirodon	Onshore and offshore infrastructure works for 12 islands	1,125
Oil & Gas	Eastern	Saudi Aramco	Enppi	Upgrade of sulfur recovery units at Ras Tanura Refinery	1,313
	Eastern	Saudi Aramco	Enppi	Construction of propane and butane storage refrigeration units	1,125

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



2022 Year in Review

Contract Awards Summary and Top Performing Sectors



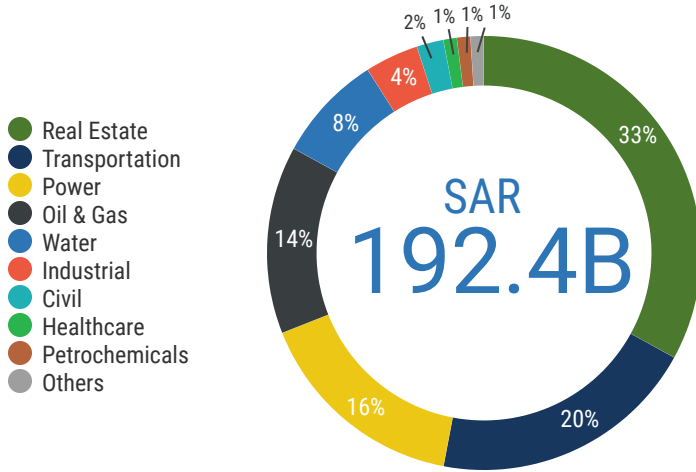
USSBC Contract Awards Index: 2022 Overview

Construction Contract Awards in Saudi Arabia

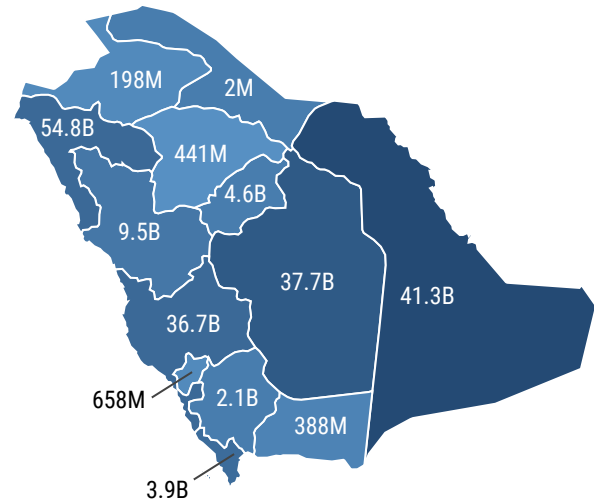


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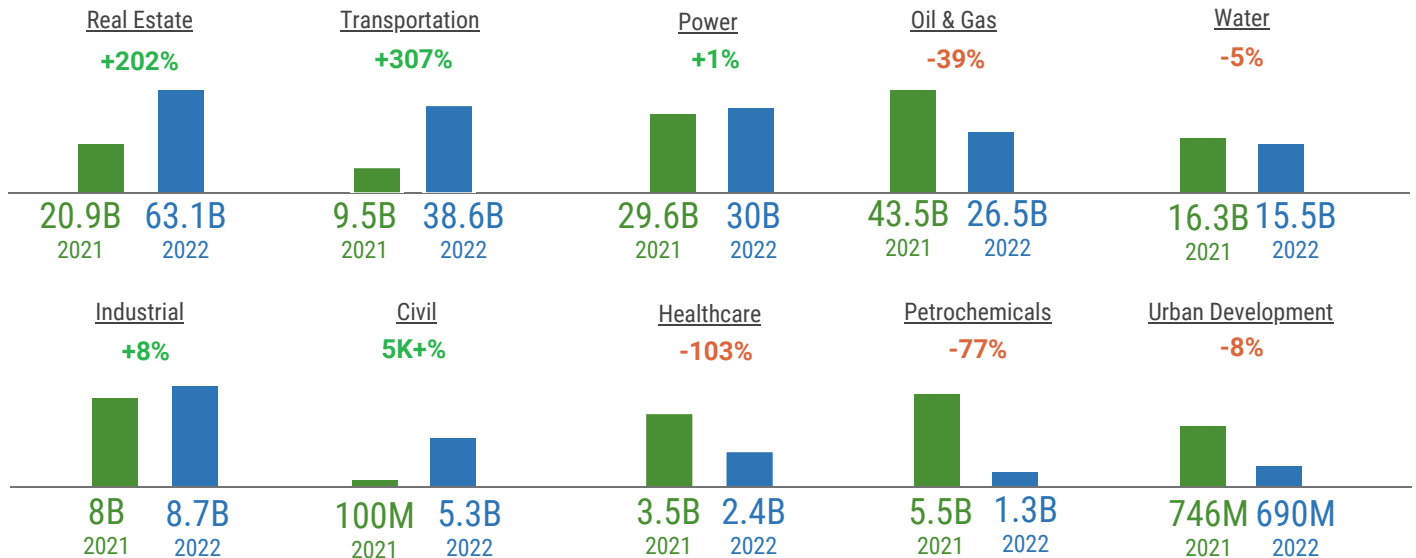
Value of Awarded Contracts (SAR)



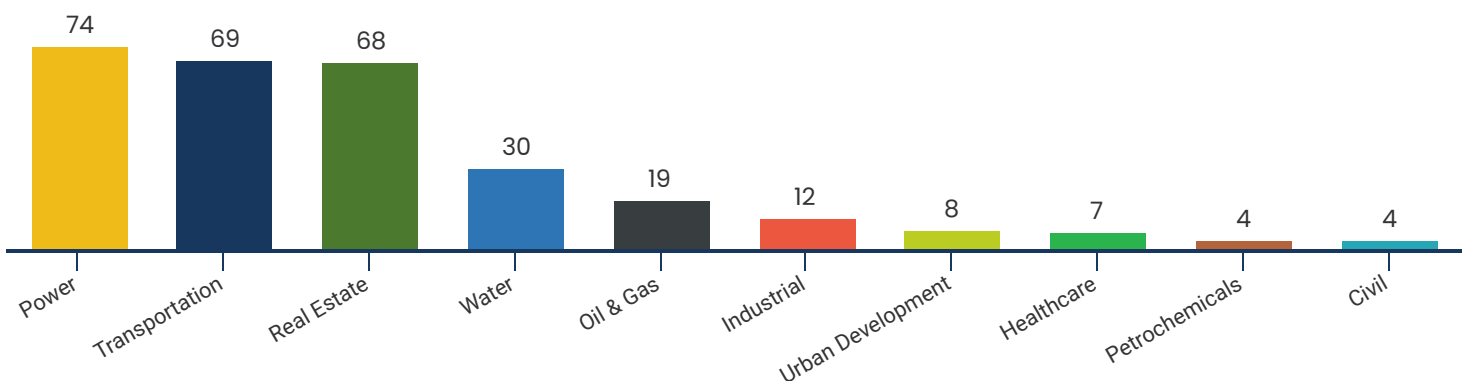
Value of Awarded Contracts by Region (SAR)



Value of Awarded Contracts by Sector (SAR)



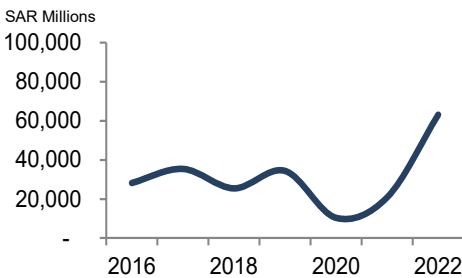
Number of Awarded Contracts by Sector



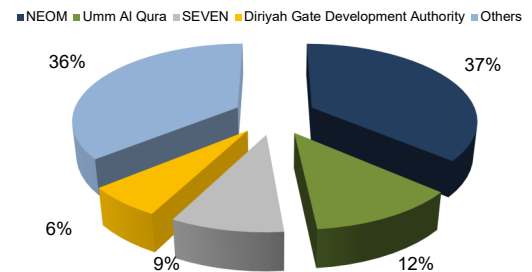
Real Estate

The value of awarded contracts in the real estate sector accounted for 33 percent of the total and increased to SAR63.1 billion (\$16.8 billion) in 2022 after reaching SAR20.9 billion (\$5.6 billion) in 2021. Residential real estate led all subsectors with SAR34.8 billion (\$9.3 billion) on the back of the Kingdom's goal to increase homeownership rates. Tabuk and Riyadh accounted for 70 percent of awards.

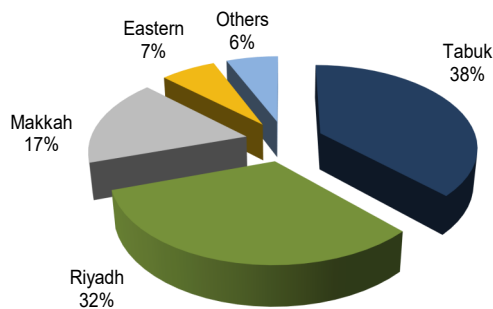
Value of Awarded Contracts in Real Estate



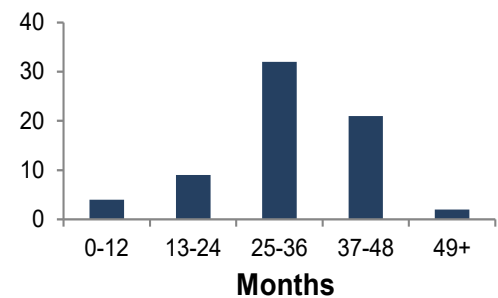
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

NEOM accounted for SAR23 billion (\$6.1 billion) of all awarded contracts as part the staff housing development project. Mixed-use accounted for SAR18.3 billion (\$4.9 billion) as a large contract by Umm Al-Qura in Makkah along with SEVEN's awarding of seven projects across a number of provinces. Commercial real estate and hospitality accounted for the remaining SAR10 billion (\$266 million).

Top Five Contracts by Value During 2022:

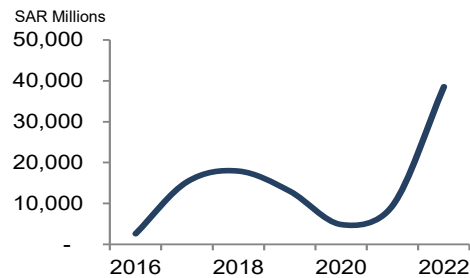
Contractor	Client	Details	Value (SAR Millions)
Alfanar Construction	NEOM	Five housing clusters in Phase One of staff accommodations	13,125
Saudi Arabian Baytur Construction Co.	Umm Al Qura	Mixed -use development in Masar, Makkah	7,500
Tamasuk Holding Co.	NEOM	Two housing clusters as part of phase one	5,625
Webuild	DGDA	Diriyah Gate super basement and related facilities	4,013
Almutlaq Group	NEOM	Three housing clusters as part of phase one	3,750

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

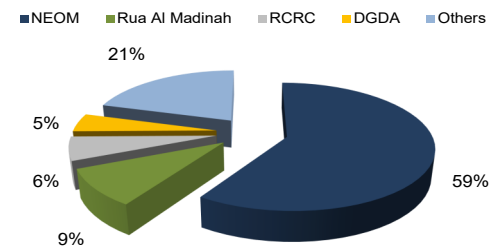
Transportation

The value of awarded contracts in the transportation sector accounted for 20 percent of the total and surged to SAR38.6 billion (\$10.3 billion) in 2022 after reaching SAR9.5 billion (\$2.5 billion) in 2021. NEOM attracted the largest share of contracts as Tabuk accounted for 64 percent of the total. The transportation sector had its highest value of awarded contracts since 2015.

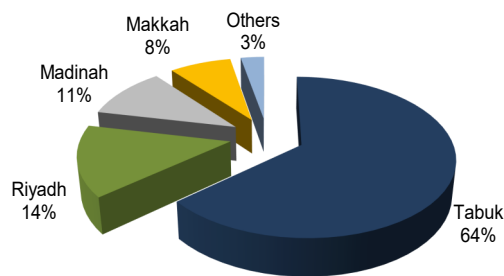
Value of Awarded Contracts in Transportation



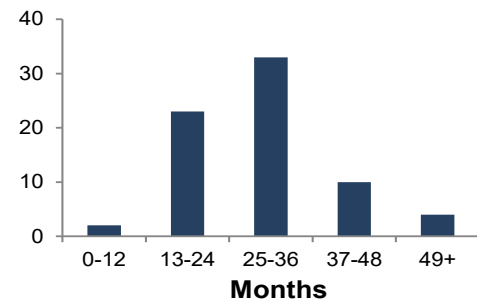
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

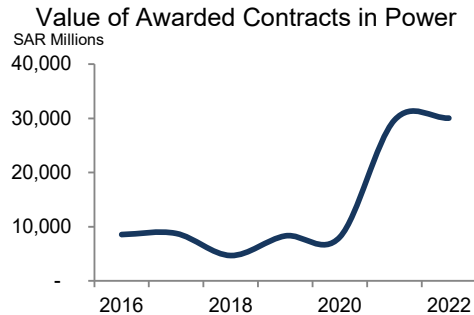
The largest share of contracts were awarded by NEOM as part of the infrastructure works to develop 'The Line' and 'The Spine' tunnel for rail and road networks. NEOM accounted for SAR22.9 billion (\$6.1 billion) of awarded contracts. Asian contractors accounted for the highest value of awarded contracts while local companies contributed a growing share compared to 2021. The Ministry of Transport continued to award road network expansion projects as outlined in the 2022 budget.

Top Five Contracts by Value During 2022:

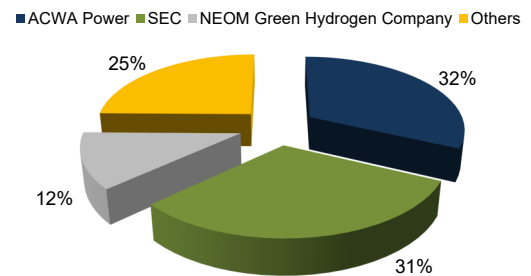
Contractor	Client	Details	Value (SAR Millions)
CSCEC/FCC Construction/ Shibh Al Jazira Contracting	NEOM	Drill and Blast works for the Backbone Infrastructure (West Package) in NEOM City	10,425
Samsung Engineering/Archirodon/ Hyundai Engineering	NEOM	Cut and Cover Tunnel Section in NEOM City	6,938
China Railway 18th Bureau/Abdul Ali Al Ajmi Company	Rua Al Madinah	Construction of Madinah Central Area Infrastructure Package 1 & 2	3,653
Freyssinet Saudi Arabia/Haif Company	RCRC	Infrastructure works for King Salman International Park in Riyadh	2,344
Nesma & Partners	DGDA	Construction of tunnel and bridge works under the Diriyah gate project	1,166

Power

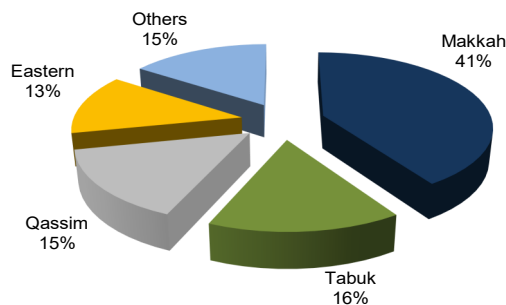
The value of awarded contracts in the power sector accounted for 16 percent of the total and increased to SAR30 billion (\$8 billion) in 2022 after a similar SAR29.6 billion (\$7.9 billion) in 2021. ACWA Power and SEC accounted for 63 percent of awarded contracts. Makkah captured the largest share of contracts with the remaining regions having similar shares to each other.



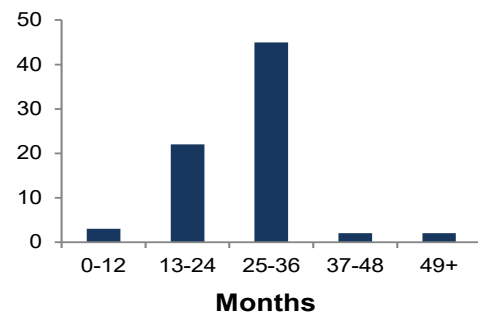
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

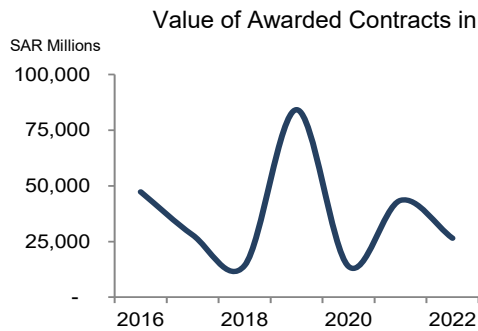
The power sector rose to its highest level since 2015 as ACWA Power, NEOM Green Hydrogen Company, and SEC contributed the highest value of awarded contracts. SEC resumed its expansion of electricity deliveries to rural and urban locations. REPDO resumed awarding contracts as part of Round 3 category B. Renewable energy contracts gained momentum as solar PV plants increased while the first green hydrogen development was introduced in Saudi Arabia.

Top Five Contracts by Value During 2022:

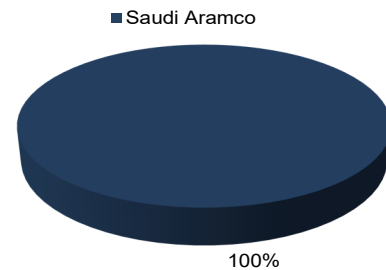
Contractor	Client	Details	Value (SAR Millions)
China Energy Engineering Corp./ Guangdong Electric Power Design Institute	ACWA Power	Construction of Shuaibah 2 Solar PV Power Plant	9,600
Air Products	NEOM Green Hydrogen Company	Development of ammonia and hydrogen plants at Helios Green Fuels Project	3,375
Larsen & Toubro	REPDO	Construction of a 300 MW power PV plant in Al Rass	2,400
Al Rass Solar Energy Co.	Saudi Energy Procurement Co.	Production capacity of project will be 700 MW in Alqassim	1,700
Alfanar Group	SWCC	Jubail 110 MW solar power plant	1,200

Oil & Gas

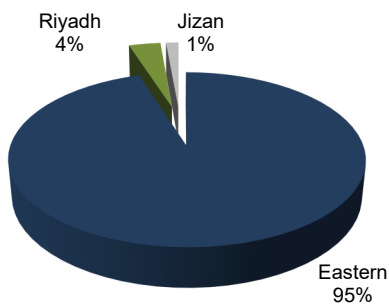
The value of awarded contracts in the oil & gas sector accounted for 14 percent of the total and reached SAR26.5 billion (\$7.1 billion) in 2022 after a stronger SAR43.5 billion (\$11.6 billion) in 2021. Saudi Aramco was the sole awardee of contracts and the Eastern Province captured 95 percent of the projects. The Zuluf onshore oil field development project garnered the highest share of awarded contracts.



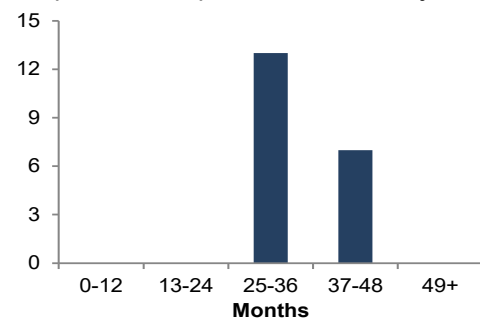
Share of Value of Awarded Contracts by Owner



Value of Awarded Contracts by Region



Expected Completion Time of Projects*



*Contracts with stated completion period

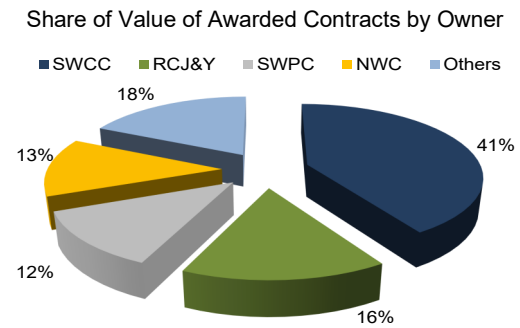
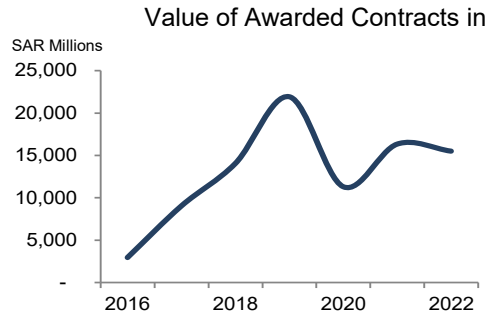
Saudi Aramco awarded less contracts in 2022 compared to 2021 as the Jafurah Gas field accounted for the highest value of awarded contracts as part of the unconventional Resources Program in 2021. Saudi Aramco continued with its upgrade plans across a number of its facilities in addition to greenfield developments as it expands its oil production capabilities. International contractors commanded the largest share of awarded projects, with Asian companies garnering the highest amount.

Top Five Contracts by Value During 2022:

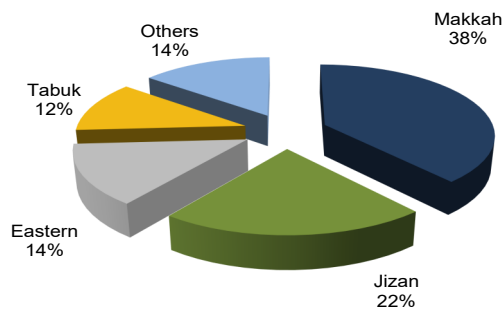
Contractor	Client	Details	Value (SAR Millions)
JGC Corporation	Saudi Aramco	Package 1 of the onshore central processing facilities at Zuluf oil field	9,375
JGC Corporation	Saudi Aramco	Package 2 of utilities and water treatment facilities at Zuluf oil field	3,750
Doosan Enerbility	Saudi Aramco	Construction of a co-generation independent steam and power project at Jafurah	1,575
Enppi	Saudi Aramco	Upgrade of sulfur recovery units at Ras Tanura refinery	1,313
Enppi	Saudi Aramco	Construction of propane and butane storage and refrigeration units at Juaymah NGL fractionation plant	1,125

Water

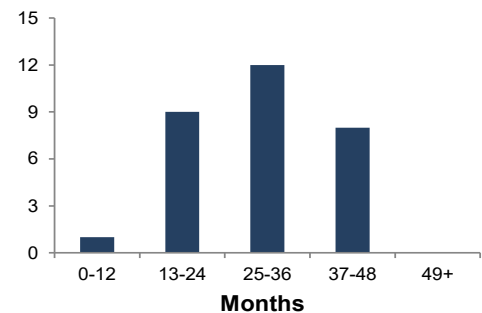
The value of awarded contracts in the water sector accounted for 8 percent of the total and reached SAR15.5 billion (\$4.1 billion) in 2022 after witnessing SAR16.3 billion (\$4.4 billion) in 2021. SWCC was responsible for the largest share of awarded contracts. The Makkah region dominated with 38 percent of the total value of contracts in 2022.



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 well as reservoir, transmission, drinking water networks, and rain water drainage systems. The largest contracts were awarded to Chinese firms while local companies were also involved. Significant investments in the water sector in 2023 are expected to see a wave of contract awards through the medium-term as numerous privatization opportunities will be open for the private sector.

Top Five Contracts by Value During 2022:

Contractor	Client	Details	Value (SAR Millions)
China Harbour Engineering Company	RCJ&Y	Construction of sea water cooling system for Jizan City	2,438
Alishar Contracting/Mutlaq Damook Al Ghowairi Contracting	SWCC	Construction of reservoir transmission system in Makkah	2,033
Doosan Enerbility	SWPC	Construction of the Shuaibah 3 IWP	1,920
Al-Rashid Trading & Contracting	SWCC	Construction of new satellite plants water transmission systems in Tabuk	1,800
Alfanar Construction/Al Sharif Group	SWCC	Developing powe supply to pumping station for the Shuqaiq-Abha water treatment system	926



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 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 Business Council.

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