

# Gulf Construction

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# 'WE SHALL OVERCOME'

The novel coronavirus outbreak and the historic low oil prices have certainly been a blow to the kingdom's drive to go full steam ahead with its Vision 2030 ambitions. However, Saudi Finance Minister Mohammed Al-Jadaan believes that the country has the capacity to deal with the crisis and its impact on the economy.



Numerous real estate projects have been planned for the Riyadh region.

**T**HE entire world is in limbo right now. A totally unexpected scenario created by the microscopic novel coronavirus has shaken the foundations of the best economies of the world and brought the mighty to their knees.

Saudi Arabia and other oil producers are facing a double whammy – the economic downturn brought about by the Covid-19 pandemic on one hand and the record low oil prices caused by oversupply in the market on the other. Oil prices – on which the Saudi economy is hugely dependent – have suffered a catastrophic drop in recent weeks to hit historic lows.

And only the bravest would predict how long the current Covid-19 crisis will last and to what extent it will impact all sectors of the economy.

However, there are some comforting words from Saudi Arabia's Finance Minister Mohammed Al-Jadaan. He has asserted that the kingdom has the capacity to deal with the crisis and its impact on the economy. The minister said the king-

dom has gone through many crises and has managed to overcome them by diversifying the economy.

Also, in a positive step, construction work has been allowed to resume in the kingdom and this move will reduce project delays.

To help relieve the pains, the kingdom made available a \$32-billion (SR120 billion) emergency fund in late March which included an \$18.66-billion set of initiatives which exempt and postpone government dues.

No doubt, projects will be delayed or cancelled to meet the extraordinary challenges facing the economy. The government has already announced measures to reduce spending in the public sector and on development projects, to redistribute government spending to ensure that it is spent on the most necessary needs. In its bid to face the Covid-19 challenges, Saudi Arabia has announced plans to cut spending by five per cent, or about \$13.3 billion.

A major blow to the construction and other sectors that serve the oil and gas in-

dustry is understandably Saudi Aramco's plans to reduce its capital spending for 2020. The company expects capital spending for 2020 to be between \$25 billion and \$30 billion in light of current market conditions and recent commodity price volatility, compared to \$32.8 billion in 2019, a *Reuters* report said. The Saudi oil giant had a capital expenditure of \$32.8 billion last year and \$35.1 billion in 2018, said GlobalData, a leading data and analytics company (see *Page 15*).

The kingdom was among the first countries in the region to initiate stringent measures to contain the spread of Covid-19. It introduced a lockdown in several provinces and only late last month lifted the curfew from 9 am to 5 pm effective until May 13. Construction companies and factories are now allowed to resume their activities without restrictions on time, according to the nature of their business, said the state news agency *SPA*.

However, as Mazen Alsudairi, the head of research at Al Rajhi Capital, said, sec-



tors such as construction would already be under pressure with Ramadan, which usually witnesses a slowdown of construction activities, and hence were unlikely to benefit from the decision. He added that he expected only a slight improvement in revenues for the manufacturing sector, especially those producing construction-related goods.

According to a report by leading global real estate consultancy Savills that analyses the impact on the market, Saudi Arabia faces a precarious situation due to the declining global oil demand, plummeting oil prices and the pandemic spreading globally. In the short-to-medium term, economic growth is likely to remain muted. As per latest estimates by Oxford Economics, non-oil growth is forecast to grow at 0.7 per cent (from 2.8 per cent previously) in 2020.

This may have a negative impact on real estate activity in the country in the immediate future as expansion plans and market entry strategies may be postponed, said David O'Hara, the head of Savills Saudi Arabia.

Until the unfortunate turn of events due to the coronavirus, however, the going was good in Saudi Arabia over the past year. Mega projects had been announced and embarked upon with rapid succession, in line with Saudi Arabia's ambitious Vision 2030 programme. Most of these projects aim to capitalise on the kingdom's recent moves to open up its entertainment and leisure sector to cater to Saudi Arabia's largely young population and encourage domestic tourism, while enticing private sector investment.

Some of the big-ticket projects include the mammoth \$500-billion Neom City project in the northwest, which takes in three countries – Egypt, Jordan and Saudi Arabia; the \$17-billion Diriyah Gate; the Qiddiya entertainment hub off Riyadh; the Amaala luxury wellness destination; The Red Sea Project, a mega luxury tourism project, which will see more than 50 islands being developed; the Sharaan mega tourism projects in the Al Ula region; the four 'grand projects' for Riyadh, namely King Salman Park, Sports Boulevard, Green Riyadh and Riyadh Art; and a new amusement park in the Eastern Province.

According to a report by the US-Saudi Arabian Business Council (USSABC), 2019 ended as the highest grossing award-



ed contracts by value since 2015. The strong rebound in construction activities during 2019 resulted in SR197.1 billion (\$52.36 billion) in awarded contracts, marking an impressive 95 per cent increase over 2018. The kingdom's drive to enhance both physical and social infrastructure capabilities through numerous Vision Realization Programs (VRPs) was evident in 2019, said the report.

"The VRPs such as the Quality of Life Program, Housing Program, National Industrial Development and Logistics Program, Public Investment Fund Program and others have provided the investment boost needed to support the kingdom's economy through targeted approaches. These VRPs have revived the construction sector as the magnitude of physical and financial commitments to achieve these targets were realised in 2019 and are expected to continue fuelling the kingdom's investments into the future," stated Albara'a Alwazir, Economist at the USSABC.

The value of awarded contracts during the fourth quarter of 2019 reached SR35.3 billion and although this was 26 per cent lower than the SR12.5 billion awarded in Q3 of 2019, it represented a 34 per cent increase compared to Q4 of 2018.

The real estate emerged as the sector with the largest value of contracts awarded in the fourth quarter, after the oil and gas sector led the previous three quarters. With the oil and gas sector in the second place, the water sector surged to rank among the top three spots. These three sectors accounted for approximately 74 per cent of all awarded contracts, as the oil and gas and real estate sectors maintained their top positions throughout 2019. Other significant contributors were the power, petrochemicals, and transportation sectors.

The real estate sector was the recipient of numerous contracts throughout 2019, with particular emphasis having been on the residential market. During 2019, the real estate sector accounted for approximately 16.5 per cent or SR32.5 billion of the total SR197.1 billion in awarded contracts. According to the USSABC report, this was the highest since 2015 when it had touched SR81.3 billion.

The construction sector's contribution to GDP rebounded into positive territory in 2019 after seeing negative growth over the last three years, said the report. The kingdom's construction sector's contribution to GDP rose to 4.6 per cent compared to 2018, the highest growth rate since 2014. This growth was supported by stronger non-oil and private sector contribution to the GDP, which grew by 3.31 per cent and 3.78 per cent, respectively. The non-oil and private sectors witnessed the highest growth rates since 2014 as well. In line with the core objectives of Vision 2030, the private sector has had an active role in 2019 as more projects were awarded by private companies, the report stated.

## TRANSPORT

Saudi Arabia has major ongoing and proposed projects in the transportation sector ranging from plans to expand its network of domestic and international airports and ports (see *Page 43*) to development of a hyperloop system. Metro systems have been planned for key cities of the kingdom with the most ambitious development being the \$22.5 billion Riyadh Metro, which is nearing completion.

Infrastructure works on the metro have reached an advanced stage, with work this year having made headway on the depots



**Qiddiya ... aiming to be world's largest entertainment city.**

and signalling installations and testing of trains on the metro network, which consists of six lines with a total length of 176 km. The overall development is being spearheaded by Royal Commission for Riyadh City.

Meanwhile, significant developments have taken place on the ambitious hyperloop programme planned for the kingdom. In early March, Saudi Arabia's newly established Ministry of Investment (formerly Sagia) awarded a trade licence to Virgin Hyperloop One (VHO), thus marking a significant milestone for the California-based developer in its pursuit to commercialise the technology. Under the agreement, VHO will examine viable routes, expected demand, anticipated costs and explore socio-economic impacts. This comes following a recent announcement by the Ministry of Transport and the Public Transport Authority to conduct the world's first hyperloop study on a national level. The study will serve as a blueprint for future hyperloop projects.

A hyperloop system would see passengers travel at speeds exceeding 1,000 km/h, cutting the travel time from the capital Riyadh to Jeddah to 46 minutes.

### MEGA REALTY PROJECTS

The northwest of Saudi Arabia, Riyadh and Makkah are currently the magnets for real estate development.

Some of the kingdom's most ambitious projects including the \$500-billion futuristic Neom City, Amaala and The Red Sea Development are earmarked for the northwest. Early this year, Neom signed an agreement with the UK-based Solar Water Limited for the construction of the

first desalination plant with 'Solar Dome' technology, which promises to revolutionise the water desalination process. Work on the first "solar dome" is expected to be completed by the end of 2020.

The Red Sea Project has made impressive progress over the past year with work currently under way on raising the ground level and ground compaction works (see *Page 35*). The 'uber-luxury' wellness tourism destination Amaala has signed up masterplanners for its three communities and is looking to launch Phase One later this year (see *Page 40*).

The Riyadh province will host Qiddiya, which aims to be world's largest entertainment city by 2030; Widyān, which is looking to host the world's largest mixed-use entertainment and shopping centre development of its kind; and Diriyah Gate Project, which is being designed to restore the historical area to its ancient glory in the 18th century to position it as a local and international tourist destination.

### POWER & WATER

Saudi Arabia has been making concerted efforts to press ahead with its renewable energy programme. The Renewable Energy Project Development Office (Repdo), which is part of the kingdom's Ministry of Energy, Industry, and Mineral Resources, has recently received bids for projects within Round Two of its National Renewable Energy Program (NREP), which includes six solar power schemes with a total photovoltaic (PV) capacity of 1.47 GW. Round One was launched by the Saudi organisation in 2017 with key projects including the 300-MW Sakaka solar PV project, now connected to the national electricity grid, and the 400-MW Dumat Al Jandal

wind project, currently under construction. This was followed by Round Two launch in July last year.

Request for qualifications (RFQ) were also issued for Round Three of the NREP, which comprises four solar projects with a combined generation capacity of 1,200 MW. Round Three projects include the 80-MW Layla, the 120-MW Wadi Al Dawaser, the 300-MW Saad and the 700-MW Ar Rass solar PV projects.

Saudi Arabia's privatisation drive has now been introduced to the sewage sector, with work having begun on the kingdom's first independent sewage treatment plant project (ISTP), located in Dammam, with a designed capacity of 350,000 cu m per day and an initial capacity of 200,000 cu m per day. Other ISTPs are being planned for Buraydah, Tabuk and Madinah by the Saudi Water Partnership Company (SWPC).

### OUTLOOK

The many downside risks that are at play for 2020 could impact spending in the construction sector, according to the USSABC report. The oil sector has been under pressure since the coronavirus spread beyond China to become a global pandemic. The 2020 budget assumed oil would trade closer to the \$60 range per barrel, reflecting a rational estimate at the time. However, Brent crude is currently trading at around \$20 as global demand has waned. This coupled with the challenge of containing the coronavirus will be the biggest headwinds faced by the kingdom in 2020, said the report.

The pipeline of mega-projects in the kingdom will continue to fuel the construction sector. However, the challenges posed by the pandemic and depressed oil prices will impact the pace of awards.

The USSABC expects the residential real estate sector – as part of the housing programme (Sakani programme) Sakani programme under Vision 2030 – to continue to be a major contributor to the total value of awarded contracts in 2020, in line with the goal to increase homeownership among Saudi citizens to 60 per cent.

Among the latest developments launched under the Sakani programme this year are two new residential projects in Jeddah in partnership with the private sector, which on completion, will provide a total of 8,083 housing units (see *Page 16*). ■



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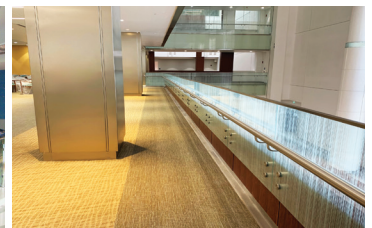
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# SAUDI AT A GLANCE

Package name	Owner	Status**	\$ Million*
Al-Faisaliah City	Makkah Region Development Authority (MRDA)	Design	145,500
Arabian Dream – Al Widyah Development Scheme	Al Akaria Saudi Real Estate Co (Screco)	Project Announced	5,000
Dahiyat Al Fursan Housing Development	Ministry of Housing	E&P	20,000
GCC Railway Network	Ministry of Transport	Construction	25,000
GCC Railway Network – Bahrain-Saudi Link	Ministry of Transport	Design	4,200
Heart of Jeddah	Heart of Jeddah Development Company (HOJDC), KDC	Design	11,000
Jeddah Airport City	Gaca, Presidency of Civil Aviation (PCA), Saudia Cargo	E&P	3,200
Jeddah Economic City – Overview	Jeddah Economic Company	Construction	20,000
Jizan City for Basic & Downstream Industries – Overview	Saudi Arabian General Investment Authority (Sagla), Economic Cities Authority, Saudi Aramco, Royal Commission of Jubail & Yanbu	Construction	30,000
King Abdul Aziz International Airport (KAIA) Expansion – Overview	General Aviation Civil Authority (Gaca), Presidency of Civil Aviation (PCA), Saudia Cargo	Construction	6,000
King Abdullah Economic City (KAEC) – Overview	Emaar Properties, Sagla	Construction	27,000
King Abdullah Financial District (KAJD)	Rayadah Investment Company, Public Investment Fund (PIF)	Construction	7,800
King Hamad Causeway (Saudi-Bahrain Link)	Ministry of Transport	Feasibility Study	3,000
King Khalid International Airport – Overview	Gaca, Saudi Civil Aviation Holding Company	Construction	3,000
King Salman Causeway	Ministry of Transport	Feasibility Study	5,000
King Salman Energy Park (SPARK) – Overview	Saudi Aramco	Construction	4,400
King Salman International Complex for Maritime Industries & Services – Overview	Saudi Aramco, Bahri, Hyundai Heavy Industries, Lamprell, International Maritime Industries (IMI)	Construction	5,300
Knowledge Economic City – Overview	Seera City Real Estate Development Company, Sagla	Construction	8,000
LandBridge Rail Link	Saudi China Landbridge Consortium (SLCC)	Design	5,000
Makkah Mass Rail Transit (MMRT)	Makkah Municipality, Balad Amine, Development Commission of Makkah and Mashaaer (DCOMM)	Construction	16,500
National Renewable Energy Program (NREP)	Renewable Energy Project Development Office (Repdo)	Construction	50,000
Neom City – Overview	PIF	Construction	500,000
New Jeddah Downtown	PIF	Project Announced	4,800
Riyadh Metro – Overview	Royal Commission for Riyadh City	Construction	23,000
Saudi Railway Masterplan	Saudi Railway Company (SAR)	Construction	97,000
Security Forces King Abdullah bin Abdulaziz Riyadh Medical City	Ministry of Interior	Construction	12,000
SoftBank – 200 GW Solar Venture (Program)	PIF-SoftBank	E&P	200,000
Solar Panel Manufacturing Plant	PIF, Saudi Arabian Investment Company (Sanabil)	Feasibility Study	6,400
Waad Al Shamaal Phosphate City – Overview	Ministry of Petroleum & Minerals, Saudi Arabian Mining Company (Maaden), Sabic, Mosaic Company, Maaden Waad Al Shamal Phosphate Company (MWSPC)	Construction	9,600
Yanbu Crude Oil To Chemicals (COTC) Complex	Saudi Basic Industries Corporation (Sabic), Saudi Aramco	FEED	20,000

\*\* E&P = engineering & procurement





Consultant	Contractor	Start date	End date
-	-	2017-Q3	2050-Q3
-	-	2019-Q4	
-	Daewoo Engineering & Construction, Sapac, Hanwha E&C	2014-Q2	2025-Q2
Canarail Consultants, Khatib & Alami, Systra Consulting	-	2005-Q2	2023-Q4
-	-	2013-Q4	2023-Q4
KDC Limited (Kaizen)	-	2012-Q1	2034-Q4
-	Fawaz A Al Hokair & Partners Company (Fare Construction)	2015-Q1	2021-Q4
Bechtel Corp, EC Harris, Mace International, Omnium, Dar Al Handasah	Saudi Binladin Group (SBG), Al Fouzan Trading and General Contracting Company	2007-Q3	2025-Q1
VVN Steel Solutions	South Steel Company (SOLB), Saudi Pan Kingdom Company for Trading, Industry & Contracting (Sapac), Corporation of China Limited (Chalco), China Harbour Engineering Company (CHEC), Eastern Trading & Contracting Company Building (ETE Group)	2004-Q1	2021-Q1
Dar Al Handasah, Naco	SBG, Samwhan Corporation, Murray & Roberts, Al Mabani General Contractors, Saudi Airlines Catering Company	2005-Q3	2035-Q4
Turner Construction International, Buro Happold	SBG, Oger, Huta Group, Al Saad General Contracting Company, Al Harith Contracting Company, Rezaik Algedrawy Establishment, Metito	2005-Q4	2035-Q4
Hill International, Mace International	SBG, Alfanar Construction Company, Saudi Constructioners Establishment, Thermo, Oger, El-Seif Al-Jawdah	2007-Q1	2020-Q4
-	-	2012-Q2	2024-Q1
Aecom, Airport Design Consult (ADC), Consult Maunsell	Al Rashid Trading & Contracting Company (RTCC), Ictas Construction (IC)	2008-Q3	2022-Q4
-	-	2016-Q1	2022-Q4
-	China Railway Construction Corporation (CRCC)	2017-Q1	2035-Q1
Faithful + Gould	Huta Group-Sinohydro, Archirodon Construction, Sepco	2013-Q1	2022-Q1
Aecom-Consult Maunsell	Al Dar Al Arabia Company, Al Rajhi Construction	2006-Q3	2025-Q4
Fluor, Parsons Brinckerhoff	-	2006-Q3	2026-Q1
Aecom, Systra Consulting, Prasarana, Parsons Brinckerhoff, Zuhair Fayed Partnership	Nesma & Partners, Transport Ciutat Comtal (TCC)	2010-Q2	2023-Q4
-	Acwa Power, Chint, Mahindra Susten, Masdar, EDF Energy Renewables	2017-Q2	2030-Q2
Aecom, Buro Happold	Tamimi, El Seif Engineering Contracting, Al Bawani Company, Nesma, Modern Architecture Construction (MAC), Saudi Trading and Construction Company (Satco)	2017-Q4	2037-Q2
-	-	2017-Q3	2022-Q4
Dar Al Handasah, Egis Rail, CH2M Hill, Systra Consulting, Louis Berger Group, Hill, Parsons	Bechtel, Aecom, Al Mabani General Contractors, Siemens, Alstom, FCC, Samsung C&T, Ansaldo Energia, Bombardier, Setec, Strukton, Tecnica Y Proyectos, L&T, Idom, Salini Impregilo, Nesma & Partners, Freyssinet Saudi Arabia, Worley, CCC	2004-Q1	2020-Q4
Zuhair Fayed Partnership, GLZ	Archirodon Construction	2010-Q2	2040-Q4
Dar Al Handasah	ABV Rock Group Limited	2011-Q1	2020-Q2
-	China Gezhouba Group, Abengoa Solar, Sterling & Wilson	2018-Q1	2030-Q1
-	-	2014-Q1	
Jacobs Engineering Group, Fluor Corp, Typsa, Bechtel Corporation	Daelim Industrial Company, Hanwha E&C, Intecsa Ingenieria, SNC Lavalin, Sinopec, China Petroleum & Chemical Corporation, China Huanqui Contracting and Engineering Corporation, Abdullah Abdul Mohsin Al Khodari Sons Company	2010-Q1	2022-Q4
Kellogg Brown & Root (KBR), Wood	-	2014-Q2	2025-Q4

\* List includes projects worth over \$3 billion only.

Source: DMS Projects



**T**HE Red Sea Project, one of the world's most ambitious tourism projects that involve the development of several islands along the Saudi west coast, has made impressive progress over the past year in line with its goal of ushering in its first visitors by the end of 2022.

The project, which is envisioned as an ultra-luxury tourism destination for nature, adventure, wellness, and culture as part of Saudi Arabia's Vision 2030, will be developed around several unique features including 200 km of untouched coastline; over 50 pristine islands and lagoons; thriving coral reefs and marine life; mountains and dormant volcanoes; and heritage sites.

The masterplan has been developed in partnership with WATG and Buro Happold, and includes unique design concepts from some of the world's most prominent architecture firms.

Essential enabling infrastructure is already under way at the destination, with the opening of a base camp that will oversee the installation of temporary roads, jetties and a bridge connecting the hub island to the shore. Also under development is a residential complex for the construction labour force and a management village to coordinate the development work.

Phase One of the project will see the construction of 14 luxury and hyper-luxury hotels across five islands and two inland resorts, providing more than 3,000 hotel rooms. The project will also include a new airport, a yacht marina, leisure and lifestyle facilities, as well as supporting logistics and utilities infrastructure, including 75 km of new roads.

As part of Phase One of the masterplan, The Coastal Village, a residential

## RED SEA WONDER!



**Coastal Village ... enabling infrastructure work is under way.**

and commercial area, is being built where infrastructure development work is currently under way, according to The Red Sea Development Company (TRSDC), its developer. This includes the construction of a 3.3-km crossing from the mainland to Shurayrah Island and a 100-hectare landscape nursery that will provide more than 15 million plants by 2030.

Huta Hegerfield and Saudconsulting Services (Saudconsult) have been appointed to undertake a major groundwork improvement project for the Coastal Village. Huta Hegerfield's scope of works involves land raising and ground improvement for the 1.5-million-sq-m Coastal Village area. This will house the workers, staff and management of The Red Sea Project, and will include corporate offices, housing and

high-end facilities.

Saudconsult's contract includes construction supervision consultancy services, to ensure all elements of the design and construction remain on schedule, whilst observing and monitoring the quality of all construction works, to guarantee that all works are fit for the intended purpose.

Following the completion of the mainland jetty, some 600,000 tonnes of rock have been brought to the project site for the construction of Shurayrah Bridge and more marine jetties, according to the project's twitter account.

Also, the installation of 10,000 cabins for construction workers is under way. Using pre-fabricated and modular construction reduces delivery time, enhances quality, limits the number of workers on site and minimises the environmental impact of construction, it adds.

According to the Saudi developer, teams on the site are currently raising the ground level to 3.5 m above sea level. Every day, some 10,000 cu m of earth is being transported and about 7,000 sq m of land is being compacted and levelled.

Construction work on the project began in February last year, with the development of the base camp, which is situated on the coastal area near the southern end of the 28,000-sq-km development.

The destination's international airport is being designed by Foster + Partners. Due



**The airport at The Red Sea Project ... designed by Foster + Partners.**



for completion in 2022, the airport will serve an estimated one million tourists per year with a schedule of domestic and international flights, and a peak of 900 passengers per hour.

"We're using passive measures in the design of the airport to minimise artificial cooling as much as possible, so we're using natural ventilation. Technology plays a significant part. We're setting new standards for what a future airport can be," says CEO John Pagano.

Late last year, TRSDC awarded a contract to AlFalsh Ready Mix for the supply of structural low-carbon concrete manufactured utilising recycled raw materials to meet existing and upcoming project demand while adhering to its environmental sustainability goals. Approximately 700,000 cu m of concrete will be required for the initial construction work at the destination.



**Compaction work in progress at the Red Sea site.**



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TRSDC has set sustainability targets for the project which include a 100 per cent reliance on renewable energy, a total ban on single-use plastics, and complete carbon neutrality in the destination's operations.

According to Pagano, TRSDC is leading the way in the use of green concrete for destination-scale development.

In November last year, Binyah, a leading Saudi contractor, was appointed to begin the construction of the coastal and inland road links at the destination. The design-and-build contract for 77 km of roads, includes a 10-km highway, a 13-km airport access road, interconnecting roads within the destination and an access road to the bridge connecting the main hub island. The construction, which is due for completion by the end of Q3 2020, will be closely monitored by TRSDC's environmental team at all stages of the development, ensuring compliance with the destination's strict sustainability and environmental guidelines.

All building work will ensure that the area's sensitive wadi ecosystems are protected and will take place in areas designated as development zones in the marine spatial planning simulation, conducted during the first phase of development.

TRSDC has been working on identifying the location of its overwater assets, including villas, restaurants and hotel arrival points for two hyper-luxury hotels and one luxury hotel on Sheybarah South and Um-mahat Al Shaykh islands.

The destination is expected to be fully completed by 2030, offering 8,000 hotel rooms across island resorts, mountain retreats and desert hideaways.

The Red Sea Project is earmarked by the Public Investment Fund (PIF), the sovereign wealth fund of Saudi Arabia, as a significant driver of domestic and foreign direct investment in the next major luxury global travel destination. ■



# PURITY AT ITS HEART



The wellness core at Amaala.

**A**MAALA, the ultra-luxury destination set to take shape along Saudi Arabia's northwestern coastline, will raise the bar for individuals seeking sustainable, transformative travel experiences, underpinned by ethical principles, the developer of the project tells *Gulf Construction*.

Set in the Prince Mohammad bin Salman Natural Reserve, its unique heritage and unspoiled landscape will allow travellers to immerse themselves in the finest wellness, art, culture, sports, and fitness offerings.

Named after the Arabic word for 'hope' and the ancient Sanskrit word for 'purity', the Amaala resort delivers upon Saudi Arabia's Vision 2030 pillars of the cultivation of a vibrant society.

Amaala will cover 3,800 sq km and include 2,500 hotel keys and more than 800 residential villas, apartments and estate homes, alongside 200 high-end retail, fine dining, wellness and recreation facilities. It will be brought to life by three of the world's most recognised names in architecture and design. Foster + Partners, HKS Architects and Denniston International Architects and Planners will be responsible for creating innovative and sustainable design solutions across Amaala's hospitality, residential, and retail offerings. Work on Phase One of the development is due to

commence later this year.

Working closely with partners, the first-of-its-kind destination will ensure sustainability is a key thread throughout all stages of design, build, and operational phases. "This, however, is no easy feat. To build from the bottom up, the destination has put the natural environment at the centre of construction. It is this ethos – a razor-sharp focus on the preservation of natural habitats – that sets Amaala apart. The project is currently planning to develop less than six per cent of its large landholding, with the remainder managed for its conservation values," a spokesman for the developer says.

Once completed, Amaala will be home to

one of the largest solar energy farms in the GCC, supporting the ambitious sustainability target of being 100 per cent powered by renewable energy. Robust waste management and recycling processes will underpin Amaala's operations, including avoidance of single use plastics. All wastewater will be treated and reused in landscaping and agriculture irrigation. The destination will also be home to an organic farm, harnessing sustainable farming techniques, to supply ample local produce for guests and employees.

According to HKS Architects, the newly-appointed masterplanner of two of the three unique communities within the development, Amaala will be the most sustainable development within the region.

HKS Architects is the masterplanner for Triple Bay and The Coastal Development communities at Amaala.

One of the largest wellness-based projects currently being planned, Amaala aims to be zero carbon, Kevin Underwood, Planning and Design Lead in EMEA and Head of the hospitality market sector at HKS, tells *Gulf Construction*.

"We have a strict ecological policy in place that puts the protection of natural assets – the coral reef, sea grass, turtles and other sealife – at the heart of the design," he adds.

Underwood says HKS Architects is bringing together the global expertise of the firm, using its knowledge of designing for healthcare, sports, and other applications to create something innovative and contemporary.

Triple Bay will offer a fully holistic wellness retreat, state-of-the-art diagnostic medical facilities, and authentic treatments influenced by the local environment and



Amaala ... set in the Prince Mohammed bin Salman Nature Reserve.



traditional practices.

The Coastal Development is being spearheaded as the defining hub of contemporary arts in the Middle East. It will feature an arts museum and cultural district, along with an amphitheatre for live performances.

Commenting on measures that can be taken to promote environmental sustainability, Underwood says: "It's perhaps instructive to look at our plans for Amaala which, we believe, will be the most sustainable development in the region.

"Energy consumption is being reduced by looking at the principles of the 'PassivHaus' (passive house) approach and using them wherever possible. In practice, this means highly insulated buildings to radically reduce cooling and heating, reducing solar gain through orientation and building positioning," he explains.

Underwood points out that landscaping has the largest impact on water use, and it is vital to consider how design can reduce consumption. "At Amaala, we are creating a 'desertscape', reducing areas of planting and balancing this with a 'rockscape'. This, along with specifying local and regional



The Rock Hotel ... planned for Amaala.

species that are less water hungry, creates open spaces that are beautiful, sustainable and appropriate to the setting.

"A clear trend that we're seeing, particularly amongst the very wealthy, is a move back to nature and an emphasis on experiences in the natural world. Many of these people are acutely aware of environmental issues and seem set on ensuring that their children are connected to, interested in and committed to protecting the planet."

Meanwhile, leading architectural firm

Denniston has been selected as the masterplanner for The Island, the third community within Amaala.

The Island will be the tranquil home of an exclusive art community, and an Arabian botanical garden incorporating sculptural pieces. It will house masterpieces across four key design elements: a contemporary art museum and academy, a Riviera-life-style artists' colony, immersive artistic experiences, and art and sculpture co-creation opportunities. ■

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**T**WO major ports on the west and east coasts of Saudi Arabia are poised for expansion under a multi-billion-dollar programme being spearheaded by the Saudi Ports Authority (Mawani).

The authority last month signed 30-year build, operate and transfer (BOT) agreement worth more than SR7 billion (\$1.85 billion) with Saudi Global Ports (SGP) for the construction and operation of container terminals at the King Abdulaziz Port in Dammam.

The BOT agreement represents a major step by Mawani towards achieving its strategic objectives and development plan by conceding some of its services in partnership with the Ministry of Transport and with the support of the National Center for Privatization.

Upon assuming the responsibility of managing both container terminals, SGP will embark on a development and modernisation programme to transform King Abdulaziz Port into a mega container hub and increase the port's capacity to an estimated 7.5 million 20-ft equivalent units (TEUs) annually when fully completed.

Under this agreement with SGP, Mawani will invest and develop key infrastructure such as berths and container handling equipment, and more than double the existing container handling capacity of King Abdulaziz Port. The investments will focus on environment-friendly and technologically sophisticated systems, including the adoption of automation.

Meanwhile, Mawani also signed deals at the end of 2019 with Red Sea Gate Terminal (RSGT) and DP World for the north and south container terminal at Jeddah Islamic Port.

As part of its agreement, RSGT last

## PORTS SET TO EXPAND



The RSGT ... poised for expansion.

month announced plans to invest heavily on the expansion of Jeddah Islamic Port, mainly to help boost its operational capabilities and also for future renovation work.

This marked the official commencement of RSGT's take-over of operations in the northern section of the port (previously known as North Container Terminal).

The 30-year concession agreement for the existing north port facility signed by RSGT with Mawani calls for \$1.7 billion of investment in infrastructure, equipment and technology by 2050, as annual container throughput capacity surges to 8 million TEUs.

CEO Jens O Floe comments: "As RSGT begins operations at the northern part of Jeddah Islamic Port, we are very proud to commemorate this tremendous milestone of the RSGT growth strategy, demonstrating our ongoing and long-standing com-

mitment to expansion, modernisation, and world-class terminal services."

By 2023, the expanded RSGT, covering an area of 1.5 million sq m, will have increased annual container throughput capacity to 5.2 million TEUs, states Floe.

RSGT, which currently has the capability to accommodate ultra-large container carriers (ULCCs) of 20,000 TEU class and above, will be equipped with 24 Super Post-Panamax quay cranes, 67 rubber-tyred gantry cranes (RTGs), and will offer 4,900 Reefer plugs at the end of the first three-year phase of investment.

"This carefully planned programme of growth and investment will firmly establish RSGT as the largest logistics gateway, and the busiest container terminal, in Saudi Arabia, and on the Red Sea," remarks Floe.

The flagship Saudi container docking terminal has already signed an Islamic financing agreement with Banque Saudi Fransi and Al Rajhi Bank for the project.

RSGT is an international terminal operator joint venture between Saudi Industrial Services group Sisco and the Malaysian Mining Company (MMC).

Late last year, DP World secured a 30-year BOT concession from Mawani for the management and development of the Jeddah South Container Terminal at the Jeddah Islamic Port. As per the deal, DP World will invest up to \$500 million to improve and modernise the port, including major infrastructure development to enable the Saudi port to serve the ULCCs. ■



King Abdulaziz Port in Dammam.