



## GCC Transportation Construction Market

Created by Ventures ONSITE for Gulf Traffic

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## Overview of GCC Transportation Construction Market

In this report, the GCC transportation construction market is classified into roads, bridges, rail, car parks, and tunnels.

Given the prolonged volatility in oil prices, the GCC region has seen incredible and unprecedented development in its transport network. Increasing population, urbanisation, and rise in tourism will propel the growth of land transport infrastructure in the coming years. As the GCC region undergoes economic diversification and demographic growth, investment in the transportation sector is likely to be a top priority. The investment is crucial as it is not only beneficial for fast transit of people and goods within a specific GCC country, but increases cross-border trade. Transport infrastructure projects are also expected to provide countries in the region with much-needed job creation and economic stimulation, leading to an upward trend in the GCC infrastructure construction market in coming years. The GCC states are also currently working towards eliminating traffic accidents and improving road safety.

The GCC governments are increasingly turning to Private Public Partnerships (PPPs) as a way to plug budgetary gaps for public transport infrastructure development in a fluctuating oil market. The two key markets generally considered to be the most promising in the near term are Kuwait and UAE (Dubai), each of which has recently adopted a legislative framework for PPPs. Kingdom of Saudi Arabia (KSA)'s government has also decided to implement a number of transport infrastructure projects on a PPP model.

In land transport, railways are a huge priority for the GCC countries as it has the potential to facilitate economic diversification. Congested urban roads, increasing populations and the need for seamless trade corridors continue to drive immense investment in the GCC railway sector. There are already numerous rail projects underway across the GCC with major contractors, sub-contractors, and consultancies engaged in building railways that are typically designed to last for at least a century. The UAE and KSA are continuing to make headway with their national railway networks. However, according to industry experts, when it comes to alternatives to financing rail from state budgets, PPP agreements are unlikely to be feasible in the rail sector. The large amount of risk that corporate stakeholders would be expected to take on, coupled with a lack of proven market demand, make it difficult to attract private investment.

Road building especially is rapidly becoming a key driver of the GCC's construction industry due to expected increase in the number of passenger cars in the coming years. Consequently, this will demand building of additional car parking lots. Car parking forms an important part in GCC's traffic infrastructure. Contractors and suppliers of building material and components are of the view that the car park design market will remain robust, as there are a significant number of

large-scale projects currently being planned. Dubai's Expo 2020 is a particularly strong area of opportunities.

The table below lists GCC's major car park projects.

Project Name	Project Status	Country	Project Value (Net) in US\$ Mn
Expansion of Mirdif City Centre Multi-storey Car Park	Construction	UAE	92
Dubai Creek Harbour - Underground Car Park	Tender for Construction	UAE	60
King Abdulaziz University - Multi-Storey Car Parking South of Academic Square - Phase 2	Construction	KSA	30
Car Park at MOE Headquarters	Construction	KSA	18.5
One Central (1 Central) - Multi Storey Car Park (CP-03)	Construction	UAE	20
Al Maryah Central North & South Carpark	Construction	UAE	20
Remote Controlled Car Park on Plot No. DJAZ1 B2MX05 Downtown Jebel Ali - Zone 1	Construction	UAE	20
Multi-Storey Car Park Building in Umm Ramool - Plot No.214-744	Construction	UAE	15

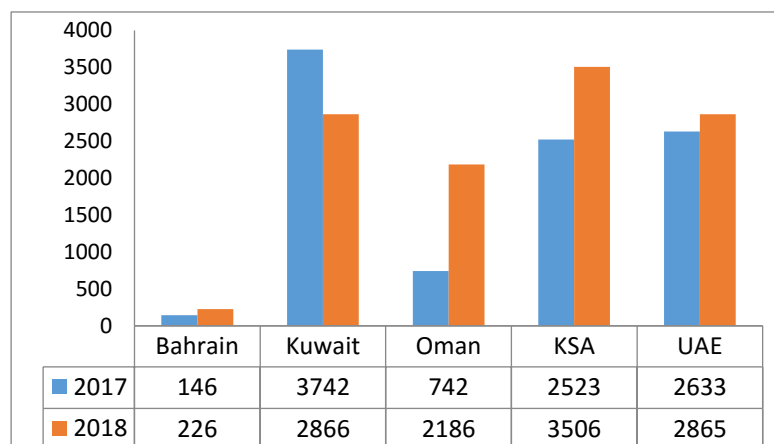
Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

According to experts, as the GCC population grows and urbanisation continues, fuelling traffic congestion, the GCC governments need to upgrade their transportation systems. The wealth of existing and emerging new intelligent transport systems technologies can significantly help facilitate this process. According to experts, GCC governments can use transport technologies to develop more cost-effective, safer, accessible, and environmentally sustainable transportation systems. Currently, among the GCC countries, the UAE, especially Dubai, is already taking measures to adopt more technologies into its transportation infrastructure. According to the Dubai's Roads and Transport Authority (RTA), its new smart transport strategy will reduce transportation costs by 44% or more than US\$ 245 million, saving around US\$ 408 million through reduction of environmental pollution, and US\$ 4.9 billion through raising efficiency of the transport sector by 20%. Also, it will increase productivity of individuals by 13% by saving up to 396 million hours, which are at present wasted every year during travel on roads. It will also help in reducing traffic accidents and associated economic losses by 12%, thus saving US\$ 544 million a year. Similarly, an intelligent rail transport system is vital to ensure an efficient, clean rail transport. Intelligent rail can help rail operators to reduce manpower requirements, meanwhile improving operational efficiency and passenger care capacity and reduce operational expenses.

## GCC Transportation Contractor Awards & Projects Outlook

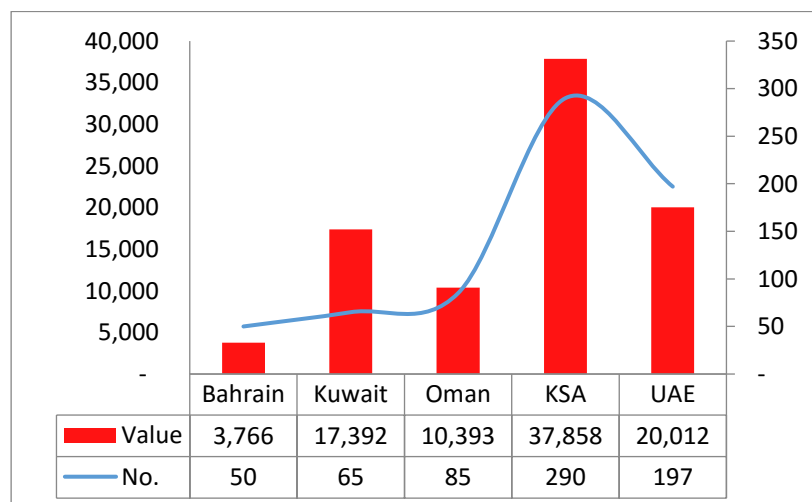
Total GCC road, bridge, and tunnel contractor awards are forecast to increase from US\$ 13,951 million in 2017 to US\$ 15,512 million in 2018. In 2018, KSA (US\$ 3,506 million) is likely to register the highest contractor awards in road, bridge and tunnel followed by Kuwait (US\$ 2,866 million) (refer Figure 1).

**Figure 1** represents the GCC road, bridge and tunnel contractor awards from 2017 to 2018 in US\$ Million.



Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

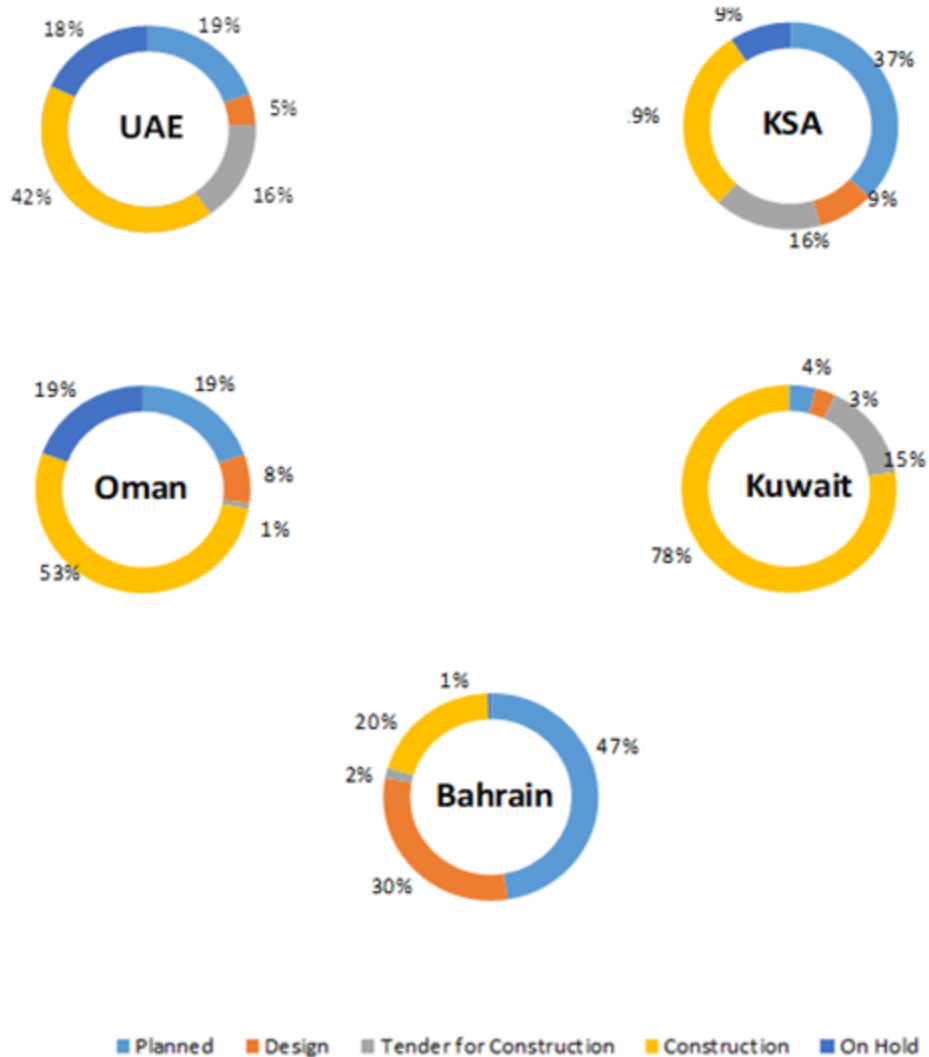
**Figure 2** represents the GCC road, bridge and tunnel project value and number of projects as of July 2017\*, in US\$ Million.



Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

As of July 2017\*, the total value of GCC road, bridge and tunnel projects is estimated to be worth US\$ 140,645 million.

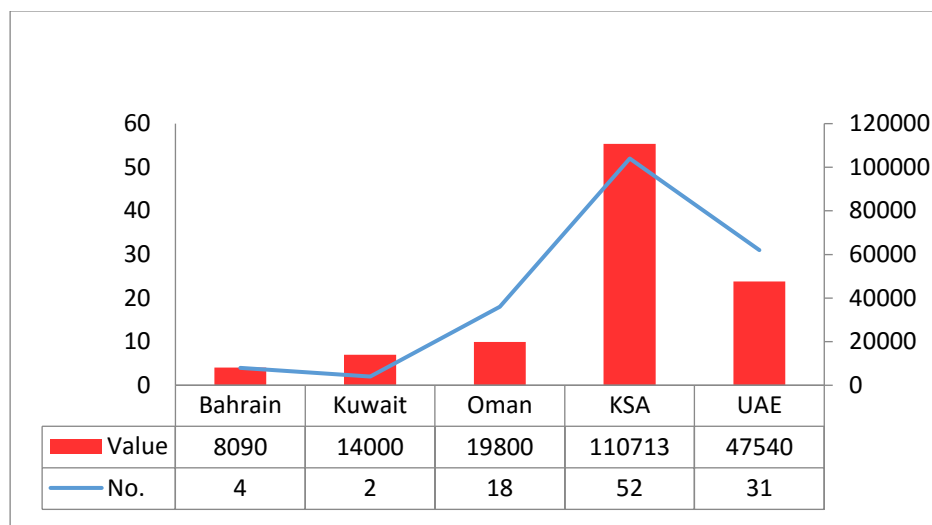
**Figure 3** represents the GCC road, bridge and tunnel project value by stages of construction as of July 2017\*, in percentage.



Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

As of July 2017\*, the total GCC rail project value is estimated to be worth US\$ 240,143 million. KSA registered the highest rail construction project value of US\$ 110,713 million, followed by the UAE (US\$ 47,540 million) (refer Figure 3).

**Figure 3** represents the GCC rail project value and number of projects as of July 2017\*, in US\$ million.



Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

## Analysis and Outlook by GCC Country

### United Arab Emirates (UAE)



Opportunities exist in the UAE's transport infrastructure construction market as it looks set to witness the initiation of a number of projects leading up to Dubai Expo 2020 and Abu Dhabi's Vision 2030. UAE's Vision 2021 National Agenda seeks to position the emirate as the world's best in road quality and infrastructure. UAE's road, bridge and tunnel contractor awards are expected to increase from US\$ 2,633 million in 2017 to US\$ 2,865 million in 2018. As of July 2017\*, their total project value is likely to be worth US\$ 20,012 million.

The transportation industry will be a key driver for construction sector growth as large investment projects are moving forward, including the Etihad Rail project and the Dubai Metro extension project. New roads and intersections would be constructed to ease traffic in and around the Dubai Expo 2020 site. This includes the Dubai-Al Ain interchange connecting the Al

Yalays, Jebel Ali-Lehbab, Sheikh Mohammed bin Zayed and the University City roads. In addition, there will be several intersections and roads surrounding the Expo area and building parking spaces for 44,000 vehicles adjacent to Al Rashidiya and Dubai International Airport intersection. Latest technologies in smart mobility such as cable car and self-driven smart cars would also be employed. The work on the Route 2020 project in Dubai is progressing as per schedule with over 12% of the project already completed. Route 2020 extends 15 km from Nakheel Harbour and Tower Station on the Red Line, comprising 11.8 km as an elevated track and 3.2 km as an underground track. It has seven stations, including an interchange station, one station at the Expo site - three of them elevated and two underground stations. The capacity of Route 2020 is 46,000 riders per hour in both directions (23,000 riders per hour per direction). The ridership of the Route is expected to hit 125,000 riders per day by 2020 and the number is expected to shoot up to 275,000 riders per day by 2030. Dubai is playing a major and increasingly sophisticated role in regional and global value chains through transport.

Engineering Contracting Company (ECC) has recently been awarded a multi-storey car-park project in Dubai, in joint venture with McLaren Construction. The car park, offering 2,800 parking spaces, is coming up opposite the Dubai World Trade Centre (DWTC) in Dubai. Construction of the strategically located car parking structure, which commenced in March 2017, is expected to take 12 months to complete and will cover a built-up area of 89,000 square metres. Visitors to DWTC and surrounding venues can soon expect improved access and reduced congestion, especially around high profile events, as the new project contributes to the on-going development of infrastructure in the area.

Over the next few years, RTA will be developing infrastructure and road projects costing about US\$ 5.4 billion including roads and transportation projects of Expo 2020 costing about US\$ 4.08 billion. The Expo 2020 project covers the extension of the Red Line of the Dubai Metro to the Expo at a cost of US\$ 3 billion and road projects costing about US\$ 0.8 billion. The portfolio of projects the RTA intends to undertake in the near future includes the extension of the Dubai Metro Green Line, Phase II of the Dubai Tram Project, and a variety of road and bridge projects. Future projects offer a good opportunity for firms to bid for tenders released by RTA.

The RTA is working to complement the public transport network in the emirate to reduce the use of private vehicles and to make mass transit the ideal mobility choice in Dubai. In May 2017, RTA awarded a US\$ 102.1 million contract for the development of tunnels and roads leading to Jewel of the Creek. Construction works for roads and tunnels have started, and primarily aim to provide entry and exit points linking with the ground and basement access points of the project. The contract provides roads, subways, and slipways linking the ground level and the basement parking of the project with the roads and transport network of Baniyas Road to the north, and Al Ittihad Road to the east. The project also includes the construction of a footbridge crossing over

Baniyas Road and lighting works, along with the protection and shifting of the existing utility lines.

RTA has also awarded a US\$ 107 million contract to build the 7th interchange on Sheikh Zayed Road, which involves construction of a four-lane bridge above Sheikh Zayed Road, and a US\$ 216 million contract to build parallel roads from the interchange that will provide improved links to Sheikh Mohammed bin Zayed Road and Emirates Road, easing traffic congestion in the area. It will also improve the movement of goods to and from DP World's Jebel Ali port. This project is prompted by Dubai's sustained development, and the need to meet the requirements of growth and urban development

The Parallel Roads Project is one of the vital projects currently undertaken by the RTA to ease the congestion on Sheikh Zayed Road. This traffic corridor, which comprises 3 lanes in each direction, extends 108 kilometres (kms) from Sheikh Rashid Road in the north, up to the entrance of Abu Dhabi. The project covers the construction of bridges and at-grade junctions at the intersections of parallel roads with the crossing roads extending 42 km. The entire project constitutes a traffic hub supporting the Sheikh Zayed Road and Al Khail Road, and upon completion of all phases, it would ease the traffic movement in the area parallel to the Sheikh Zayed Road to the east. Phase 1 of Dubai's Parallel Roads Improvement Project (Godolphin District) is 85% complete and all construction works under this phase would be finished in the final quarter of 2017. Phase 1 of the project, which costs about US\$ 157 million, encompasses the construction of a 3.5 km-long flyover comprising three lanes in each direction crossing over the Dubai Water Canal. The number of lanes increases to five in each direction above Godolphin Stables and Al Meydan Road up to Al Quoz Industrial Area. It also includes upgrading the existing junction of Al Meydan Road and Al Khail Road where flyovers will be constructed to provide left turns and ease the existing overlapping of traffic movement, which would reduce the congestion at the junction during peak hours. The project also includes the construction of a 2-lane bridge to serve the traffic inbound from Al Khail Road in the direction of Sharjah to Al Asayel Road up to the junction with Oud Metha Road. Works in Phase 2 of the project are set for completion in mid-2018.

RTA is the first in the world in transport sector services technologies. The authority announced a new smart transport strategy 2017-2021, which will ensure that Dubai is on track to transform 25% of its road trips into autonomous by 2030. The Dubai Autonomous Transportation Strategy is expected to save US\$ 6 billion in annual economic revenues by reducing transportation costs, carbon emissions and accidents, raising the productivity of individuals as well as saving hundreds of millions of hours wasted in conventional transportation. The emirate believes the strategy will help cut transportation costs by 44% and help reduce environmental pollution by 12%, as well as increase the efficiency of the transportation sector in Dubai by 2030. The strategy also aims to reduce traffic accidents and losses by 12% - the equivalent of saving of US\$ 544 million annually. Moreover, it will save 396 million hours on transportation trips yearly and reduce the spaces



allocated for parking. According to a study carried out by the World Economic Forum in partnership with Dubai's RTA and Future Foundation, 70% of Dubai's residents prefer to use autonomous transportation. RTA's commitment is to deliver the best solutions in raising the awareness and traffic safety levels, besides employing smart technologies in various fields such as the smart monitoring of licensing service providers. The system ensures the compliance of providers and clients with the approved systems of the RTA. It contributes to improving the level of security and traffic safety on roads, and reduces accidents resulting from poor driving practices.

Abu Dhabi's Integrated Transport Centre (ITC) has commenced Phase 1 of its US\$ 31 million Intelligent Transport Infrastructure programme in Al Ain. The five-year initiative will involve the supply, installation, operation, and maintenance of various infrastructure projects, including the development of a 125 km-long fibre-optic network, and 100 km of ground-cable tracks for Al Ain's roads and intersections. Phase 1 of the programme will see the implementation of fibre-optic infrastructure and the intelligent transport system, and is expected to take two years to complete. Management optimisation will take place over a period of three years as part of Phase 2. Under the supervision of the appointed implementation contractor, these activities have been designed to maximise the efficiency and sustainability of the system's operations and maintenance (O&M). As part of the programme, Al Ain's Central Traffic Control System Network will be updated through the integration of central servers with large storage capacities. These servers will be linked to field-control devices on all 79 of the city's existing intersections, and the 24 new intersections that Al Ain Municipality is building. In addition, 2,000 electronic sensors will be implemented in a bid to more effectively determine traffic density and improve management efficiency. A traffic video surveillance system for main roads and intersections will also be developed. The system will comprise 50 digital cameras and 13 variable message signs, as well as five traffic count devices stations and 14 high-vehicle stations. All Intelligent Transport Infrastructure systems will be connected by the fibre-optic communications network, which will link to Al Ain's Traffic Management Center (TMC).

In January 2017, the Office of Sheikh Falah Bin Zayed Al Nahyan signed a strategic partnership agreement with Hyperloop Transportation Technologies (HTT), as part of its support for the project to link the cities of Abu Dhabi and Al Ain via Hyperloop technology. The agreement continues the efforts to support strategic projects in the emirate, according to the Abu Dhabi Vision 2030. In line with the Abu Dhabi 2030 vision, the emirate is keen to take a leading role in the launch and adoption of initiatives and projects that are sustainable and based on the latest technologies and innovations. In February 2017, Dubai's RTA commissioned provisional studies to understand the feasibility of Hyperloop technology, but no timeline has been set for its implementation. A committee has been formed by RTA to oversee initiatives related to Dubai Future Accelerators Programme as part of which, the agency has discussed the possibility of using Hyperloop for public transport, and Dubai's capacity to host transit modes such as driverless

vehicles. The objective of RTA's participation in Dubai Future Accelerators Program is the quest for new mobility means for residents with emphasis on shared mobility means. The RTA has therefore recently launched the smart rental system, which eases the mobility of public transport riders and their arrivals to final destinations. Thus, it contributes to realising one of the strategic objectives of the RTA in raising the share of public transport in the mobility of people to 30% by 2030, besides reducing traffic fatalities.

The UAE's rail contractor awards are forecast to be worth US\$ 600 million in 2018. As of July 2017\*, its rail project value is expected to be worth US\$ 47,540 million (Planned: US\$ 24,366 million, Design: US\$ 5,800 million, Construction: US\$ 2,900, On Hold: US\$ 14,474 million). The 2021 Vision aims to speed up all rail projects to fit into the schedule. To implement rail transport projects, the UAE is looking to encourage the private sector to develop rail system and technologies.

The table below lists the major road and rail projects in the UAE.

Project Name	Project Status	Client	Project Value (Net) in US\$ Mn
Dubai - Abu Dhabi Hyperloop	Planned	Roads and Transport Authority (RTA)	4,160
Dubai Metro - Route 2020	Construction	Roads and Transport Authority (RTA)	2,900
Dubai Creek Harbour - Site Infrastructure Project	Construction	Emaar Properties, Dubai, Dubai Holding	1,400
Mafraq-Al Ghweifat International Highway - Section One	Construction	Department of Municipalities & Agriculture-Abu Dhabi, Abu Dhabi Department of Transport (DOT), Abu Dhabi General Services PJSC (Musnada)	817
Diftah - Shis - Khorfakkan Roads and Tunnels	Construction	Directorate of Public Works, Sharjah, Sharjah Roads & Transport Authority (SRTA)	650
Sixth Crossing in Dubai Creek	Planned	Roads and Transport Authority (RTA)	490

Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

## Kingdom of Saudi Arabia (KSA)



According to industry experts, KSA is the engine of the GCC because of its high population and GDP. As part of its Vision 2030 and National Transformation Plan (NTP) 2020, KSA plans to leverage its geographical advantage, by developing itself as a key hub connecting the three continents of Asia, Europe and Africa. KSA has built a massive network of modern roads (97,000 km) linking all parts of the country. The kingdom has made huge investments in the construction of road and railways. KSA has allocated a budget of US\$ 0.8 billion to improve road safety in the kingdom under its NTP 2020.

KSA's road, bridge and tunnel contractor awards are estimated to increase from US\$ 2,523 million in 2017 to US\$ 3,506 million in 2018. As of July 2017\*, the total value of its projects is anticipated to be worth US\$ 37,858 million.

KSA has completed the detailed design of its 950-km Land Bridge railway project, which will link the country's major cities Jeddah and Riyadh. To be developed on a build, operate and transfer (BOT) scheme, the Saudi Land Bridge project will transform the existing rail network in the kingdom into a world-class freight and passenger rail link across the country. The kingdom is likely to rely on PPPs to build some of its major train projects, including the Saudi Land Bridge intercity train development. Construction of tunnels connecting holy sites to the Grand Mosque in KSA was approved. The Makkah Region Development Authority authorised plans and studies to build service tunnels linking Arafat and Jamarat in Mina through Muzdalifah, and tunnels linking Jamarat with the courtyards of the Grand Mosque in Makkah.

The railway infrastructure spending market in KSA is expected to grow at a CAGR of 7.88% from 2016 to 2020. The Ministry of Transport would increase private sector contribution to developing and operating railways by 50%. The railway contractor awards are expected to increase from US\$ 200 million in 2017 to US\$ 1,500 million in 2018. As of July 2017\*, the total value of rail projects is estimated to be worth US\$ 110,713 million (Planned: US\$ 5,800 million, Design: US\$ 9,560 million, Construction: US\$ 47,853 million, Tender for Construction: US\$ 400 million, On Hold: US\$ 47,100 million). According to industry experts, the announcement that the KSA government will be consolidating the two public transport entities Saudi Railway Organisation and Saudi Railway Company under the Saudi Railway Company name will ensure a unified vision for the KSA national networks. The tender for Phase 2 of Makkah's first rail system may be awarded by 2018. Government officials are currently in talks to secure funding for the project after previous reports

said it may have been shelved due to budgetary constraints. Financing could also be raised through the privatisation of Saudi Aramco, the first trillion dollar privatisation.

The table below lists the major road and rail projects in KSA.

Project Name	Project Status	Client	Project Value (Net) in US\$ Mn
Makkah - Madina Railway Link (MMRL) - Haramain	Construction	Saudi Railways Organisation (SRO)	13,743
Riyadh Light Rail Network - Phases 1 & 2	Construction	High Commission for the Development of Arriyadh	9,000
Riyadh Light Rail Network - Phases 4, 5 & 6	Construction	High Commission for the Development of Arriyadh	7,820
Riyadh Light Rail Network - Phase 3	Construction	High Commission for the Development of Arriyadh	6,000
Landbridge Project	Design	Saudi Railway Company (SAR), Royal Commission for Jubail and Yanbu (RCJY)	2,980
King Abdulaziz Road Project (KAAR) - South of Makkah	Construction	Ministry of Municipal & Rural Affairs (MOMRA), Saudi Arabia, Umm Al Qura for Development & Construction Company, Jeddah Municipality	1,786.6

Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

## Kuwait



Kuwait is promoting unprecedented levels of infrastructure development activity aimed at realising its long-term vision of diversifying the economy and transforming the city into one of the leading hubs for financial trade and logistics in the Middle East. Kuwait's strong economic growth and robust population growth are driving the development of the country's transport infrastructure. Despite fluctuating low oil prices, the government remains committed to rolling out its ambitious infrastructure development plan. The government's commitment to its ambitious Kuwait National Development Plan (KNDP), which was renamed in early 2017 as 'New Kuwait' or 'Kuwait Vision 2035' that aims to develop the country's roads and railways, is a key driver for future growth. The 2017-2018 development plan particularly prioritises PPP projects to solidify Kuwait's infrastructure. Kuwait's PPP policies and regulatory framework have encouraged foreign and domestic investors.

Roadworks are expected to be a large part of the award activity in 2017. The Kuwait government is set to spend around US\$ 309 million for development of roads and other key infrastructure in the South Surra neighbourhood of the capital city. The project, being implemented by the

Ministry of Public Works, involves construction and maintenance of roads and overpasses in areas within the vicinity of Sheikh Jaber Hospital and parts of the Sixth Ring Road.

Kuwait's Sheikh Jaber Causeway is 80% complete, and on track to open in 2018. The cable-stayed bridge is a crucial component of Kuwait's 2035 Vision, and is one of the longest cross-sea bridges worldwide. Spanning 36 kms and worth US\$ 2.4 billion, the development will link Al-Sabiya City with Madinat Al-Hareer (Silk City), reducing travel time from 60 to 15 minutes. The development is being implemented to turn Kuwait into a financial and commercial centre.

As of July 2017\*, the total value of rail projects is estimated to be worth US\$ 14 billion. Kuwait Authority for Partnership projects (KAPP) is extended the deadline previously announced to receive applications from companies wishing to take part in Kuwait National Rail Road (KNRR) project, and deferred it from Q1 to Q2 2017. The project comprises of six packages including design, construction, funding and major maintenance of all sides of infrastructure, routes, railway system, terminals in Kuwait, and operating the cargo train company.

Kuwait's road, bridge and tunnel contractor awards are estimated to decrease from US\$ 3,742 million in 2017 to US\$ 2,866 million in 2018. As of July 2017\*, the total value of its projects is anticipated to be worth US\$ 17,392 million.

The table below lists the major roads and rail projects in Kuwait.

Project Name	Project Status	Client	Project Value (Net) in US\$ Mn
Kuwait Metropolitan Rapid Transit System (KMRT)	Planned	Kuwait Authority for Partnership Projects (KAPP), Ministry of Communications Kuwait	7,000
Kuwait National Rail Road (KNRR) Network	Planned	Ministry of Communications Kuwait, Ministry of Public Works (MPW), Kuwait, Kuwait Authority for Partnership Projects (KAPP)	7,000
Sheikh Jaber Al Ahmed Al Sabah Causeway - Phase 1 (Subiya Causeway)	Construction	Ministry of Public Works (MPW), Kuwait	2,600
South Al Mutla Development - Roads and Infrastructure - Contract 1	Construction	Public Authority for Housing Welfare (PAHW)	959
Road Linking 7th Ring Road and Southern Region	Tender for Construction	Ministry of Public Works (MPW), Kuwait	659.17

Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

## Bahrain



Land transport plays a vital role in Bahrain's Vision 2030 and having availed support from the Gulf Development Fund, Bahrain has invested heavily in its road network. The Ministry of Transport and Telecommunications (MTT), the Ministry of Works (MoW) and other government

departments have drawn up blueprints for structural changes to the transport network as part of Economic Vision 2030. A considerable portion of the US\$ 10 billion the kingdom is receiving in investment from GCC neighbours as part of the Gulf Development Fund package is being devoted to the transport sector, where key facilities have long since surpassed the volumes of traffic they were designed to carry. The Bahraini government has drawn up a strategic roads network plan that would cost tens of millions of dinars in co-ordination with the Ministry of Works, Municipalities Affairs and Urban Planning. The Dirt Roads programme is part of the government's initiative to improve infrastructure in Bahrain's urban areas and create an integrated roads network across the kingdom. About 70% of the road paving work had already been completed.

Bahrain's road, bridge and tunnel contractor awards are estimated to increase from US\$ 146 million in 2017 to US\$ 226 million in 2018. As of July 2017\*, the total value of road, bridge and tunnel projects is anticipated to be worth US\$ 3,766 million.

A new road and rail causeway between KSA and Bahrain is being planned to ease congestion on the existing King Fahd Causeway. The causeway is expected to cost US\$ 4 billion to US\$ 5 billion to build and will be funded using the PPP model. A new 70 km railway is also being planned as part of the project, which will connect a passenger terminal in Salmabad and freight facilities at Khalifa bin Salman port in Bahrain to the Saudi railway system. The project could be developed under a design, build transfer, or design, build, maintain and transfer basis. The transport project is expected to be owned by the private sector through a new company with a 25-30-year PPP arrangement, though details are still preliminary. Traffic on the existing King Fahd Causeway, which has been opened since 1986, is expected to double by 2030 from 31,000 passengers in 2016. As of July 2017\*, the total value of rail projects is estimated to be worth US\$ 8,090 million. Bahrain's government has commissioned a detailed feasibility study on a light rail network. The expected tender once the study is completed is likely to be within H1 2017. The Light Rail project is likely to implement a build-operate-transfer (BOT) scheme (105 km, phase 1 is likely to be 25 km with 17 stations).

As Bahrain is a small country with a high density of population, the government is taking steps to take care of its road networks. The kingdom has unveiled a master plan that is expected to revolutionise the country's transport system within five years. The multi-million dinar Integrated Transport System (ITS) hopes to use the latest technology to help reduce congestion and improve road safety. Eight international companies have been invited to offer tenders for the ITS project, which is expected to start in August, following 18 months of planning and preparation.

The table below lists the major road and rail projects in Bahrain.

Project Name	Project Status	Client	Project Value (Net) in US\$ Mn
Bahrain Rapid Transport Network	Planned	Ministry of Works & Housing, Bahrain	8,090

Upgradation of Sheikh Jaber Al Sabah (SJAS) Highway	Construction	Ministry of Works & Housing, Bahrain	250
North Manama Causeway - Phase 2	Design	Ministry of Works & Housing, Bahrain	250
Bahrain Gas Interchange Improvement Project	Design	Ministry of Works & Housing, Bahrain	150
Shaikh Jaber Al Ahmed Al Sabah Highway Upgradation - Main Works	Construction	Ministry of Works & Housing, Bahrain	124

Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)

## Oman



In celebration of the nation's 46th anniversary on November 19<sup>th</sup>, 2016, Oman opened key road projects. According to industry experts, Oman is ensuring that its transport matrix will be sufficient to support the logistical needs of its rapidly diversifying economy, both domestically and, through ambitious schemes, in the wider region. Oman is set to invest billions of dollars in the country's transport sector, which remains lucrative with ongoing projects, such as road expansion. About 77 interchanges and 41 bridges are under implementation in different governorates of Oman in 2017. The projects being implemented in 2017 include 23 flyovers, 67 underpasses, 34 pedestrian bridges and more than 2,900 viaducts. The first phase and part of the second phase of the 200-km Bidbid-Sur road project, as well as the Mirbat-Hasik road rehabilitation project are expected to be completed in 2017. Oman-based Galfar Engineering and Contracting Company has been awarded a contract worth US\$ 68 million for works related to the Al Batinah Expressway project.

Oman's road, bridge and tunnel contractor awards are estimated to increase from US\$ 742 million in 2017 to US\$ 2,186 million in 2018. As of July 2017\*, the total value of its projects is anticipated to be worth US\$ 10,393 million.

In line with the above, spending on infrastructure projects, particularly relating to rail, is significantly higher than other sectors. Rail construction is one of the country's priority projects, followed by oil and gas, and roads and bridges-related projects. It is hoped that the focus on infrastructure will translate into sustainable growth for Oman's economy. Oman Rail and the Public Authority for Mining have held discussions on building a railway line for transporting minerals to Duqm Port for onward export to overseas markets. As of July 2017\*, the total value of rail projects is estimated to be worth US\$ 19,800 million (Design: US\$ 1,000 million, On Hold: US\$ 18,800 million).

The IRU has joined forces with Oman Global Logistics Group (OGLG) to reinforce the country's potential as a major logistics hub, served by a robust road transport sector. Both organisations have agreed on key areas of cooperation including accession and implementation of UN conventions related to trade and transport facilitation, notably the TIR convention, training and professional certification for commercial road transport, and the digitalisation of logistics systems. The agreement reinforces Oman's intentions to develop the goods and public transport sector, and to comprehensively grow the country's mobility capabilities.

The table below lists the major road and rail projects in Oman.

Project Name	Project Status	Client	Project Value (Net) in US\$ Mn
Sea Bridge from Masirah Island to Mainland	Planned	Ministry of Transport & Communication Oman	1,500
Oman Rail - Segment 4D - Mineral Line	Design	Oman Rail	500
Batinah Expressway Section 7	Construction	Ministry of Transport & Communications Oman	300
Adam - Thumrayt Road - Phase 1A	Construction	Ministry of Transport & Communications Oman	285
Dualisation of BidBid to Sur Road - Phase 2B	Construction	Ministry of Transport & Communications Oman	236

Source: Ventures ONSITE Database: [www.venturesonsite.com](http://www.venturesonsite.com)



## Conclusion

Despite fluctuations in oil prices, the GCC countries have allocated significant budget to improve their respective transportation infrastructure as it is vital to their economies. The GCC countries are currently working on upgrading their existing road infrastructure to smart ones, making them ready for all future technologies by developing safety standards. Meanwhile, government officials are introducing relevant legislations in keeping with these changes, according to industry experts. In the foreseeable future, cars will remain the dominant mode of transportation in the GCC, and as they become more intelligent, they will need similarly intelligent roads.

Rail infrastructure will also become a critical enabler and driver of sustainable growth for the GCC. Transportation practices in the GCC region are likely to change with the various ongoing and planned railway transport projects that would be executed by the governments. However, while KSA and the UAE are likely to witness significant changes due to advanced progress in projects such as the Hyperloop. In the long term, rail transport is expected to play a significant role in the development of each GCC member state, which has a prominent manufacturing and consumption base.

Overall, the GCC transportation construction market is set to witness strong growth in the coming years with the UAE, KSA and Kuwait likely to remain attractive markets.

**This report was created for Gulf Traffic by Ventures ONSITE  
construction projects intelligence.**

### **About Ventures ONSITE**



A product by Ventures Middle East, Ventures ONSITE has been a market leader in tracking construction projects for more than 15 years. The subscription-based service provides in-depth and up-to-date coverage of key Middle East and African (MEA) construction projects and information of companies and decision makers involved. In addition, Ventures ONSITE allows its users to convert the data into statistical charts and graphs, making it a critical decision-support tool for individuals, companies and organizations that directly or indirectly target the region's construction industry.

Ventures ONSITE's comprehensive data bank will not only help you find and select the right projects for your business, but also provide a chance to explore project opportunities in new countries or industries.

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