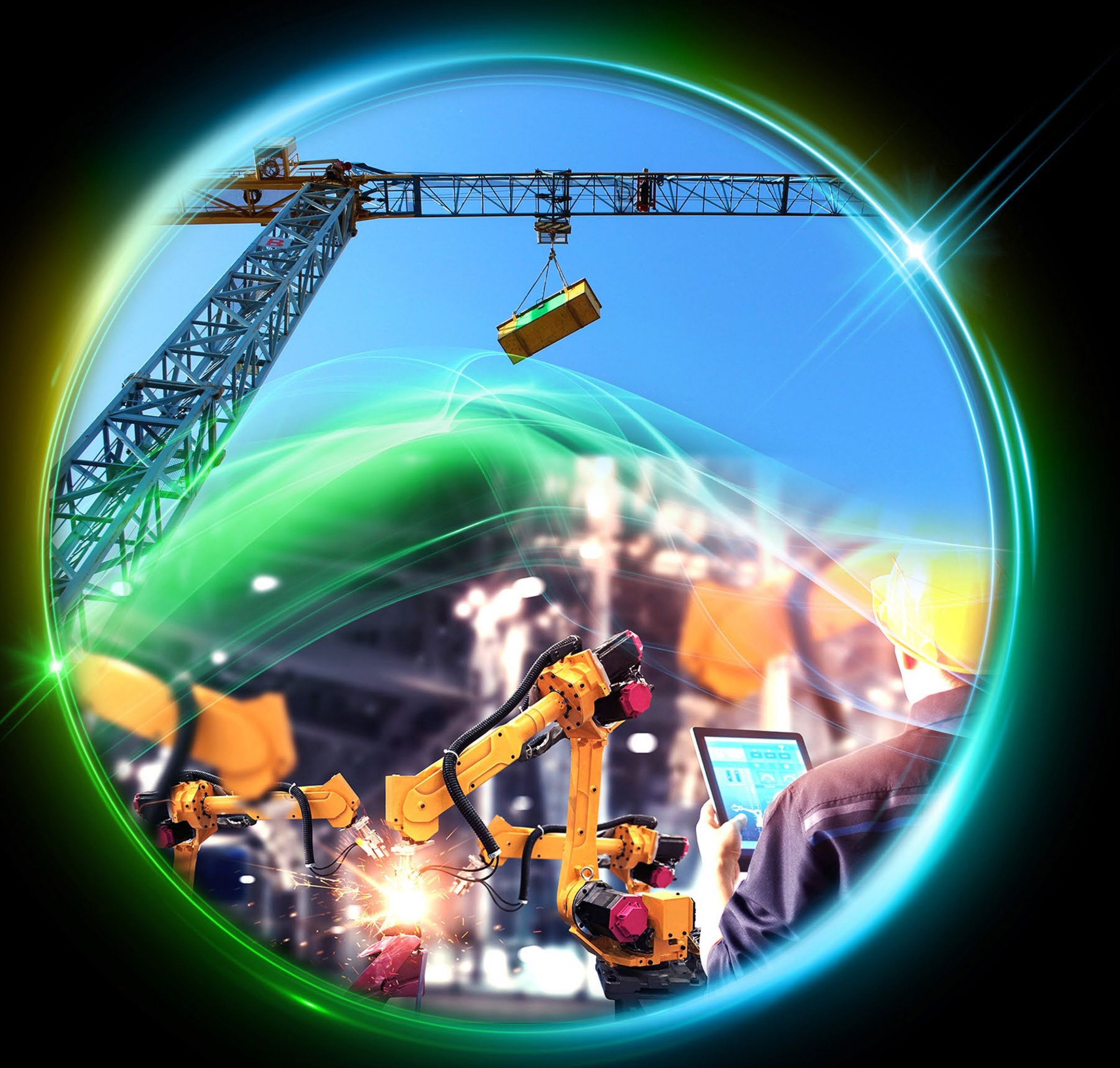


Building Tomorrow: Shaping the Future of Construction

Deloitte GCC Powers of Construction 2025 | 14th Edition

MAKING AN IMPACT THAT MATTERS since 1845

Foreword

Welcome to the latest edition of the Deloitte GCC Powers of Construction. This publication provides an overview of the construction industry in the Middle East, drawn from the expertise of industry leaders, government bodies and Deloitte's deep sector knowledge. It captures the rapid changes in the construction landscape, driven by major infrastructure projects and significant real estate developments. As we move through this period of unprecedented growth, this report serves as an important resource for understanding the key investments shaping the region's future, as well as the complex challenges and opportunities that lie ahead, emphasizing the need for strategic planning, collaboration and technological adoption to realize the full potential of these transformative projects.

The region is witnessing a surge in large-scale projects, notably in the United Arab Emirates and Saudi Arabia, which are redefining the construction industry's scope and complexity. The GCC's project pipeline remains exceptionally robust, valued at over $3 trillion. This reflects sustained confidence in the region's development plans, with Saudi Arabia and the UAE at the forefront of major construction, transport and renewable energy initiatives that will shape the future as detailed in the GCC Projects Market Outlook by MEED.

The UAE, for instance, is embarking on the development of the world's largest airport, a $35 billion project set to span a decade, alongside expansions in Abu Dhabi's airport infrastructure. These projects highlight the critical role of aviation and transport infrastructure in supporting economic growth and regional connectivity. Supported by huge investments we are now witnessing in data CENTRE with projections that this market could exceed USD3.3billion by 2030[1] with an IT load capacity rising to 675.8 MW by 2030[2].

In Saudi Arabia, the construction sector is gearing up for a series of landmark events, including the Asian Games, Expo 2030 and FIFA World Cup. These global events are mobilizing extensive infrastructure and real estate projects, reflecting the Kingdom's commitment to positioning itself as a premier destination for international events and investment.

Real estate development remains a cornerstone of growth in the region, with hubs like Ras Al Khaimah gaining strong momentum. RAKEZ's construction vision aligns with the UAE's sustainability goals, implementing green building regulations like solar-ready rooftops, water recycling and smart energy management. It also promotes economic diversification by attracting businesses in advanced manufacturing, clean energy, logistics and technology, positioning Ras Al Khaimah as a regional hub for future-ready industries.

Additionally, attention should be given to hospitality sector where Dubai and Riyadh lead across the region driven by visitor growth, corporate demand and major events. The sector is shifting towards diverse, tailored-focused offerings with greater emphasis on personalized guest experiences.

The importance of digitization and data integration throughout the asset lifecycle cannot be over emphasized. Technologies such as BIM, digital twins and advanced analytics are unlocking new levels of collaboration, transparency and predictive insights. These tools, combined with continuous knowledge transfer and a hybrid approach that integrates traditional and lean methodologies, enables organizations to optimize project outcomes and adapt effectively to changing conditions. The extensive data captured serves as a strategic asset, supporting smarter decision-making and more efficient project delivery as well as ultimately better asset management through integration of the facility management processes and systems. This will enable effective asset management for the end users and investors which creates clarity and transparency on the whole life cost for investors.

Furthermore, there is a growing focus on capturing data related to the carbon footprint and environmental impact of assets from the outset, ensuring that projects not only meet today's demands but are also resilient and sustainable for the future. This aligns with the view of 75% construction industry survey respondents[3] who see sustainability not just as a requirement but as a key competitive advantage, reinforcing its critical role in shaping the future of construction.

In an industry defined by iconic architecture, high standards of design and engineering, and rapid adoption of new building technologies and reshaping entire regions and cities, we trust this year's publication will not only capture your interest but also provide comprehensive insight into the importance of recognizing how today's efforts are building tomorrow and continue to change and shape the future of construction.

Source

1. Arabian Business 20 October 2025
2. Mordorintelligence.com
3. Deloitte 2025 Construction Industry Survey: The Chief Executives' view

by **Cynthia Corby** | Partner | Industrial Products & Construction Leader | Deloitte Middle East

“Today's efforts are building tomorrow and continue to change and shape the future of construction”

Contents

Unveiling insights into building the world's largest airport

A conversation with His Excellency Khalifa Al Zaffin, Executive Chairman of Dubai Aviation City Corporation and Dubai South

It is with great pride that we advance Al Maktoum International Airport (AMIA) as a cornerstone of Dubai's long-term vision. This project is not merely an airport; it is a catalyst for economic growth, innovation, and global connectivity. Designed to set new benchmarks in scale, sustainability, and passenger experience, AMIA reflects our commitment to excellence and future readiness. Through strategic partnerships, robust governance, and cutting-edge technology, we are building a global gateway that will serve generations to come – achieving the vision as announced by His Highness Sheikh Mohammed bin Rashed Al Maktoum and positioning Dubai as the world's leading hub for aviation, shaping the future of travel.

Question 1: What is the estimated total investment and how is funding being structured (government vs. private investors)?

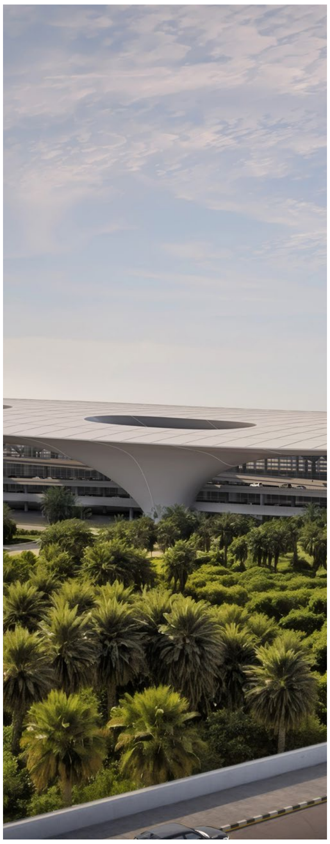
A: The estimated investment for AMIA reflects the scale and complexity of the project, with funding being structured through a balanced approach with close collaboration and support of Dubai Finance that leverages both government support and private sector participation.

Question 2. Are there any new international partnerships or collaborations being sought to accelerate construction and innovation?

A: Our recent success of a public-private partnership (PPP) structure with Empower for district cooling at Dubai International Airport DXB, demonstrates the value of strategic alliances, where the aviation sector benefits from a strong technical partner, a balanced framework, and a clear and fair risk allocation. We are continually evaluating opportunities for international collaboration and partnerships to bring the best-in-class solutions to AMIA.

Question 3: What are the biggest risks facing the project and how are they being mitigated?

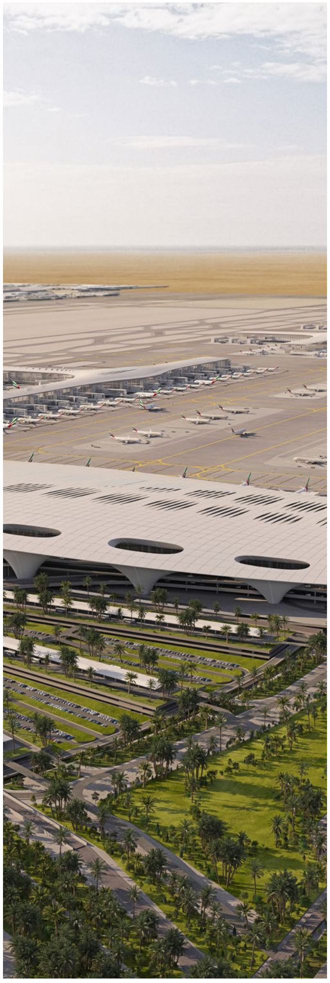
A: This project is a major undertaking, and we are progressing according to a defined timetable. Naturally, projects of this scale carry inherent challenges such as global supply chain factors and logistics. However, Dubai has always weathered challenges and with Dubai Aviation Engineering Projects DAEP's track record in delivering large-scale and complex developments, gives us strong confidence. They have consistently achieved timely delivery and exceptional quality, and we expect the same on this occasion. In addition, the project is supported by robust governance, transparent financial models and the unwavering support and guidance of Dubai Finance. Together, these measures substantially mitigate the overall risk profile.



Question 4: How do you plan to maintain project transparency, accountability, and efficiency at such a massive scale?

A: Strong governance and transparency from the outset are essential. Equally important is ensuring that all stakeholders are engaged, with clear communication, and firm internal accountability for project objectives, supported by a collaborative approach across the group. We maintain close collaboration with Dubai Airports and The Emirates Group to deliver the differentiated experience expected. DAEP leads the engineering and project delivery effort with a strong emphasis on value engineering, proactive risk management, and disciplined, laser-focused execution.

In parallel, we are evaluating digital capabilities that can provide end-to-end visibility of project data - from early construction stages through development and into asset management. This approach is intended to reinforce transparency and efficiency across the lifecycle, ensuring decisions are informed by accurate, timely information.



Question 5: How is the design optimized for scalability, passenger experience, and operational efficiency?

A: The design and engineering strategy for AMIA combines scalability, passenger experience, and operational efficiency into a single, integrated approach. The airport will be five times the size of DXB, with capacity for 260 million passengers per annum, requiring a modular, multi-phased development aligned to demand. This modular approach ensures that we are nimble and incorporate the latest technology at every stage. Passenger experience is reinvented through state-of-the-art technologies to remove congestion, including Automated People Movers (APM), advanced curbside management, and intuitive wayfinding. Additionally, abundant retail, F&B, relaxation, and entertainment options will elevate the experience and optimize commercial returns. Managing systems at such scale demands disciplined execution and proactive risk management to ensure unhindered operations and long-term adaptability.

Question 6. How will the airport integrate with Dubai's wider transport hubs and links to accommodate the flow of the estimated 200 million passengers annually?

A: Integration within Dubai South and the logistics district that connects AMIA to Jebel Ali seaport via a dedicated logistics corridor is central to the master plan. AMIA will be easily accessible on the ground via the trans-emirate highway and the future Etihad Rail. Three main roads will provide access to the development, with Sheikh Mohammed bin Zayed road on the west, Emirates Road on the east and the Sheikh Zayed bin Hamdan Road running through the center of the aerotropolis.

Question 7: How is the airport incorporating sustainable materials and energy systems?

A: Sustainability is embedded throughout the design and construction of AMIA. DAEP only selects construction contractors with a proven record of environmental protection, ensuring strict controls during construction to minimize and manage impact. The new AMIA aims to set a global benchmark for innovation and sustainability, with LEED Gold certification as a core objective guiding planning, procurement, and design. The terminal and concourses will be powered by clean energy solutions, including photovoltaic solar panels and solar glazing to optimize energy efficiency. In collaboration with Dubai Municipality, we are implementing a zero-waste-to-landfill recycling strategy, while advanced technologies are projected to reduce water consumption by approximately 70%. These measures ensure operational efficiency for the future as well as during the build phase.

Question 8: What are the lessons learnt from the past experience of building Dubai's airports that you will apply here?

A: One of the most important lessons from building DXB that we are applying here is the adoption of a modular, multiphased approach to development. This allows us to align capacity expansion with anticipated passenger growth and evolving demands, ensuring flexibility and efficiency. We also learned the value of life cycle costing in feasibility and capex planning, which helps maintain a long-term perspective on investment. Additionally, prioritizing passenger experience through advanced technologies - such as automated people movers, intuitive wayfinding, and congestion-free operations, has been a key takeaway. Finally, incorporating abundant retail, F&B, and entertainment offerings to maximize both passenger satisfaction and revenue generation is another principle carried forward from experience.

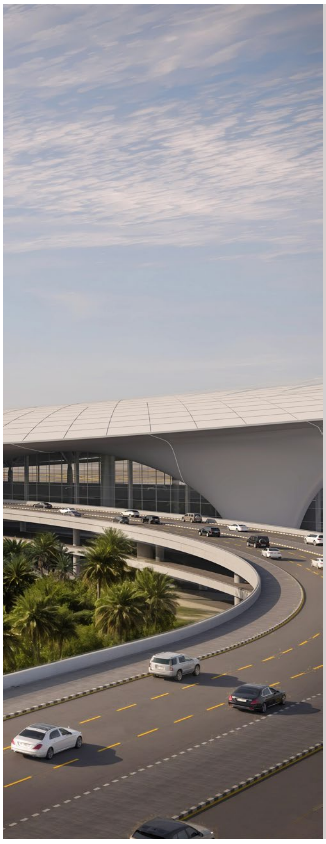
Question 9: What should the main contractors, sub-contractors, and supply chains expect and what is your key message to attract local/international collaboration?

A: Main contractors, sub-contractors, and supply chains should expect a project of unprecedented scale - Al Maktoum International Airport will be five times the size of DXB and ultimately handle 260 million passengers annually. This means significant opportunities across all sectors: from sourcing construction materials and specialized technologies to workforce mobilization and related services. The development will create a ripple effect, driving demand for SMEs and generating residential and commercial growth for over a million people in Dubai South.

This is a transformative project that will redefine the Emirate's geography and position Dubai South as a global hub, with seamless connectivity to Jebel Ali Port and world-class infrastructure.

Question 10: What other innovative technology is being designed across the operations?

A: AMIA will be a technological marvel designed to deliver seamless, intuitive travel and operational excellence. Seamless, borderless processing with AI technology is a core ambition, enabling passengers to move quickly without long queues at customs and immigration checkpoints. We are integrating several cutting-edge solutions, including an Automated People Mover (APM) for smooth passenger transfers, advanced curbside traffic management systems to eliminate congestion, and intuitive way-finding technology throughout terminals and concourses. In addition, the airport will feature state-of-the-art aviation support facilities and AI-driven logistics systems to manage passenger and cargo flows efficiently, ensuring operational efficiency and enhanced passenger experience.



Question 11: What will make Al Maktoum International truly unique vs. Istanbul, Singapore, Beijing Daxing?

A: With a capacity of up to 260 million passengers this project represents a bold leap forward, redefining what is possible in global aviation. It will offer an unparalleled, state-of-the-art passenger experience and stand as a cornerstone of Dubai's long-term economic agenda, bringing to life the vision of our leadership and positioning the emirate as the world's leading aviation hub — where innovation, ambition, and connectivity converge.

Interviewed by **Cynthia Corby**
Partner | Industrial Products & Construction Leader | Deloitte Middle East

From vision to reality: How ALEC Holdings is shaping the regional construction landscape

A conversation with

Alec Holdings PJSC, Chief Executive Officer - Barry Lewis

Alec Holdings PJSC, Chief Financial Officer and Chief Operations Officer - John Deeb

ALEC Holdings PJSC and its group entities and divisions ("ALEC") is a leading regional and diversified engineering and construction contractor focused on large-scale building projects, airport infrastructure, complex industrial, energy and high-end commercial and flagship projects in the UAE and Saudi Arabia, for public and private clients.

The Group is one of the only regional players offering a complete suite of vertically integrated services through nine business units that complement its core construction business. ALEC has extensive experience in complex construction projects across a variety of sectors, including airports, retail, hotels and resorts, high-rise buildings, data centres, oil and gas and themed projects. It also provides its clients with a range of services including construction management, design management, estimation, cost planning and procurement services. ALEC was founded in 1999 and has since been headquartered in the UAE, becoming part of the Investment Corporation of Dubai ("ICD") portfolio of companies in 2017.

In 2024, ALEC Construction was awarded "Large Contractor of the Year" by Big Project Awards and "Fitout Contractor of the Year" by Design Middle East KSA. Target Engineering was awarded "Top 5 Contractor 2024" by Oil & Gas Awards in 2024. Similarly, ALEMCO was awarded "MEP Contractor of the Year" by CBNME MEP Awards in 2024. In 2023, ALEC Construction was awarded, for the 16th time, "Contractor of the Year" in the UAE by Construction Week. See "Business–Selected Awards".

The Group listed on the DFM on 15 October 2025, and we had the privilege of interviewing Barry Lewis, CEO and John Deeb, CFO and COO of ALEC to share their vision and their journey with us.

Question 1. What is ALEC's long-term strategic vision now that you are listed on the DFM and how does the IPO accelerate that vision?

A: ALEC's vision is to be the leading innovative construction group, with a strategy focused on providing construction solutions through aligned capabilities that enhance stakeholder success. Being a listed company means there are now more stakeholders involved in the business; but our vision and strategy remain relevant and continue to guide our direction.

Our leadership team is highly skilled, stable and committed. Each member of the Group's executive management team has over 30 years industry experience. Collectively, our management brings over 420 years of expertise both global and domestic construction. The Group's management team has a clear sense of long-term focus and commitment to the business which has been central to the Group's strong track record and the principal force of the Group's expansion strategy of entering new markets, growing its backlog to AED 35.4 billion as of 30 June 2025, as well as the successful acquisition of Target Engineering in 2022. ALEC believes that its management team has laid the foundation and roadmap for the continued successful development of the Group with a vision of driving the business for expansion and growth. In addition, ALEC is supported by its majority shareholder, ICD, the principal investment arm of the Government of Dubai, with approximately AED 1.468 trillion in assets as of 31 December 2024. Moreover, ALEC's accomplished Board of Directors ensures we embrace a strong governance model where we drive transparency and accountability to all our stakeholders and our shareholders.

Question 2. How do you define ALEC's competitive advantage in the UAE and GCC markets? Which capabilities or assets are non-replicable?

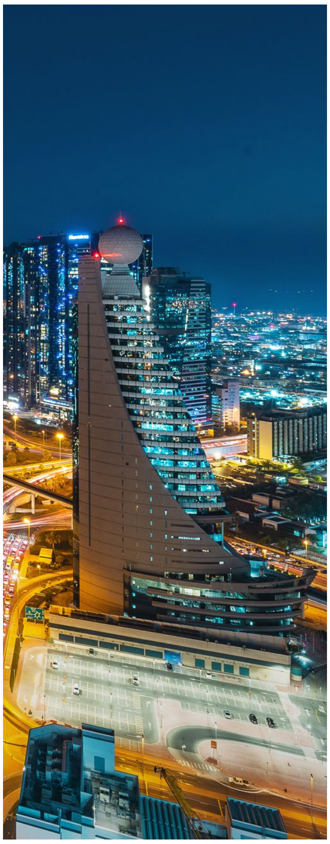
A: ALEC aims to grow its core business in the UAE by leveraging its reputation, partnerships, differentiated capabilities and integrated offering. The strategy in the UAE is focused on growing our position as a contractor of choice for complex, high profile projects by leveraging our strong track record of successful project delivery, long-standing partnerships, and fully integrated offering. With over two decades of operational experience in the UAE, ALEC has built deep institutional relationships across Abu Dhabi, Dubai, and Ras Al Khaimah ("RAK"), and is positioned to play a central role in the next wave of development under government-led national agendas.

We aim to expand in Saudi Arabia through strong partnerships and careful project selection. Our strategy is to build a significant presence in this dynamic and fast-growing market. Growth is driven mainly by Vision 2030 initiatives, major tourism and infrastructure programmes, and global events such as Riyadh Expo 2030, and the 2034 FIFA World Cup. Our expansion strategy is focused on selectively targeting critical, high-profile projects that align with our technical expertise and operational strengths.

Through ALEC Data Center Solutions, we aim to establish ourselves as a regional leader in the high-growth data centre sector, driven by accelerating demand across the UAE and Saudi Arabia. This growth is underpinned by increasing adoption of internet services, cloud computing, and artificial intelligence and machine learning technologies, alongside national ambitions to position the region as a global digital hub.

Our integrated offering, local market expertise, and experience in delivering landmark, large-scale developments make us ideally suited to serve the evolving construction needs of both the UAE and Saudi Arabia. We believe that our strategic positioning in these high-growth geographies ensures a robust pipeline of opportunities for continued growth, profitability and long-term value creation.

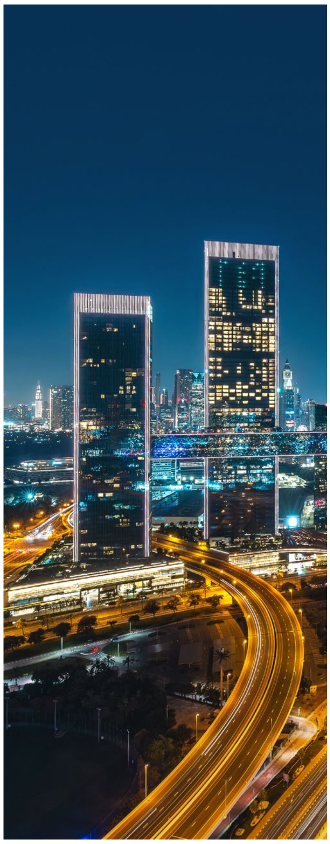
ALEC's success is underpinned by its people, who are central to its continued growth and performance. The Group places a strong emphasis on attracting and retaining highly skilled and experienced professionals who are aligned with its values and its culture. Employee retention remains a key priority, supported by continuous training and career development initiatives aimed at upskilling personnel and fostering long-term professional growth.



Question 3. What are the key strategic priorities for the next 3–5 years and why?

A: ALEC's foremost priority is to continue building a sustainable business that will deliver long-term success. Key priorities over the next 3-5 years include:

- Grow our core business in the UAE by leveraging our reputation, partnerships, differentiated capabilities and integrated offering.
- Expand in Saudi Arabia through strong partnerships and disciplined projects selection.
- Lead the region in data centre construction. E
- Improve margins and efficiency through operational excellence and economies of scale.
- Invest in technology and innovative construction methods.
- Selectively pursue value accretive acquisitions in adjacent sectors and geographies.



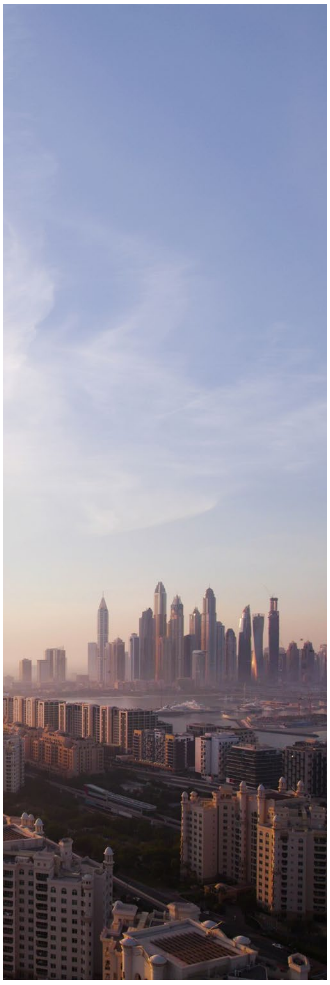
Question 4. How do you see ALEC's market positioning changing after the listing? Do you plan to pursue new market segments or geographies?

A: Our new shareholders have invested in ALEC based on its current success story and our journey to date. While our listing marks an important milestone, we do not anticipate altering the core business model or business strategy. Instead, we will selectively pursue new market segments or geographic opportunities that align with ALEC's long-term growth objectives and overall success.

What is your approach to pursuing large-scale public and private contracts in today's competitive tender environment? How do you balance margin vs. market share in tenders?

We have traditionally prioritized projects where we possess a clear competitive advantage and can achieve acceptable margins, rather than focusing on market share. Our business model is centred on pursuing contracts primarily from public and semi-public sector clients, as these align more closely with our core delivery capabilities.

We have a robust commercial governance framework that prioritises prudent cost management and control. Our experienced commercial teams actively monitor project costs, secure long-term material pricing, and negotiate client-side risk sharing mechanisms. Historically, this approach has led to outstanding performance. In addition, we employ a highly selective tendering process, with multiple checkpoints and a rigorous internal approval framework to evaluate tender opportunities and the outcomes we expect to achieve on these tenders.



Question 5. How are you managing capacity and execution risk as project backlog grows? (People, subcontractors, equipment). Any changes to your supply-chain or subcontractor strategies?

A: This remains an ongoing challenge in a growing market. Our strategy consistently focuses on recruiting talented individuals who are committed to long-term collaboration. Similarly, when engaging sub-contractors, we prioritize partnerships with those who share our long-term vision, fostering mutually beneficial relationships for all parties.

We are also very focused on operating with a comprehensive suite of integrated capabilities across our core construction business and related services, including fitout, refurbishment, MEP, and data centres. This integrated platform enables us to exercise greater control over cost, quality and supply chain dynamics, while providing clients with a single point of engagement. We average four integrated services across our top 10 projects, demonstrating the operational breadth it brings to execution.

We strategically allocate capital, human resources, and time to the most accretive projects, actively monitoring resourcing needs and leveraging subcontracting to enhance flexibility and reduce operational risk. Between 35% and 60% of project work is typically subcontracted. We carefully select our subcontractors and closely oversee the execution of any subcontracted work. A key area we are also investing in is advanced construction technologies, including modular construction and prefabricated data centre solutions, which we believe is helping us build a long-term tech-enabled competitive advantage.

Question 6. How do you prioritize safety, quality and schedule — and how do you ensure these priorities are maintained across multiple projects?

A: Safety and quality are non-negotiable priorities within our projects. The Group reported a LTIFR of 0.203 per million hours worked in 2024, and has cultivated a high-retention, values-driven workforce, boasting an average 10-year Retention Rate of 89% (between 2018 and 2024). To uphold these safety standards, we implement consistent systems and controls that are monitored on an ongoing basis. Our safety approach is aligned to the delivery of projects efficiently and promptly, in line with our commitment to clients.

Question 7. Can you share how innovation/digitalisation (BIM, pre-fab, project controls) features in ALEC's delivery model? Which investments in tech will be scaled post-IPO?

A: Innovation is one of our key values. We employ certified BIM tools and a wide range of digital solutions which aim to optimise performance tracking and collaboration across project lifecycles. These efforts have delivered demonstrable efficiency gains of 7-15% between 2018 and 2024.

We are also investing in advanced construction technologies, including modular construction and prefabricated data centre solutions, which we believe helps ALEC build a long-term tech-enabled competitive advantage. We aim to drive operational efficiencies and achieve project delivery excellence by investing in modern methods of construction and advanced technologies. As part of this strategy, we plan to increase the use of modular, off-site manufacturing as the preferred approach for complex builds. Through the use of volumetric steel construction, off-site MEP modules, and prefabricated data centres, we believe we can significantly reduce on-site disruption, shorten project timelines, and achieve consistently high quality across our projects. This parallel construction approach – where off-site manufacturing and on-site preparation occur simultaneously – will enable meaningful compression of project schedules. This aims to support earlier delivery and to reduce exposure to common construction risks. We view this as a key enabler of both client satisfaction and project certainty.

Our focus is to optimise costs and enhance sustainability through the precision and efficiency of off-site fabrication. By improving material yields, reducing waste, and facilitating energy-efficient designs, we plan to realise competitive cost advantages over traditional construction methods while also advancing our sustainability objectives. Our ability to leverage global supply chains and deploy next generation construction technologies will further strengthen our market position.

Importantly, we plan to scale this modular platform across multiple sectors, including high-rise residential, hospitality, industrial, and hyperscale data centre developments. We believe this gives us adaptability which will enable us to respond rapidly to evolving client needs and expanding demand across the GCC.

Continued investment in digital design, off-site automation, and strategic partnerships is expected to keep us at the forefront of regional construction innovation, reinforcing our reputation for technical leadership and dependable delivery.

Question 8. What M&A or inorganic growth opportunities are you considering? What are your acquisition criteria?

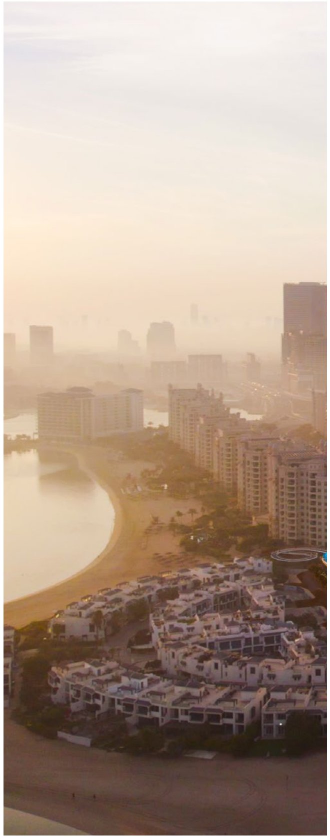
A: To complement our organic growth strategy and solidify our leadership position in the markets in which we operate, we may selectively pursue investments and acquisitions that we believe will provide stable cash flows, scalable platforms and further scope for growth.

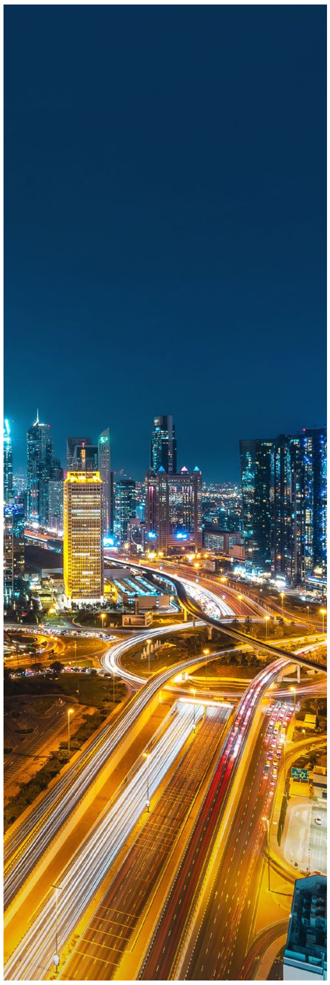
Our acquisition of Target Engineering in 2022 is a good example of this type of strategic acquisition.

Our plan for any inorganic growth is to be highly disciplined and value accretive, with a preference for sectors with less competition, relatively high entry barriers to entry and advantageous pricing.

Question 9. How do you ensure the company culture and leadership bench scale as the organisation grows and becomes publicly listed?

A: Over 60% of the C-suite executives have been with ALEC for over 15 years, which the Group views as a testament to longevity and consistency of our culture and our ability to deliver. We have a strong values-based culture which we weave into our continuous learning programmes and leadership development.





Question 10. As you continue to grow and expand, how is knowledge transfer, quality assurance and lessons-learned captured across projects to avoid repeat mistakes?

A: We have a highly skilled, stable and committed leadership team which takes a systematic approach to capturing and sharing knowledge, quality assurance and lessons learned across al projects. Our process includes: embedding the learnings into our systems; structured on-the-job training and mentorship, ensuring that critical knowledge is transferred from leadership to the next level of management; and a continuous improvement culture, supported by regular training, awareness sessions and open communication from leadership about what works and what can be improved. We also need to focus on the leadership passing the learnings down to the next level of management through structured on the job learning and feedback. This has enabled us to date to.

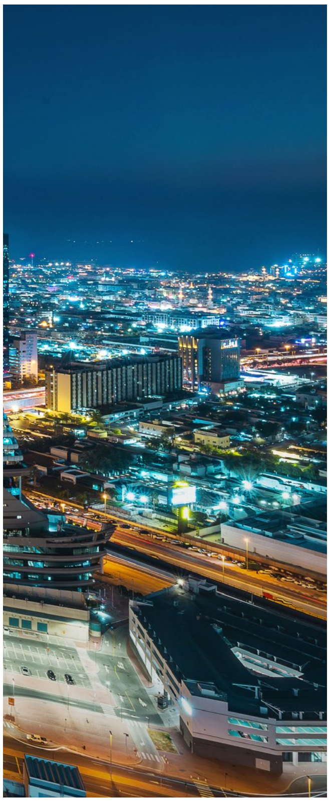
Question 11. What is ALEC's capital structure target post-listing (leverage ratio, target liquidity)?

A: As the IPO was a secondary offering, it has not changed our capital structure. the company remains in a strong financial position, with more cash than debt, and aims to keep its debt level low relative to its assets.

Question 12. How do you manage project-level cash flow (advance payments, retention, milestone billing)? Key drivers and risks to those expectations? What are your average receivable days and retention profile?

A: When we prepare a tender, we focus on ensuring that the contracts are cash positive. We look at drivers such as advance payments, retention bonds and use of sub-contractors.

Our receivable days are satisfactory for the industry with the key challenge being the conversion of work done into receivables and the resolution of any Extension of Time claims. We have dedicated project commercial managers and one of their KPI's is to ensure that project cash flows are well managed.



Question 13. How resilient are your margins to raw material price swings (steel, cement, fuel)? Do you pass through costs, absorb them, or hedge? Labour and materials cost volatility are ongoing concerns. How are you mitigating input-cost inflation and schedule delays?

A: We prefer not to manage any risks on raw materials and our preferred option is to have contract mechanisms for the client to manage these risks. If this is not possible through contractual mechanisms, we would look at various hedging strategies. For labour, we will usually price in expected annual inflationary increases over the contract period.

Question 14. What are the main financial risks tied to operating across multiple GCC jurisdictions (FX, contract law, retention rules)?

A: With the introduction of corporate tax in the UAE, transfer pricing is becoming increasingly important to ensure that we are compliant across all our jurisdictions. We focus on trying to ring fence operations within a country wherever possible.

Question 15. Given the market has not had a listed construction company for some years, how do you plan to manage investor relations and market expectations in the first 12 months as a publicly-traded company? E.G. Frequency of guidance updates and what metrics you will prioritise? How do you plan to balance market expectations with short-term quarter-to-quarter market expectations with long-term project delivery cycles?

A: We always strive to maintain the essence of what has made ALEC successful to date. By nature, we are more conservative both in our delivery of projects, managing risk and the judgements we are required to make from a financial reporting perspective.

We will continue to educate investors on the nature of our industry, encouraging a long term-view rather than a focus on quarterly results. Guidance will be given as required in terms of the market guidelines. We are continually evaluating market conditions; and good metrics for us to be measured on are our backlog revenue and cash collections.

Success for us will be to ensure we can perform in line with guidance and giving investors' confidence that we are doing a good job and delivering our projects to a high quality.

Question 16. What is your ESG strategy and how will you integrate sustainability into project selection and delivery? Do you plan to set emissions, waste, or safety targets with public disclosure?

A: In May 2023, we joined the United Nations Global Compact ("UNGC"), the world's largest corporate sustainability initiative that promotes responsible business practices and the advancement of the UN SDGs. As a participant of the UNGC, we have publicly committed to implementing the Ten Principles of the UNGC in the areas of human rights, labour, environment, and Anti-Corruption, and have reported and will continue to publicly report our progress on these efforts annually.

We aim to use the Emirates Green Building Council (EGBC) as a forum to showcase our latest practices as well as learn from industry peers and supply chain partners on opportunities in decarbonising the sectors in which we operate. The EGBC is an industry forum focused on enhancing sustainability in the built environment in the UAE through the promotion of high-performance green buildings and environmentally friendly technologies and products.

Moreover, we have been a member of the British Safety Council since 2015, demonstrating our commitment to health, safety, and wellbeing and transparency in reporting.

We are subject to numerous environmental, health and safety laws and regulations in the countries in which we operate, including laws and regulations relating to the generation and handling of hazardous substances and wastes, the clean-up of hazardous substance releases and the discharge of regulated substances to air or water.

Our operations contribute to greenhouse gas emissions. The majority of our carbon emissions are related to on-site energy use. Our approach involves measuring our carbon footprint and exploring further emission reduction opportunities (e.g., offsite construction and modular volumetric solutions). The solid waste generated by the Group in 2024 amounted to 143,451 tonnes, out of which 71% was recycled and re-used.

We adopt a decarbonisation approach to construction, with a focus on minimising the impact of site establishment, temporary works and construction processes on the natural environment, adopting digital technologies and resource-efficient construction methods. We reduce fossil fuel dependence by increasing on-site renewable energy production and investing in low-emission plant and equipment as well as reusing, recycling and diverting waste from landfill.

Our social policies and practices are designed to ensure inclusion, empowerment, diversity and gender equality. We have sought to empower a diverse and inclusive workforce of over 65 nationalities, and a dedicated Emiratisation programme policy focusing on the training and career development of Emirati nationals with a dedicated mentoring system in place.

As a Group we provide an employee development programme for all staff, including leadership development, team building and communication skills. We are committed to creating an inclusive and empowering environment for our employees.

Our governance practices include a set of corporate policies, which are further divided into objectives, KPIs and procedures. In addition, we have established an Enterprise Risk Management model and an Information Security Management system to adopt and comply with best international practices and approved Quality, Occupational, Health, Safety and Environment ("QHSE") standards. This includes complying with all applicable, rules, policies and other requirements related to QHSE that are globally accepted and applicable to the Group.

Interviewed by **Cynthia Corby**
Partner | Industrial Products &
Construction Leader | Deloitte Middle East

The GCC projects market outlook

MEED GlobalData Plc,
Head of Content and
Research - Ed James

Sustained capital spending propels GCC projects market to record levels amid pursuit of long-term national development plans.

The past two years have seen an acceleration in project activity across the GCC. After setting records for contract awards in 2023, last year witnessed another rise reaching an all-time high of just over $312bn, according to the MEED Projects project tracking database.

To put the market's recent performance into perspective, this total is almost three times higher than the annual contract award average of $114bn between 2016 and 2022, and 78% larger than the previous peak set in 2014.

As in 2023, the UAE and Saudi Arabia were the chief catalysts of this growth, with both setting record highs of $103.1bn and $161.6bn respectively, driven by unprecedented expenditure in almost all market sectors.

The largest segment remains construction, encompassing residential, commercial, education, healthcare and leisure buildings, which combined posted some $103bn worth of awards. The UAE's booming real estate sector continued to be a core driver of this, but support came across the region from major affordable housing and sports infrastructure deals.

More unusually, the power sector was the second highest expenditure segment at $66.7bn, primarily as a result of ever-growing investment in renewable energy plants, particularly in Saudi Arabia. Under its 2030 Vision, the Kingdom wants 50% of total of its generation capacity to be renewable by 2030, with the Ministry of Energy announcing in 2023 that it aims to add 20GW annually to meet this target.

The transport sector witnessed a peak as well of $41bn worth of project awards, led by the $5.6bn deal to build Dubai's new Blue Line and several multi-billion-dollar road construction contracts in Saudi Arabia, Oman and the UAE.

Last year's award numbers were even more impressive given a decline in Saudi Arabia's massive giga projects program. Estimated by MEED to have a total cost of more than $900bn, the giga projects have been a key driver of market growth, rising five years in a row to reach $34bn worth of work awarded in 2023 alone.

However, the well-publicized pause in giga projects activity in the first half of 2024 resulted in this falling to $24bn last year as the government re-evaluated the program after winning and having to prioritize the delivery of Expo 2030 Riyadh and the FIFA World Cup 2034.

This revaluation of the giga projects has continued into 2025. In the first nine months of this year, only $6.5bn worth of contracts have been awarded on the program, accelerating the downward trend.

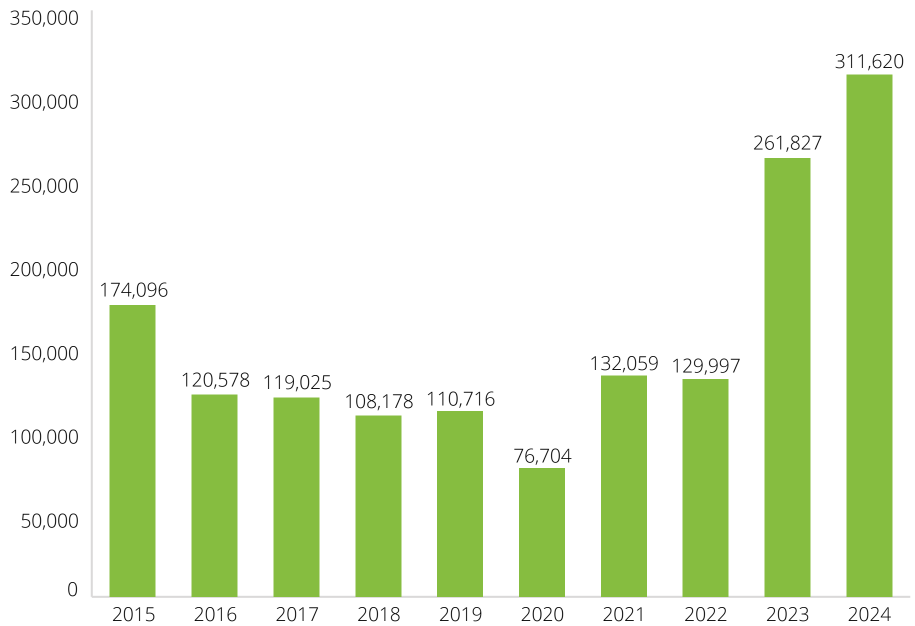
This decrease is in line with a stabilization in market activity as a whole across the region. Year-to-date (until September 2025), there were a little over $154bn worth of signed deals, and with only few months till the end of the year 2025, would indicate that the market is unlikely to reach the highs of the previous two years.

There are several reasons for this slowdown. First is the average crude oil spot price, which in the first nine months of this year averaged $67.9 a barrel compared to $78.3 in 2024.

Despite efforts to diversify their economies, with the exception of Dubai, the projects' market in the GCC is still largely dependent on government spending. As hydrocarbons revenues have fallen, so did the pressure to restrict or delay capital expenditure. Linked to this has been rising construction and materials prices. Delays in shipping through the Red Sea and shortages of certain materials combined with contractor and engineering capacity constraints have served to increase costs forcing many projects to slow activity.

The oil, gas, and petrochemicals markets is also entering a downward cycle following two years of peak spending on upstream and downstream projects. National oil companies like Saudi Aramco and ADNOC have historically made capital investments in five to seven-year cycles, and this year has been no exception, with total awards year-to-date of $44.5bn compared to $67.6bn last year and $76.8bn in 2023.

Value of GCC project contract awards, 2015-24 ($m)



Source: MEED Projects

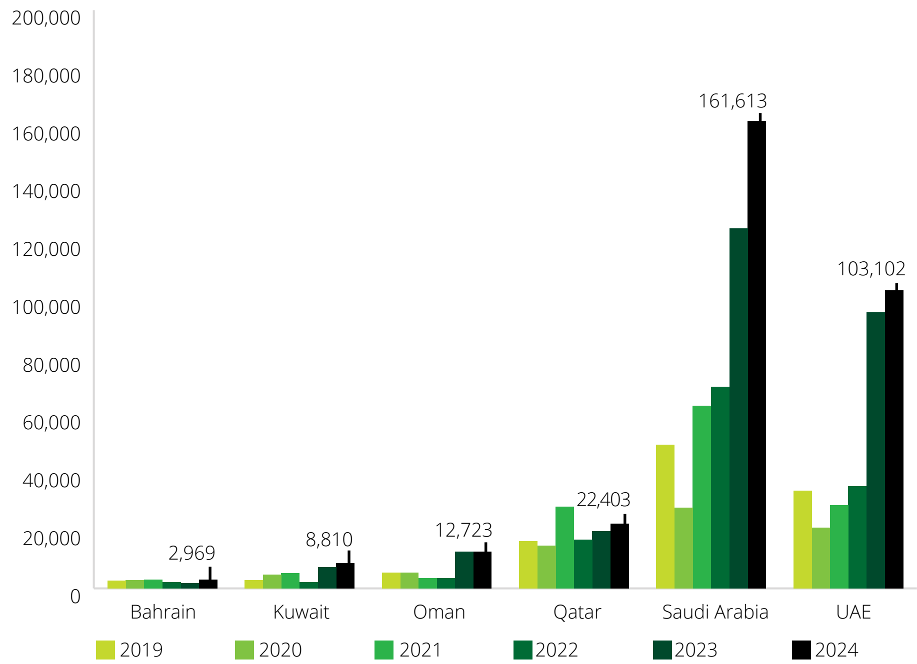
That said, it is important to put the spending levels in 2025 into perspective. Despite decreasing this year, the market is still running far higher than the 10-year average. Just as importantly, in terms of cashflow, the market is only now hitting its peak due to the lag between contract awards and actual expenditure on individual projects. For suppliers and subcontractors, 2026 and 2027 may be bumper years as a result.

Looking forward, the outlook remains bright despite the recent market recalibration. As of mid-October, MEED Projects data shows the medium and long-term pipeline of known, planned, and un-awarded projects in the GCC has risen again to be worth just over $3.02 trillion. From this, Saudi Arabia remains the largest single market with $1.57trillion, more than double the other five countries combined. It is followed by the UAE at $776bn, which, although much smaller in comparison, remains a very significant market thanks to Dubai's continuing real estate boom and Abu Dhabi's hydrocarbons plans. Oman has also proven robust, buoyed by the launch of several major real estate and tourism developments over the past 12 months.

As it has been historically, construction is the largest future sector by pipeline value at $1.65 trillion, supported particularly by the pressing need for more affordable housing to accommodate the region's fast-growing local population.

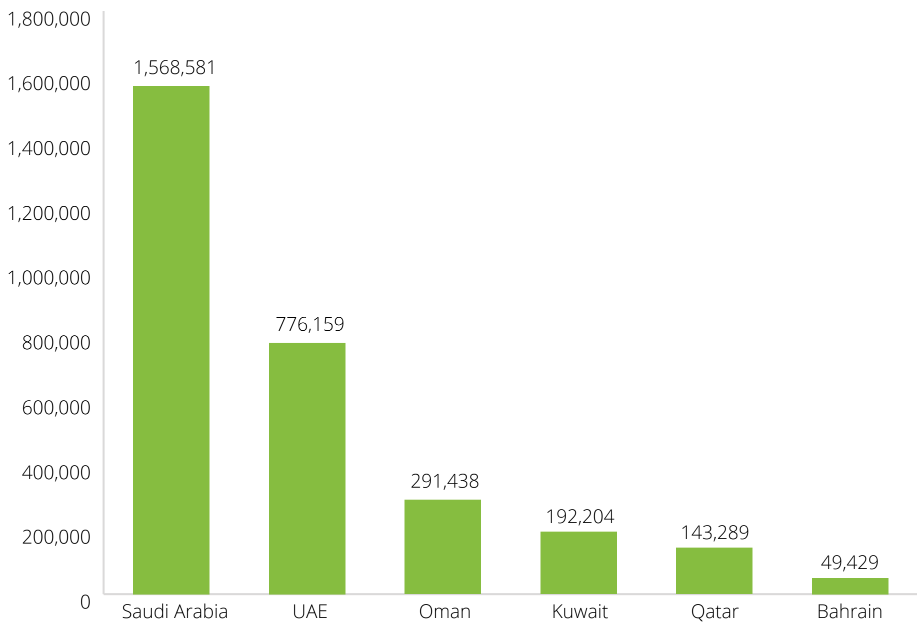
The transport and power segments follow at $393bn and $313bn respectively. A raft of planned airport projects, including the world's first and second biggest planned airports in Riyadh and Dubai, combined with significant rail and metro plans across the region, have served to create a healthy transport infrastructure pipeline.

Value of GCC project contract awards by country, 2019-24 ($m)



Source: MEED Projects

Value of known, planned and un-awarded GCC projects by country ($m)



Source: MEED Projects

Sovereign net-zero targets ranging between 2050 and 2060 are driving future power developments in renewable energy, with most planned energy generation projects now in the form of solar photovoltaic technology – for the first time, replacing natural gas-fired production.

While 2025 may signal a moderation from the unprecedented highs of recent years, the GCC projects market remains firmly on a growth trajectory. Governments across the region continue to view capital investment as a cornerstone of economic diversification, and the $3 trillion pipeline underlines the long-term confidence in the region's development agenda. The focus is shifting from record-breaking awards to disciplined delivery, localization, and sustainability. In that sense, the current recalibration is less of a slowdown and more of a sign of maturity - one that sets the stage for a more balanced and resilient projects' market in the years ahead.

“While 2025 may signal a moderation from the unprecedented highs of recent years, the GCC projects market remains firmly on a growth trajectory”

Source

1. MEED Projects Projects Tracking and Analysis Platform

Portfolio optimization in capital projects: A strategic imperative for the GCC region

The GCC region is undergoing significant economic transformation and stands at a crucial juncture in its economic evolution. Driven by ambitious national visions—Saudi Arabia's Vision 2030[1], UAE's Vision 2031, and Qatar's National Vision 2030 —these economies are pursuing infrastructure development, economic diversification, and social transformation initiatives. Capital projects across infrastructure, energy, transport, and urban developments are central to achieving these goals and given their complexity, scale, and cost, a strategic approach to managing these investments is essential.

Portfolio optimization in capital projects emerges as a critical discipline that hinges on effective prioritization. The phasing of portfolio initiatives is critical to ensuring the right projects are done at the right time, whilst ensuring resources are allocated efficiently across projects to maximize returns, minimize risks, and align with strategic objectives. For GCC nations managing hundreds of billions in concurrent capital investments, effective portfolio optimization is no longer optional but critical to achieving transformation goals within fiscal limits.

Scale and scope of GCC capital projects

The GCC region has witnessed a surge in capital project investments driven by economic diversification efforts, population growth, and infrastructure modernization. Recent analysis indicates that GCC countries have announced capital projects worth over $2.5 trillion[1], and this unprecedented scale of investment creates unique challenges.

Unlike traditional project management focusing on individual project success, GCC clients must orchestrate complex interdependencies across sectors. The success of individual projects increasingly depends on the optimization of the entire portfolio through careful prioritization, rather than on isolated project excellence alone.

Current challenges in GCC capital project portfolios

To effectively navigate the complexities of capital project portfolios in the GCC, it is essential to first understand the key challenges impacting optimal management and delivery:

Strategic Alignment - Ensuring that all project aligns with broader national or corporate strategic objectives remains a challenge. Without clear prioritization criteria linked to strategic goals and benefits mapping, portfolios may include projects that limit longer-term value or provide little benefit in the overall portfolio context.

Cross-Sector Dependencies - GCC capital projects often involve complex interdependencies, where success depends on simultaneous progress across various projects and sectors, including infrastructure, regulation, and workforce development and these synergies and dependencies can often be overlooked.

Resource Inefficiencies[2] - Resource allocation challenges stem from macroeconomic factors like volatile oil prices and competing investment priorities. The GCC market also faces significant capacity constraints, including shortages of skilled labor, availability of raw materials coupled with supply chain limitations, all of which strain project delivery, causing delays, increasing costs, and undermining overall portfolio performance.

Volatile, Uncertain, Complex and Ambiguous (VUCA) Environment - Large-scale capital projects inherently involve high complexity and uncertainty. Factors such as fluctuating commodity prices, geopolitical risks, regulatory changes, and technological disruptions complicate forecasting and prioritization.

"Unlike traditional project management focusing on individual project success, GCC clients must orchestrate complex interdependencies across sectors. The success of individual projects increasingly depends on the optimization of the entire portfolio through careful prioritization, rather than on isolated project excellence alone"

Approach and best practices

To address these challenges and unlock the full potential of capital investments, organizations should factor various considerations to portfolio optimization:

Integrated Portfolio Governance - Establish a centralized portfolio governance body with authority across ministries or business units to oversees all capital projects. This body should be empowered to prioritize projects, allocate resources, monitor performance against strategic objectives and assess the value realization.

Strategic Alignment Frameworks[3] - Implement a dynamic strategic alignment framework that evaluates projects against well-defined, multi-dimensional value parameters. These can include national vision contribution, economic impact, social benefits, strategic positioning, risk-return profile, and resource availability. This framework can guide project selection and prioritization, ensuring alignment with overarching goals while remaining adaptable to changing macroenvironmental conditions.

Real Options Valuation - Adopt real options valuation to address uncertainty in long-term transformation projects. This approach recognizes the strategic value of flexibility, enabling governments to adapt portfolios dynamically in response to evolving changes, thereby enhancing the ability to maximize value whilst reducing risk.

Integrated Risk Management[2] - Adopt sophisticated portfolio risk models that effectively capture correlations between project risks and address systemic vulnerabilities. This may involve implementing tailored contracting and procurement strategies designed to manage and control risk optimally across the entire portfolio while leveraging potential synergies. Such strategies should be supported by robust processes for overall risk identification, assessment, and mitigation at both the project and portfolio levels.

In addition, integrate continuous monitoring of macro-environmental risk trends—such as geopolitical shifts, economic cycles, and regulatory changes—to ensure these broader factors are consistently incorporated into risk assessments. A comprehensive consideration of geopolitical, financial, environmental, and operational risks, alongside macroeconomic, sectoral, and project-specific factors, enables more effective and strategic allocation decisions.

Technology-Driven Optimization - Leverage advanced analytics, artificial intelligence, and digital twin technologies to transform portfolio optimization. Invest in integrated project portfolio management (PPM) platforms that unify data from multiple sources, enabling the use of predictive modelling and scenario planning to accurately assess risks and optimize resource allocation and manage value realization.

Overview of benefits

Value Realization - Portfolio optimization ensures that projects are closely aligned with strategic objectives and focused on delivering measurable outcomes. By prioritizing initiatives based on their contribution to organizational goals, optimizing resource allocation, and actively monitoring portfolio performance to maximize both the value and duration of benefits realized, organizations can significantly enhance return on investment and accelerate the delivery of assets that drive sustained business value.

Return on Investment - Well-optimized portfolios can demonstrate enhanced returns by effectively capturing synergies and maximizing resource efficiency. Coordinating capital projects at the portfolio level enables organizations to realize economies of scale in procurement strategies, leverage specialized resources across multiple initiatives, and avoid duplicating investments in supporting infrastructure.

Accelerated Diversification[4] - Portfolio optimization enables faster progress toward diversification goals by ensuring complementary projects receive coordinated support. Coordinated portfolio approaches enable faster progress by sequencing projects to build supportive ecosystems and leveraging cross-project learning and resource sharing to develop capabilities across sectors simultaneously.

Risk Mitigation[2] - Diversified project portfolios help reduce overall investment risk by managing correlation, applying strategic hedging and incorporating insights from macro risk considerations. This risk mitigation is especially important for the GCC given the historical reliance on hydrocarbon revenues and its vulnerability to commodity price fluctuations. Additionally, continuous risk monitoring and adaptive management ensure that emerging risks are identified and addressed promptly throughout the project lifecycle, enabling more resilient and responsive portfolio performance.

Future outlook

Looking ahead, the growth and continued evolution of portfolio optimization in the GCC will depend on several critical factors that enhance institutional capabilities, leverage technological advancements, and promote regional collaboration. Additionally, embedding sustainability as a core element is essential to ensuring long-term value creation and resilience.

Key focus areas include:

Institutional Capabilities - GCC governments must prioritize developing portfolio management capabilities, including advanced analytics, cross-sector coordination, and value realization frameworks. Establishing empowered portfolio management offices to optimize resource allocation across ministries and agencies will enable a more strategic and cohesive approach to capital investment.

Technology Integration - The adoption of emerging technologies such as artificial intelligence, digital twins, and the Internet of Things is set to transform the approach to portfolio optimization. Scenario planning and predictive analytics, in particular, will enable real-time identification of optimal project sequencing, resource allocation, and risk mitigation strategies, enhancing decision-making agility and precision.

Regional Coordination - Greater coordination among GCC countries offers the potential to unlock additional portfolio optimization benefits through resource sharing, knowledge transfer, and the development of complementary projects—accelerating progress towards shared economic and diversification goals.

Sustainability Integration - Future portfolio optimization efforts must embed environmental, social, and governance (ESG) considerations as a core objective rather than just constraints. Integrating sustainability into the decision-making process will ensure that capital projects provide long-term societal value, adhere to regulatory compliance, and strengthen the resilience of the GCC's economic landscape.

Conclusion

Portfolio prioritization and optimization is a strategic necessity for capital projects across the GCC region and a key enabler of successful delivery, maximizing both value and impact. The scale, complexity, and interdependence of these investments demand sophisticated portfolio-level approaches to maximize synergies, mitigate risks, and accelerate progress towards sustainable economic growth and diversification.

Portfolio optimization sharpens strategic alignment, unlocks business case benefits, and fosters synergy among complementary projects enabling governments to maximize the impact of their capital commitments. Countries that excel in this discipline will gain competitive advantages in attracting investment, developing human capital, and building sustainable economic foundations.

The next decade will be crucial in determining whether GCC nations successfully leverage their current wave of capital investment to achieve lasting economic transformation. In an era marked by increasing complexity and uncertainty, portfolio management provides the GCC with a pathway to smarter investment decisions, enhanced resilience, and enduring prosperity.

"Portfolio optimization sharpens strategic alignment, unlocks business case benefits, and fosters synergy among complementary projects enabling governments to maximize the impact of their capital commitments"

Source

1. https://english.alarabiya.net/infocus/2025/06/26/saudi-arabia-leads-2-trln-vision-2030-drive-as-GCC-economic-reforms-gain-speed
2. https://www.mckinsey.com/capabilities/operations/our-insights/managing-project-portfolios-to-unlock-trapped-capital
3. https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-capital-expenditure-management-can-drive-performance
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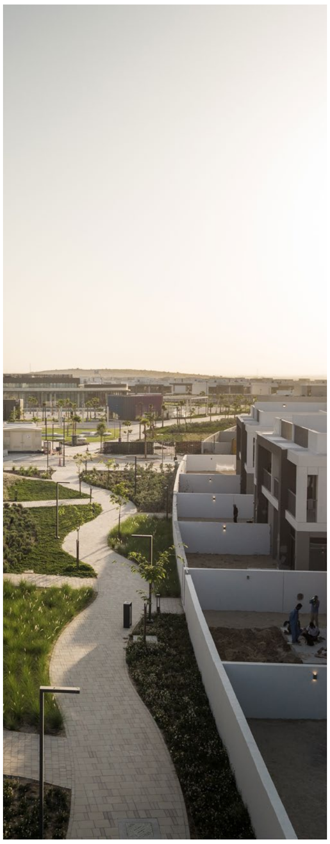
How strategic investments are shaping the future of urban living?

A conversation with Dubai South Properties, Chief Executive Officer - Mr. Nabil Alkindi

Dubai South stands as a visionary master planned city, designed to be a dynamic hub for residential, commercial, and logistics activities within the UAE's rapidly growing real estate market. With approved strategic investments this aerotropolis is set to redefine global aviation and logistics by integrating world-class infrastructure with vibrant community living. As the central heart of this ambitious development, Dubai South offers unparalleled opportunities for investors and residents alike, uniquely positioned to capitalize on the region's economic momentum and long-term vision for sustainable growth.

This dynamic community features a range of freehold residential projects, catering to diverse lifestyles. It's not just a place to live; it's a lifestyle that aligns with the national vision to foster economic growth in Dubai. The project is no longer just a future vision but the immediate beneficiary of a guaranteed, long-term demand driver.

Set out below are the questions we asked to the Chief Executive Officer, Mr. Nabil Alkindi, Dubai South Properties for us to understand the company's strategy for leveraging the new airport announcement to drive the growth and capture value within its residential portfolio.



Question 1. Dubai South is envisioned as an airport city. As part of the leadership team of Dubai South Properties, what is your vision for evolving beyond airport-centric real estate to building a fully integrated ecosystem? How are you collaborating with your affiliated companies and major logistics players to align development with the airport's expansion plans?

At Dubai South Properties, our vision is to excel beyond the traditional model. We are not merely developing airport-centric real estate; we are building a fully integrated, 145-square-kilometer city designed from the ground up for our "live-work-thrive" philosophy making it one of the largest master developments.

The new airport is poised to be the economic engine for the Emirate, attracting global commerce and talent. At Dubai South, our vision is to channel that economic energy into a complementary urban ecosystem that will serve the needs of the Emirate and its growing population. We are strategically planning for a future community of 1 million residents and 500,000 jobs, ensuring the Dubai South Community evolves organically into a compelling and attractive destination.

Under the shared vision of our leadership, Dubai South Properties along with multiple entities in the Group are collaborating to ensure a cohesive and integrated real estate development approach that complements the Governments vision. This vision allows us to synchronize the airport's growth with the creation of a vibrant cityscape, including residential, commercial, and lifestyle components. By aligning our strategies and timelines, we create a harmonious ecosystem where the airport's operational needs and the city's development complement each other, driving sustainable growth and long-term success for the entire airport city

Question 2. Connectivity is vital for Dubai South. How are you collaborating with the Government of Dubai to ensure metro, road, and potential hyperloop links are planned and delivered in sync with your development phases?

Connectivity is a cornerstone of Dubai South's vision as an airport city, and we are working closely with the Government of Dubai to ensure that the metro, roads, and future transport links are planned and delivered in alignment with our development phases.

Beyond the direct connectivity with the Airport, the Dubai South Community also benefits from direct connectivity to the seaport through customs-bonded transit corridors, making it very attractive for logistics companies. Further key road connections such as E11, 311, and 611 link Dubai South efficiently to the wider Emirate. While the Etihad Rail corridor running through the area makes for a geographically optimal transit route that facilitates easy travel for our whole ecosystem.

In terms of public transport, the nearest metro station is currently at Expo, complemented by extensive bus connectivity. We are actively collaborating with the Roads and Transport Authority (RTA) and other relevant authorities to plan for mass transit expansion across the city. Importantly, Dubai South has the ability within its master plan to accommodate the future transport infrastructure necessary for the community's growth.

This integrated and forward-looking approach guarantees that Dubai South remains highly accessible and well-connected, supporting its growth as a thriving Airport city.

Question 3. The delivery of social infrastructure (schools, clinics, retail, parks) is often the single biggest factor in attracting families. What is the strategy for ensuring these amenities are delivered in phase with, or even ahead of, the residential units, rather than years later? Are you leading this development directly, or through strategic partnerships?

At Dubai South, we recognize that the timely delivery of social infrastructure is crucial to attracting families and fostering a vibrant community. Our strategy is to ensure these amenities are developed in phases with, or even ahead of, residential units, rather than years later.

We lead the development of key facilities through strategic partnerships, the most recent one being the new British Curriculum school that opened in Dubai South Residential District in 2024, attracting over 500 students in its very first academic year. Such initiatives are closely aligned with the leadership's vision and serve as a key differentiator for the Dubai South masterplan.

Dubai South also acts as a regulator within the area, setting authoritative guidelines to ensure that all private developers provide adequate social infrastructure based on the density-to-resident ratio. Within its own freehold projects Dubai South Properties ensures that resident's benefit from high-quality facilities and resident amenities. Our most recent project Hayat launched earlier this year and was very well received with the first two phases sold-out on the day of the launch. Hayat will feature a mix of Apartments, Villas and Townhouses along with a host of community amenities and a retail center to serve the resident population. This proactive approach guarantees that the social infrastructure keeps pace with population growth, ensuring the attractiveness of the development and a high quality of life for residents from the outset

Question 4. The residential rollout will occur in phases. What lessons from early phases, like The Residential District, have altered design or marketing for upcoming villas or apartments? What key opportunities exist for the Construction industry?

As a location, the Dubai South Community has been gaining immense popularity over the past few years. The first half of 2025 witnessed residential transactions of over AED 10bn across the Community, representing a phenomenal 91% growth over the same period last year, significantly outpacing the city-wide average growth of just over 35%. This threefold increase highlights Dubai South as a highly sought-after residential destination.

The residential rollout at Dubai South has been carefully phased, with valuable insights gained from early developments shaping the design and marketing of upcoming villas and apartments. Our first foray into freehold property development was back in 2016-2017. Since then, Dubai South Properties has delivered over 2,500 properties with a further 2,000 units in the delivery pipeline over the next 18 months. Over the years, our freehold developments have evolved to feature unique design aspects like larger layouts, open areas, and green spaces - design elements that have proven highly attractive to buyers seeking comfortable living areas and a connection with nature. Aspects like flexible payment plans and a variety of unit configurations have also contributed to our success over the years. Ultimately, however, a deep understanding of buyer preferences is necessary. For example, many buyers expressed a preference for closed kitchens, which influenced design adjustments in subsequent phases to better meet market demand.

For the construction industry, these trends present significant opportunities. The demand for larger, well-designed homes with adaptable layouts and quality finishes requires innovative construction solutions and efficient project delivery. Developers who can respond to evolving buyer needs with flexibility and quality will be well-positioned to capitalize on the growing interest in Dubai South's residential offerings.

Question 5. Dubai South has evolved from a planned development into a functioning economic zone with growing contributions to Dubai's economy.

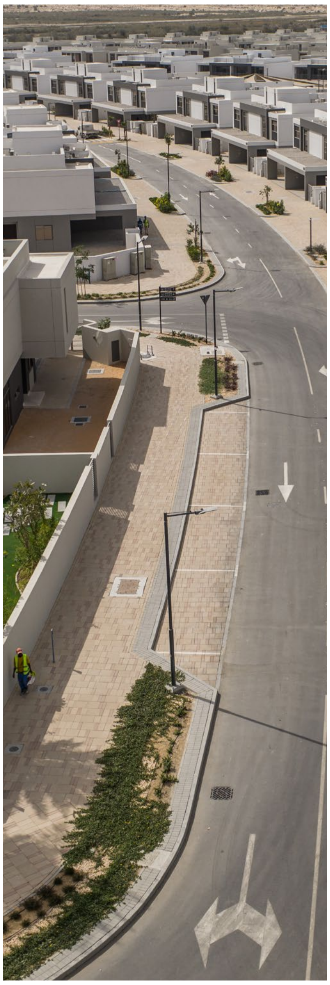
a) Looking at the next 18 months, what is the single biggest challenge for the residential division? Is it market competition, convincing buyers of the long-term vision, managing construction logistics, or something else entirely?

Like any property developers in Dubai, Dubai South Properties is not immune to market factors. However, what sets us apart is our proactive approach in adapting to a changing market. Rising construction costs are an industry-wide challenge and we are putting effective strategies in place to mitigate such concerns. While the market continues to show strong appreciation and demand for our developments remains healthy, increasing costs also present an opportunity to implement smart, proactive measures that optimize cash flows and operational efficiency.

Additionally, the variable cost of land also impacts overall margins, which may necessitate price adjustments to maintain financial viability. Although there is considerable volume of project announcements across the market that affect construction logistics broadly, Dubai South's strong market position and the appreciation of the project help mitigate competitive pressures.

Embracing healthy competition within the market, we remain committed to capturing a larger share by delivering exceptional value and maintaining our strong market position. Importantly, despite inflationary pressures, upholding the highest standards of quality is non-negotiable, as delivering superior homes is central to Dubai South Properties value proposition and long-term reputation.

Overall, balancing rising construction costs with market expectations and maintaining competitive pricing will be the key challenge for the industry in the near term.



b) How do you envision Dubai South's role evolving in the next five to ten years within the broader UAE economic landscape?

Looking ahead, Dubai South is set to play a pivotal role in the ongoing economic transformation of Dubai and the wider UAE. As a master-planned community strategically located near the airport, Dubai South is uniquely positioned to capitalise on the growth of the aviation and logistics sectors.

The development of the aviation and logistics corridor has successfully met expectations, establishing Dubai South as a critical hub that supports these key industries. Over the next five to ten years, Dubai South will continue to evolve as an integrated economic zone, fostering innovation and growth within these sectors.

Its long-term vision includes not only expanding residential and commercial offerings but also enhancing its role as a catalyst for economic diversification and sustainable development, contributing significantly to Dubai's position as a global logistics and aviation capital.

Question 6. Proximity to the Airport offers excellent connectivity but raises concerns about noise and pollution. How does the residential district's master plan address these through zoning, acoustic engineering, and sustainability measures aligned with the UAE's Net Zero 2050 vision to ensure a high quality of life?

From an operational standpoint, the Residential Zone in the Dubai South Community is situated parallel to the flight path, deliberately positioned outside the primary noise zones. This thoughtful engineering planning ensures that residents are shielded from the highest levels of aircraft noise.

While Dubai International Airport (DXB) currently handles over 92 million passengers annually (2024 figures) with two runways, Al Maktoum International Airport (DWC) is set to expand to five runways.. Despite this scale and the Residential District's location in proximity to the Al Maktoum International Airport, there are engineering controls in place to effectively mitigate noise and environmental impact, maintaining a high quality of life for the community.

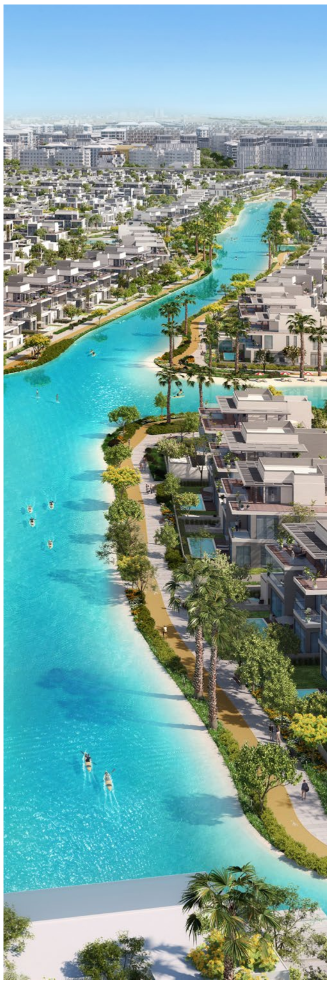
Furthermore, sustainability initiatives embedded in the master plan support the UAE's Net Zero 2050 goals, incorporating green building practices, energy-efficient infrastructure, and pollution reduction strategies to create a healthy, sustainable living environment.

Question 7. There has been a notable shift from international investors to an increasing number of local and resident end-users. How is this influencing your approach to unit design and payment plans in upcoming projects?

Firstly, credit must be given to the visionary leadership of UAE's rulers, whose stable governance and commitment to safety have established the city as a global benchmark - even during challenging periods such as the COVID-19 pandemic. This stability and proactive infrastructure development, including enhanced road networks, have reinforced Dubai's competitiveness and agility in the global market.

Dubai South benefits from this broader ecosystem by offering a comprehensive, full-service package that integrates residential living with compelling free zone business set-up options as well as warehousing solutions catering to both free zone and onshore market needs. This holistic approach appeals to a diverse demographic mix, reflecting Dubai's multicultural community.

In response to the growing presence of end-users, our unit designs are increasingly tailored to meet the practical needs of families and professionals seeking long-term homes and not just investment assets. Our investor-friendly payment plans have been structured to offer greater flexibility and affordability, supporting owner-occupiers in their purchasing journey.



Question 8. What final thoughts and key messages would you share with global investors and entrepreneurs aiming to establish a presence in the UAE?

Across the globe, stability and safety remain the critical considerations for investors and entrepreneurs when choosing where to establish their presence in any country. Dubai has long been recognised as a beacon of both, offering a secure and stable environment that continues to attract global businesses and investment.

Dubai South exemplifies this commitment, with the government investing over AED 128 billion (USD 35 billion) in infrastructure to build a world-class airport in our integrated ecosystem. This substantial investment underpins a thriving community that seamlessly combines residential, commercial, logistics, and aviation sectors, creating immense opportunities for growth and innovation.

For global investors and entrepreneurs, Dubai South offers not just a strategic location, but a comprehensive platform supported by visionary leadership, robust infrastructure, and a dynamic economic environment. It is a place where businesses can flourish, supported by a forward-looking ecosystem designed to meet the demands of the future.

Interviewed by

Interviewed by **Cynthia Corby**
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Samina Rangoonwala
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Middle East hospitality market highlights

The Middle East real estate market has remained buoyant owing to government initiatives and ambitious urban development projects. This article will explore different trends shaping the sector in the hospitality segment. As regional hubs like Dubai, Riyadh, and Abu Dhabi continue to attract global attention, the market presents both opportunities and challenges amid fluctuating oil prices and geopolitical factors.

Hospitality market

According to UN Tourism, almost 690 million tourists travelled internationally between January and June 2025, about 33 million more than in the same period of 2024, though results were mixed among regions and subregions. Over 1.4 billion tourists traveled internationally in 2024. This exceeds 2023's performance by around 100 million tourists with a steady 12% growth. While at a global level traveler data is trailing pre-pandemic levels, the Middle East tourism numbers have exceeded pre-pandemic data.

Driven by the strategic need to diversify beyond oil, the Middle East has witnessed substantial investment in cultivating a vibrant travel, hospitality, and leisure ecosystem. Notably, Saudi Arabia is leading this transformation with several landmark initiatives: the Red Sea development, emerging as a premier waterfront luxury destination; Qiddiya, dedicated to worldclass theme parks and sports facilities; and Diriyah, positioned as a distinguished heritage and cultural hub.

“Driven by the strategic need to diversify beyond oil, the Middle East has witnessed substantial investment in cultivating a vibrant travel, hospitality, and leisure ecosystem”

Dubai

Dubai's hospitality sector delivered a strong performance in 2024, with full-year Revenue Per Occupied Room ("RevPAR") reaching USD 147, the highest in six years. This was driven by an Average Daily Rate ("ADR") of USD 188 and an average occupancy of 78%. The city's ADR ranked second in the region after Riyadh, up from third in 2023, while occupancy was the second highest, just behind Abu Dhabi, leading to the second strongest overall RevPAR among major regional markets.

In 2025, performance remained on an upward trajectory, with YTD July figures showing ADR increasing by 5.5% year-on-year and occupancy rising from 77% to 80%. RevPAR grew by 10% to reach USD 153, reflecting continued robust growth and market resilience (Source: Smith Travel Research ("STR")).

Overall, Dubai's hospitality sector continues to strengthen, supported by unprecedented visitor growth, major events, and ongoing investments, with future expansion set to be driven by diversification, innovation, and a stronger focus on sustainability and guest personalization.

Riyadh

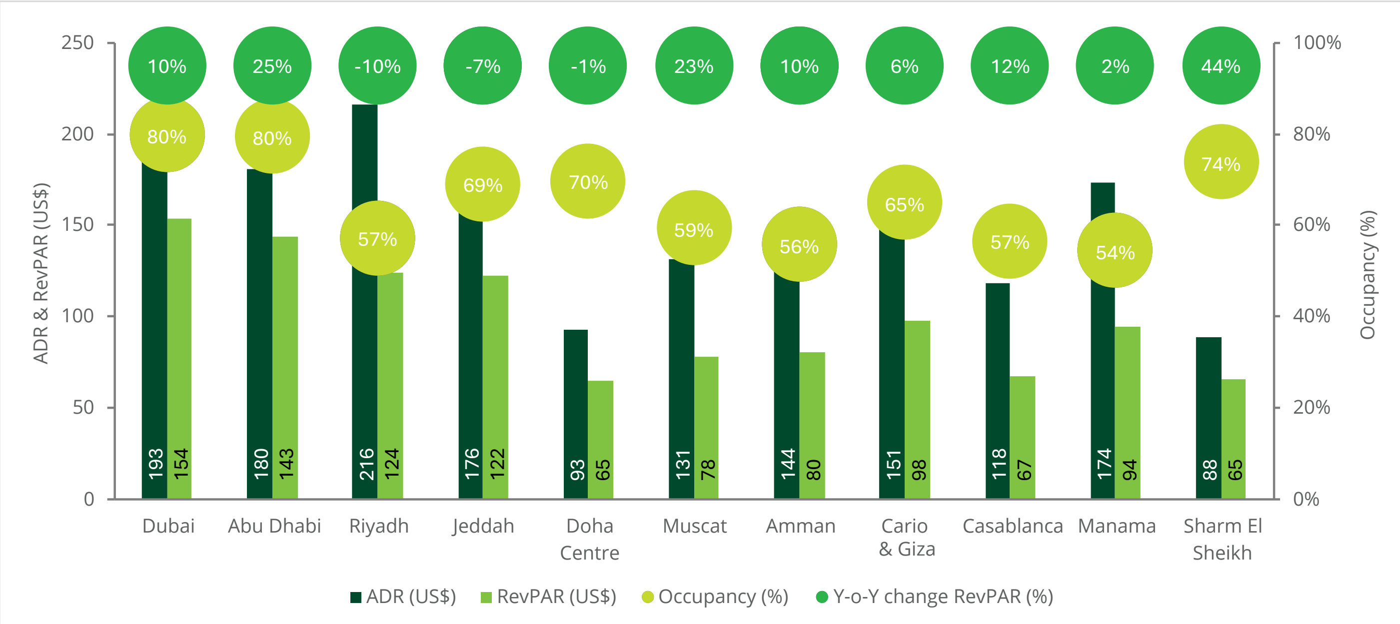
Riyadh's hospitality sector led the region in 2024, recording the highest ADR at USD 239 and RevPAR of USD 152, supported by an average occupancy of 64% and strong corporate and event-driven demand (Source: STR).

In 2025, performance eased slightly, with YTD July RevPAR at USD 124, down 10% year-on-year, likely reflecting a temporary moderation in corporate demand amid ongoing market expansion and new supply.

Riyadh's hospitality landscape continues to evolve toward co-located hotel and branded residence concepts, alongside a growing focus on conversions and rebranding, highlighting a shift toward more diversified and experience-driven offerings.

Regional market performance

YTD July 2025



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Unveiling insights from RAKEZ and Marjan's construction vision and strategy

A conversation with

Ras Al Khaimah Economic Zone, Group Chief Executive Officer - Mr. Ramy Jallad

Marjan, Chief Executive Officer - Abdulla Al Abdouli

Ras Al Khaimah Economic Zone (RAKEZ) is at the forefront of driving the emirate's ambitious vision for economic diversification and sustainable growth. As a strategic hub for industrial, commercial, and service-oriented businesses, RAKEZ is committed to building a resilient ecosystem that supports innovation, environmental stewardship, and sectoral diversity. Through the implementation of advanced green building regulations and a focus on smart infrastructure, RAKEZ is shaping a future-ready industrial landscape that aligns closely with the UAE's Net Zero 2050 goals. This integrated approach not only attracts a broad spectrum of investors - from SMEs to multinational corporations-but also fosters collaboration across sectors such as manufacturing, clean energy, logistics, and technology. Positioned alongside key developments like Al Marjan Island and RAK Central, RAKEZ is uniquely placed to capitalise on rising demand and regional investment flows, offering tailored solutions that enable businesses to scale efficiently and sustainably. Below are the questions posed to Ras Al Khaimah Economic Zone, Group Chief Executive Officer - Mr. Ramy Jallad and Marjan, Chief Executive Officer - Abdulla Al Abdouli, providing deeper insights into the organisation's strategy to leverage these opportunities and address the challenges of Ras Al Khaimah's evolving economic landscape.

Question 1. How does RAKEZ's construction vision align with the broader economic diversification and sustainability goals of the UAE?

A: RAKEZ's construction vision is centered on building the foundations of a diversified and sustainable economy, literally and strategically. Every project we develop is designed to future-proof Ras Al Khaimah's industrial landscape and align with the UAE's national priorities of sustainable urban growth, low-carbon infrastructure, and economic diversification.

We approach construction with a focus on efficiency, flexibility, and environmental performance. By fully implementing the Barjeel Green Building Regulations, we ensure that all new developments within our zones incorporate features such as solar-ready rooftops, advanced insulation, water-recycling systems, and smart energy management. This reduces operational costs for investors while significantly lowering environmental impact, a balance that directly supports the UAE Net Zero 2050 strategy.

At the same time, our construction approach promotes industrial adaptability and sectoral diversity. From high-spec warehouses and modular manufacturing units to bespoke commercial and mixed-use facilities, our infrastructure is designed to attract businesses from advanced manufacturing, clean energy, logistics, and technology, all key contributors to a more diversified national economy.

Question 2. How does RAKEZ's strategy and vision align with the broader economic diversification and sustainability goals within Ras Al Khaimah?

A: At RAKEZ, our strategy is deeply aligned with Ras Al Khaimah's broader goals of economic diversification and sustainable development. We are actively building a vibrant ecosystem that attracts investment across diverse sectors, from advanced manufacturing and logistics to education, technology, and renewable energy. This diversified approach helps reduce reliance on any one industry and positions the emirate for long-term economic resilience.

A critical part of our vision is sustainability. As part of this, we've adopted the Barjeel Green Building Regulations, which mandate energy-efficient and environmentally responsible construction practices across all new developments within our zones. This move ensures that our infrastructure not only supports business growth but also aligns with Ras Al Khaimah's Energy Efficiency and Renewable Energy Strategy 2040.

Our approach to diversification is not only sectoral but also technological and environmental. We're proud to host companies that are redefining sustainable industry in the UAE:

- Ni Met Recycling, which invested AED 40 million in a metal recycling facility supporting the circular economy;
- VIM Solar Robotics, producing robotic cleaners that boost the efficiency of solar farms;
- Circular Computing, remanufacturing up to 50,000 laptops monthly to reduce e-waste;
- Sparklo, driving consumer recycling through reverse vending machines;
- Green Rock Group, manufacturing certified plastic-free packaging;
- Royal Gulf Industries, operating the nation's first automotive battery recycling center; and
- Uterra Middle East Agro Industries, building an organic fertilizer and sustainable agriculture facility.

Each of these success stories demonstrates how sustainability can drive innovation, attract investment, and create high-value jobs—key pillars of Ras Al Khaimah's diversification journey.

By fostering collaboration between green manufacturers, tech innovators, and responsible investors, RAKEZ is transforming Ras Al Khaimah into a regional hub for sustainable, future-ready industries, where economic growth and environmental stewardship go hand in hand.

Question 3. How are RAKEZ and Al Marjan coordinating activities to complement and align on your collective vision in Ras Al Khaimah?

A: RAKEZ and Al Marjan share a unified vision to elevate Ras Al Khaimah as a world-class destination for investment, business, and quality living. While our focus areas differ, our development strategies are closely aligned to ensure that industrial, commercial, and lifestyle growth complement each other seamlessly.

RAKEZ drives the emirate's economic diversification by developing sustainable industrial and business communities, while Al Marjan leads the transformation of Ras Al Khaimah's tourism and real estate sectors. Together, we're creating a balanced ecosystem where business, talent, and lifestyle converge, and RAK Central stands as a clear example of that shared vision in action.

Located strategically between RAKEZ's industrial zones and Al Marjan Island, RAK Central is being developed as the emirate's new commercial and business district, a vibrant hub that will host corporate offices, service providers, and community facilities. It will connect industrial productivity with the emirate's lifestyle and tourism appeal, fostering collaboration, innovation, and investment flow across sectors.

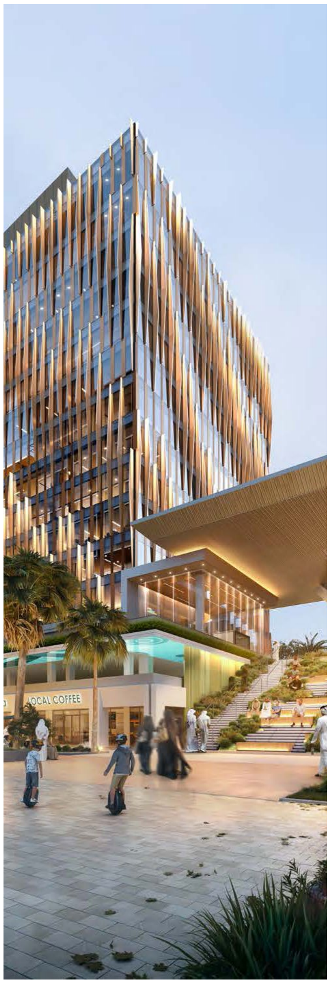
Through coordinated planning, shared infrastructure initiatives, and a common commitment to sustainability and smart urban development, RAKEZ and Al Marjan are not just coexisting, we are co-creating the future of Ras Al Khaimah. Together, we are building a cohesive, diversified, and sustainable economy that enhances the emirate's global competitiveness.

Question 4. What are the opportunities here that you see for FDI (Wynn Resorts being a clear example) and existing businesses in the UAE / GCC and what do you see as some of the challenges with increasing demand and competition?

A: Ras Al Khaimah is entering an exciting phase of growth where global attention and regional collaboration are converging. The emirate's strong governance, stable business environment, and sustainability-driven agenda are making it a preferred destination for FDI, not only in tourism and hospitality, but across manufacturing, logistics, clean energy, and technology sectors.

The Wynn Resorts development is a landmark example of this trajectory. It demonstrates investor confidence in Ras Al Khaimah's long-term vision and underscores the emirate's ability to host world-class projects that catalyze wider economic activity. This kind of anchor investment creates ripple effects across multiple sectors, from construction and supply chain to food production, design, and professional services, creating opportunities for both FDI and local UAE/GCC businesses to integrate into a growing ecosystem.

For existing enterprises, RAKEZ provides a gateway to diversify operations, expand exports, and benefit from proximity to the expanding hospitality, tourism, and service industries surrounding projects like Al Marjan Island and RAK Central. These developments are driving new demand for suppliers, logistics partners, and manufacturers, while also attracting new talent and technology into the emirate.



Of course, with this increasing momentum come challenges, particularly in keeping pace with infrastructure demand, talent availability, and ensuring that growth remains sustainable and differentiated amid strong regional competition. That's why our focus at RAKEZ is on smart infrastructure planning, investor enablement, and maintaining competitiveness and efficiency, ensuring Ras Al Khaimah continues to stand out for its strategic value, reliability, and investor-friendly environment.

Question 5. How is RAKEZ working to continue to attract investment to drive its agenda forward and what is the typical demographic of the businesses currently set up in RAKEZ, and do you see a trend of businesses in RAKEZ setting up to support the construction and development that is now such a significant part of the opportunities in Ras Al Khaimah?

A: At RAKEZ, our mission is to continuously attract and enable investment that contributes to Ras Al Khaimah's sustainable and diversified economic growth. We do this by creating an ecosystem where businesses of all sizes can thrive through efficient infrastructure, streamlined processes, and a supportive regulatory framework.

We are intensifying our global outreach through targeted FDI promotion campaigns, strategic partnerships, and participation in international trade missions to position Ras Al Khaimah as a cost-effective and high-potential destination for industrial, commercial, and service-oriented ventures. Simultaneously, we continue to evolve our offering with sector-specific zones, digital licensing services, and sustainable infrastructure, aligned with the emirate's long-term development agenda.

In terms of demographics, RAKEZ today is home to over 35,000 companies from more than 100 countries, spanning industries such as manufacturing, logistics, trading, e-commerce, construction materials, technology, education, consultancy services, among many more. The majority of these are SMEs, but we are also proud to host a growing number of regional and international corporates that use Ras Al Khaimah as a hub for GCC and global operations.

We are also observing a clear uptick in businesses supporting the construction and development boom across Ras Al Khaimah, particularly linked to transformative projects like Wynn Resorts on Al Marjan Island and RAK Central. This includes companies in building materials, fit-out, engineering services, logistics, and facility management. Many of them have chosen RAKEZ for its proximity to these projects, flexible leasing options, and ability to scale operations quickly.

Question 6. How else is RAKEZ offering support to businesses delivering on the construction and real estate development areas to enable efficient and productive operating models?

A: RAKEZ is actively supporting businesses that are driving Ras Al Khaimah's construction and real estate growth by ensuring they can operate efficiently, scale confidently, and deliver projects seamlessly.

Our approach focuses on speed, flexibility, and reliability. We offer ready-to-develop land plots, pre-built facilities, and modern offices that allow contractors, developers, and suppliers to mobilize quickly. Our simplified setup and licensing process, supported by dedicated client relationship teams, ensures that companies can move from planning to execution without unnecessary delays.

We also work closely with key government entities to streamline approvals and infrastructure connections, helping investors save valuable time during the build and operational phases. Many of our clients, from building material suppliers to engineering consultancies, have chosen RAKEZ for its proximity to major developments like Wynn Resorts, RAK Central, and other projects shaping Ras Al Khaimah's next chapter of growth.

Question 7. How is RAKEZ leveraging or enabling innovative technologies to both attract and support businesses setting up in RAKEZ to support the wider development opportunities?

A: Innovation and technology are at the heart of how RAKEZ continues to attract and support businesses, particularly as Ras Al Khaimah evolves into a modern, investment-driven economy. Our focus is twofold, leveraging technology to simplify the investor journey and enabling companies within our ecosystem to adopt smarter, more sustainable operating models.

On the investment side, we've digitized the entire business setup process, from company registration to licensing renewals, allowing investors to establish and manage their operations seamlessly from anywhere in the world. This efficiency, supported by our dedicated relationship management teams, helps us attract a new generation of entrepreneurs and technology-driven enterprises that value speed and transparency.

We are also building an environment where innovation thrives within our zones. By integrating smart infrastructure, such as energy-efficient building systems, digital monitoring for utilities, and flexible industrial layouts, RAKEZ enables companies to optimize operations, reduce resource consumption, and operate sustainably.

Moreover, we are seeing strong growth from companies in clean technology, automation, and digital services, which are directly supporting Ras Al Khaimah's wider development opportunities. For example, firms like VIM Solar Robotics, Circular Computing, and Sparklo are leveraging advanced technologies to drive efficiency and sustainability, from robotic solar panel cleaning to remanufactured IT solutions and smart recycling systems.

Question 8. What are you seeing as key themes and points of differentiation when investors are considering Ras Al Khaimah?

A: Investors are drawn to Ras Al Khaimah for its strategic location, political stability, investor-friendly governance, and cost competitiveness. But increasingly, they're differentiating based on our ability to offer tailor-made solutions, speed-to-market, and seamless public-private collaboration. The Wynn development underscores our openness to bold, future-facing investments, making RAK a unique nexus of opportunity between industry, tourism, and innovation.

Investors evaluating Ras Al Khaimah increasingly see it as a destination that offers a unique balance of cost-efficiency, ease of doing business, strategic access to global markets, and long-term growth potential. As one of the emirate's key investment enablers, RAKEZ has direct insight into these decision-making drivers across sectors and investor profiles, from global manufacturers and logistics providers to SMEs and service-based firms.

One of the most consistent themes we hear from investors is the value proposition Ras Al Khaimah offers. Compared to other regional hubs, Ras Al Khaimah delivers significantly lower operational costs, from land and warehouse leasing to set-up fees and labor, without compromising on infrastructure, connectivity, or quality of life. This is a powerful differentiator, especially for companies looking to optimize capital deployment while maintaining high standards of operation.

Another defining factor is the simplicity and efficiency of doing business. Through RAKEZ's one-stop shop model, investors benefit from a streamlined set-up process, quick licensing, visa issuance, and access to all key government services under one roof. Our digitized self-service portal also allows clients to manage their operations and renewals online, making administration fast and convenient. This level of efficiency is particularly appealing to international investors who prioritize time-to-market and transparency.

From a strategic perspective, Ras Al Khaimah's geographic location remains a major draw. With direct access to Saqr Port, one of the region's largest and most active ports, as well as excellent road connectivity across the UAE and GCC, Ras Al Khaimah is a natural hub for manufacturing, distribution, and regional trade. Companies serving Africa, South Asia, and Europe find the emirate well positioned to act as a base for regional operations.

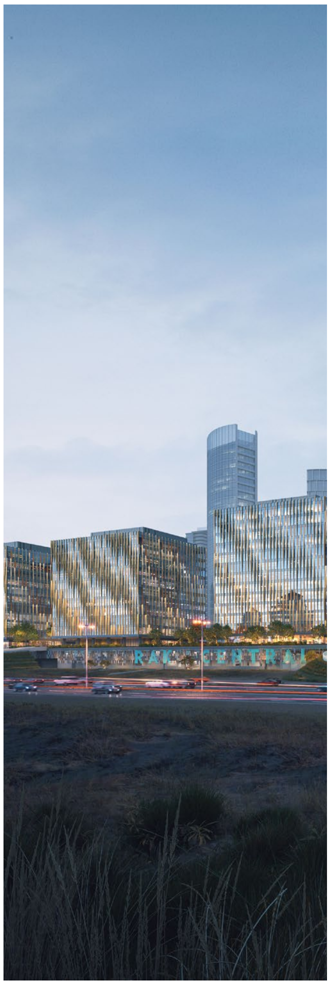
Equally important is the diversity of investment opportunities. RAKEZ supports a wide variety of sectors, offering tailored infrastructure and licensing solutions for industrial, commercial, educational, service, and creative businesses. Our facilities range from flexible coworking spaces and offices to large-scale industrial land, warehouses, and build-to-suit options, accommodating businesses of all sizes and stages of growth. Ras Al Khaimah also stands out for its stability and investor-friendly governance. The emirate offers a secure, well-regulated environment with clear legal frameworks, reliable infrastructure, and ongoing investment in public services and sustainability. Investors consistently highlight the direct, solutions-oriented support they receive, a result of Ras Al Khaimah's proactive approach and accessibility compared to more congested and saturated investment zones.

Question 9. What would be the one or two key asks of the construction community to help facilitate and participate in RAKEZ and Al Marjan's strategy and vision?

A: As RAKEZ continues to expand its industrial and commercial ecosystem, our vision is centered on building a sustainable, adaptable, and investor-ready environment. To realize this, the construction community plays a crucial role — not just as builders, but as long-term partners in delivering the infrastructure that enables business growth.

Our first key ask is a strong commitment to sustainability and performance-led construction. With increasing investor focus on ESG and operational efficiency, we rely on partners who integrate smart building practices, durable materials, and energy-conscious designs — aligned with frameworks like the Barjeel Green Building Regulations.

Second, we look for agile, solutions-oriented collaboration. The businesses setting up in RAKEZ — from manufacturers and logistics firms to technology providers — have diverse facility requirements. We need construction partners who can deliver scalable, tailored, and quick-to-deploy solutions that match our pace of development and meet high-quality standards. In essence, our call to the construction sector is simple: help us build not just structures, but long-term value. By aligning with our standards and forward-thinking approach, you become part of the foundation that enables Ras Al Khaimah's next wave of economic success.



Question 10. How are RAKEZ and Marjan coordinating activities to complement and align on your collective vision in RAK?

A: RAKEZ and Marjan are both driven by a collective ambition to elevate Ras Al Khaimah's position as a premier global destination. While RAKEZ attracts diverse industries and businesses, fostering innovation and creating a robust economic ecosystem, Marjan meticulously crafts the lifestyle, tourism and real estate infrastructure that supports and enhances that very ecosystem.

Marjan's world-class resorts, residential communities, leisure attractions and urban developments, be its flagship development Al Marjan Island, business hub RAK Central or the newly launched mixed-use development Marjan Beach, play an integral role in turning Ras Al Khaimah into an attractive destination to live, visit and invest.

Together, we work to provide a holistic lifestyle for potential investors, residents and tourists, supported by world-class infrastructure and a vibrant community. RAKEZ and Marjan's close collaboration ultimately serves to amplify the emirate's wholesome appeal among global and regional investors, tourists and residents.

Question 11. What are the opportunities here that you see for FDI (Wynn Resorts being a clear example) and existing businesses in the UAE / GCC and what do you see as some of the challenges with increasing demand and competition?

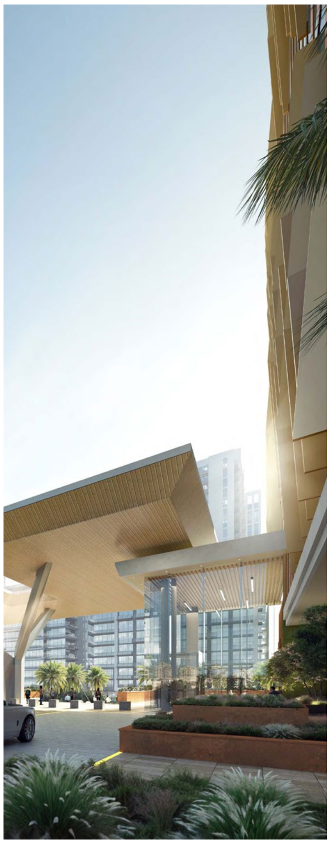
A: Ras Al Khaimah's transformation into a dynamic lifestyle and investment hub in the region has definitely turned it into a magnet for Foreign Direct Investment (FDI). Beyond anchoring the hospitality sector, we envision investments pouring into the emirate's diversified ecosystem from luxury residential developments and branded residences to world-class entertainment and leisure concepts, specialised retail destinations, and even potentially advanced healthcare and education facilities to support the rise in population and luxury demographic. There's significant appetite for investment in smart city technologies and sustainable infrastructure, aligning with Ras Al Khaimah's long-term environmental goals.

The consistent, clear regulatory framework and ease of doing business are powerful draws for global capital looking for stable, high-growth markets.

For existing businesses within the UAE and GCC, the opportunities are equally immense and immediate. This masterplan creates a colossal demand for construction and contracting services. There's a booming need for suppliers across the entire value chain. The expanding hospitality sector opens doors for hotel and F&B operators and management companies. Furthermore, supporting services like facility management, logistics, transportation, real estate brokerage, and professional consultancy services will see exponential growth. It's an economic ripple effect that empowers regional enterprises to scale and innovate.

Rapid growth, however, brings its own set of challenges that Marjan is proactively addressing. Marjan is focused on maintaining the delicate balance between growth and sustainability.

We need to ensure that infrastructure development keeps pace with the influx of residents and tourists without straining the system. Talent acquisition and retention across all sectors, from skilled construction labor to high-end hospitality professionals, will be a constant focus. There's also the essential task of managing environmental impact to preserve the emirate's natural beauty and resources, avoiding the pitfalls of over-tourism or unchecked development. At Marjan, we believe in building responsibly and strategically.



Question 12. What are the key sustainability priorities across the construction and real estate projects in the future and ongoing and how is the whole life cost of the developments for the future ecosystem in RAK considered and coordinated with Marjan developments to ensure long-term asset sustainability, operational efficiency, and value creation?

A: As Ras Al Khaimah's leading developer Marjan is unequivocally embedding sustainability at the very heart of its construction and real estate endeavors. All our developments be it, Al Marjan Island, RAK Central and Marjan Beach, reflect a deep commitment to environmental stewardship, social responsibility and economic resilience.

The northern emirate's unique natural landscape calls for responsible developments and keeping this in mind we champion a strong drive towards net-zero carbon operations, circular economy principles – minimizing waste and maximizing resource utility – and biodiversity protection. Socially, the focus is on creating vibrant, healthy communities, enhancing quality of life and ensuring projects benefit local stakeholders.

Marjan is committed to build for permanence and prosperity. Whole-life costing is integrated from the early stages of design to ensure we are on the right path.

Our RAK Central HQ Office Complex, developed in partnership with Ras Al Khaimah Economic Zone (RAKEZ) will have five sustainable LRRD Gold certified towers. Spread over 435,000 sq ft, it offers over 800,000 sq ft of innovative workspace with open floor plans and terrace seating areas to enhance productivity and well-being.

At Marjan we follow stringent resource efficiency and green building standards for all our master developments. Our holistic approach guarantees long-term asset sustainability, robust operational efficiency, and ultimately, significant value creation for investors, residents, and the broader RAK ecosystem. We believe in building legacies, not just structures.

A: Question 13. What are you seeing as key themes and points of differentiation when investors are considering RAK?

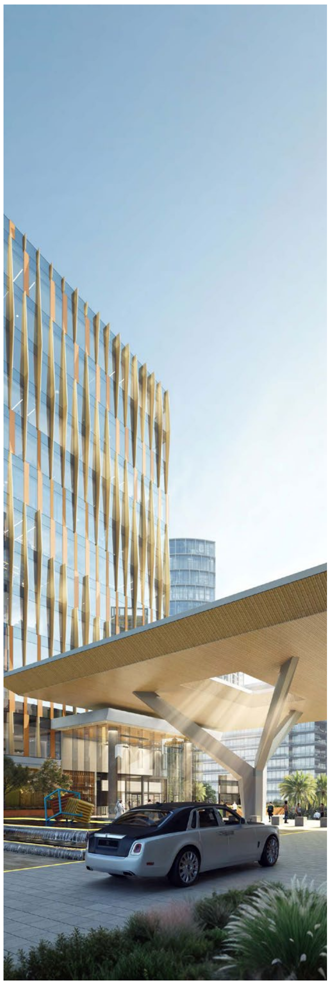
What truly sets Ras Al Khaimah apart is the strategic vision of its leaders and the stability it offers to investors. Marjan is testament to the forward-thinking leadership of Ras Al Khaimah, creating master-planned communities that are meticulously designed for long-term growth.

Then, there's the unrivaled tourism growth trajectory. Ras Al Khaimah is proudly redefining luxury tourism in the region. We have global hospitality brands such as Address, J W Marriott, Rixos, Radisson, Hilton within our master developments.

The emirate's diverse offerings – from pristine beaches to the mountains and rich cultural heritage – attracts a broad international demographic. Ras Al Khaimah altogether offers a more serene, family-friendly environment with excellent infrastructure and competitive operating costs, which is highly attractive to both businesses and residents.

In the end it is all about long-term value creation and return on investment. Our developments are designed with sustainability and future-proof economics in mind, ensuring assets appreciate and provide strong yields. Al Marjan Island's sold-out status is testimony to the robust economic opportunity here. Spanning 2.7sqkm of reclaimed land, with 15,000 planned hotel rooms, 7.8km of pristine beaches, 12,000 planned residential units, 23km of waterfront, and 450 holiday homes it is one of our most ambitious projects ever.

Marjan doesn't just build structures; we build thriving ecosystems, making Ras Al Khaimah a high-growth investment destination where vision meets opportunity.



Question 14. For Marjan – can you elaborate on their overall masterplan vision and when this will be expected to be completed and what opportunities this presents for the real estate and construction industry including the development of key infrastructure such as the airport in RAK to enable the establishment of communities in the future.

A: Marjan's overall masterplan revolves around cementing Ras Al Khaimah's position as a premier global destination, seamlessly integrating world-class luxury, vibrant leisure and sustainable living. We craft meticulously planned, integrated urban and resort ecosystems that leverage RAK's natural beauty – from pristine coastlines to majestic mountains – while offering unparalleled experiences for residents, tourists and businesses alike. Beyond buildings we are cultivating thriving, interconnected communities with a focus on quality of life, economic prosperity and environmental stewardship.

While we have achieved significant milestones, there is more to come. Our flagship development Al Marjan Island's rousing success has led to more integrated projects, including the mixed-use RAK Central and the recently launched Marjan Beach with a population capacity of 74,000 residents and a workforce of 32,000.

Marjan's masterplan is a living blueprint, projected to unfold over the next two to three decades. It's a multi-phased evolution, designed to adapt to market demands and technological advancements, ensuring sustainable, long-term growth and relevance.

For the real estate and construction industry, it presents a phenomenal landscape of opportunities. We're seeing robust demand for everything from opulent beachfront villas and upscale residential apartments to a diverse range of hospitality offerings. Beyond residential and hospitality, there's also demand for supporting commercial infrastructure: retail destinations, dynamic F&B hubs, entertainment complexes and modern office spaces to house the growing business community. This translates into a continuous, high-value pipeline of projects for developers, contractors, architects, engineers and suppliers across the entire value chain.

Crucially, Marjan's overarching vision is intrinsically linked to enhancing key infrastructure. The expansion and modernization of Ras Al Khaimah International Airport is paramount. Improved air access makes the emirate a more viable and attractive place to live and work. At Marjan we are part of the emirate's overarching vision to build a future-proof ecosystem. And it's an ongoing process.

Interviewed by **Cynthia Corby**
Partner | Industrial Products & Construction Leader | Deloitte Middle East

Unlocking the power of collaboration: A new era for major program delivery in the Middle East

Mace Consult, Managing Director for Middle East and Africa - Christopher Seymour

Over the past 16 years, I've had the privilege of witnessing the Middle East transform into a global epicenter for innovation, ambition, and large-scale development. From the early infrastructure boom in the UAE to the emergence of giga-projects in Saudi Arabia, the region has consistently pushed the boundaries of what's possible. But with this ambition comes increasing complexity – and with increasing complexity comes the need for a new approach to major program delivery.

We believe that successful major program delivery is rooted in collaboration. Earlier this year, Mace Consult published a global report called The Future of Major Program Delivery, which draws on insights from over 5,000 mega and giga-projects globally and interviews with more than 30 industry leaders. It makes a compelling case for a shift away from traditional, transactional models towards integrated, outcome-focused delivery partnerships.

The Middle East: A region on the rise

The scale of development in the Middle East is staggering. Saudi Arabia alone has experienced a 643% increase in active mega-projects since 2010, driven by Vision 2030 and landmark initiatives such as Diriyah, Qiddiya, and King Salman International Airport. The UAE continues to lead in urban innovation, with a robust pipeline of commercial, residential, and infrastructure projects that reflect its global aspirations.

Yet, despite this momentum, challenges persist. Our Future of Major Program research shows that, globally, 11% of mega-projects are at risk of significant delay. In the Middle East and North Africa, 82% of organizations expect disputes on their projects in the next three years – primarily due to delays, scope changes, and supply chain disruptions. These are not just statistics; they are symptoms of systemic issues in planning, governance, and delivery.

Why traditional models are no longer fit-for-purpose

Traditional models of project delivery - characterized by fragmented teams, misaligned incentives, and rigid contracts are struggling to keep pace with the scale and complexity of today's programs. In many cases, these models foster adversarial relationships, stifle innovation, and lead to cost and schedule overruns.

In contrast, collaborative delivery models - such as the delivery partner approach offer a more integrated, agile, and outcome - driven alternative. At Mace Consult, we've seen this model succeed across the region, from supporting the delivery of Expo 2020 Dubai to shaping the future of Qiddiya in Saudi Arabia.

The ten pillars of collaborative delivery

In our The Future of Major Delivery report, we outline ten core pillars that underpin successful collaborative delivery. These are not abstract ideals – they are practical, proven principles to be applied every day:

1. Outcomes-focused – aligning all stakeholders around a shared vision and measurable outcomes.
2. An integrated 'one team' approach – breaking down silos to create a unified delivery team.
3. Shared risk and reward – structuring contracts to incentivize collective success.
4. Highly collaborative in every sense – embedding collaboration into governance, behaviors, and systems.
5. Knowledge transfer and capability building – leaving a legacy of skills and institutional knowledge.
6. Long-term relationships – building trust and continuity across the program lifecycle.
7. Look beyond leadership for key decisions – empowering all parties to contribute to key decisions.
8. High-capability consultant team with a breadth of involvement – deploying the right expertise at the right time.
9. Trust and transparency – creating a culture of openness and accountability.
10. Integrated technology and processes – leveraging digital tools to enhance performance.

These pillars are not just theoretical. They are the foundations of collaborative delivery, which are already being successfully implemented across the Middle East and around the world.

Real-world impact: From vision to execution

The success of Expo 2020 Dubai showcases the value of collaborative delivery, where global expertise was integrated with local insight to ensure the vision was matched by execution. This was not just a world fair – it was a major program involving more than 30,000 workers at its peak, six million square meters of development, and a global audience. Despite the challenges of the COVID-19 pandemic, the program was delivered with remarkable success, leaving a lasting legacy for the UAE.

The same principles can be applied to giga-projects in Saudi Arabia like Diriyah and Qiddiya, where the scale and ambition demand a delivery model that is flexible, integrated, and focused on long-term value. These projects are not just about building infrastructure – they are about shaping the future of cities, economies, and societies.

> "The region has consistently pushed the boundaries of what's possible"

A call to action

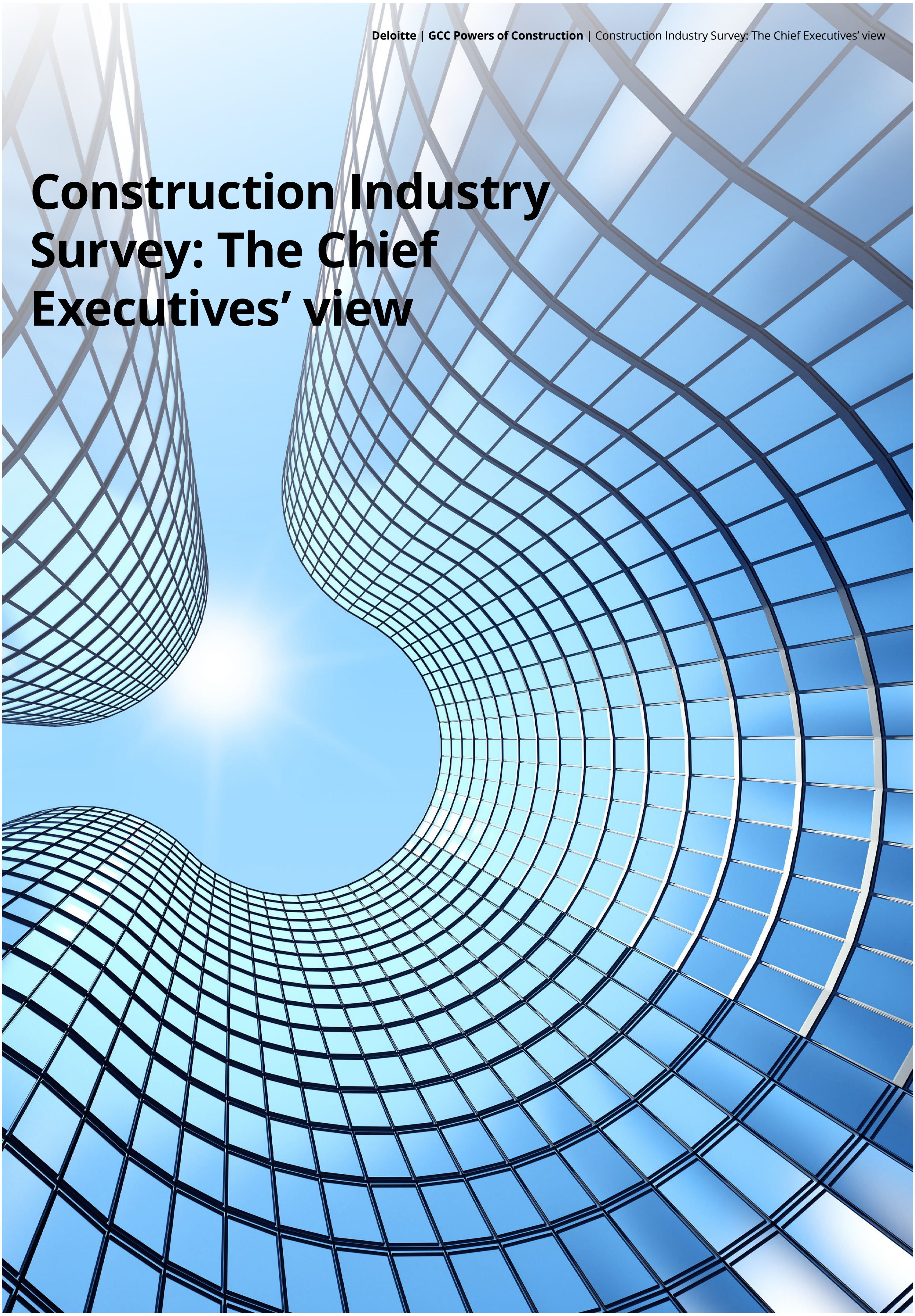
The Middle East is at a pivotal moment. With over $15 trillion in global capital expenditure tied up in mega and giga-projects, the stakes have never been higher. The opportunity to create lasting value – for communities, economies, and future generations – is immense. But to seize this opportunity, there must be a change to the way major programs are delivered.

The Future of Major Program Delivery report is both a diagnosis and a roadmap. It challenges industry leaders to reflect on the barriers they face – and perhaps enable – and offers actionable solutions to overcome them.

From defining a shared vision and measurable outcomes to aligning incentives and embracing digitalization and AI, the future of major program delivery is firmly rooted in collaboration.

> "The opportunity to create lasting value – for communities, economies, and future generations – is immense. But to seize this opportunity, there must be a change to the way major programs are delivered"

Construction Industry Survey: The Chief Executives' view



Leading companies within the Middle East construction sector are demonstrating unwavering optimism, with our recent survey revealing that 92% expressing positive outlooks on their future financial prospects, operational performance, and market trends. This powerful confidence is being forged amidst a dynamic environment of significant external influences, including prevailing economic conditions and intense market competition. While showcasing clear improvements from previous years, the findings also underscore the sector's proactive engagement with critical challenges, from project financing and contractual disputes to the growing imperative of embedding sustainability criteria into construction tenders – a strategic shift most participants advocate should be driven by regulation. This report equips leaders with the foresight to capitalize on this momentum and strategically shape the sector's future.

Financial prospects

Q. How do you feel about financial prospects for your company over the next 12-24 months?

92% of the respondents were optimistic over the next 12-24 months attributed to the external factors such as economy, competition, market trends, etc.

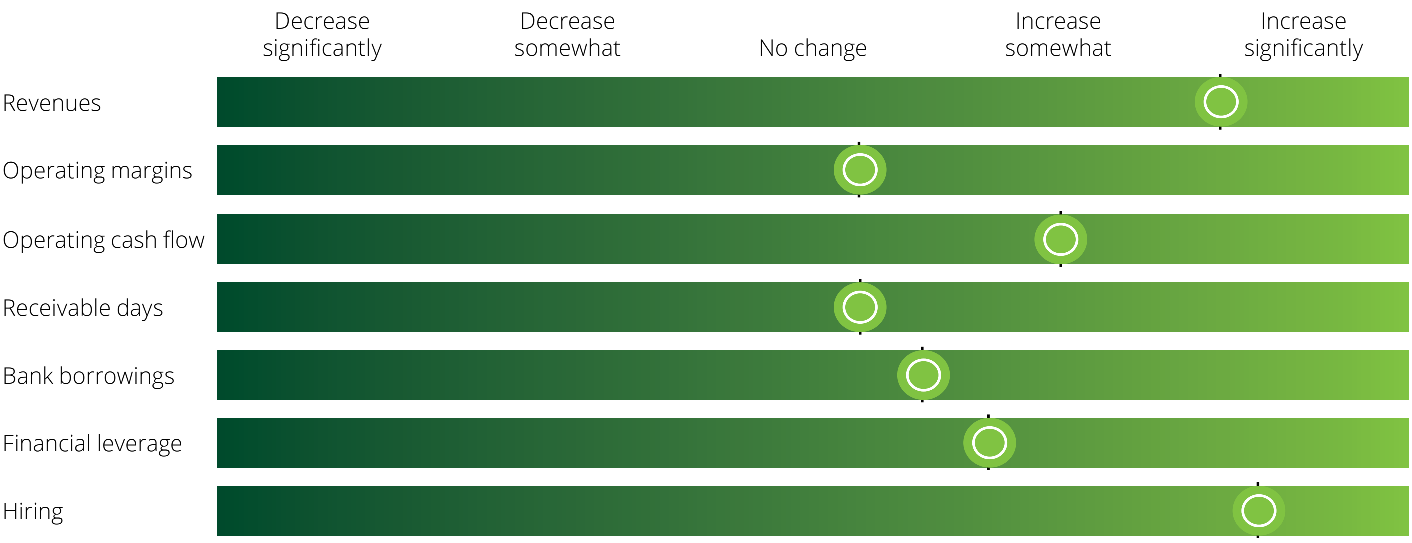
75%

of the respondents believe a company's financial prospects are driven mostly by external factors (versus 62% in 2023)

Financial & Operational Performance

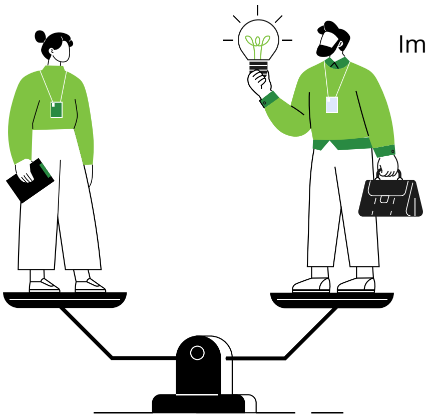
Q. What is your outlook for the following parameters?

While positive outlook is expected to translate into an increase in topline and operating margins, financing costs and operating cashflows are also expected to rise.

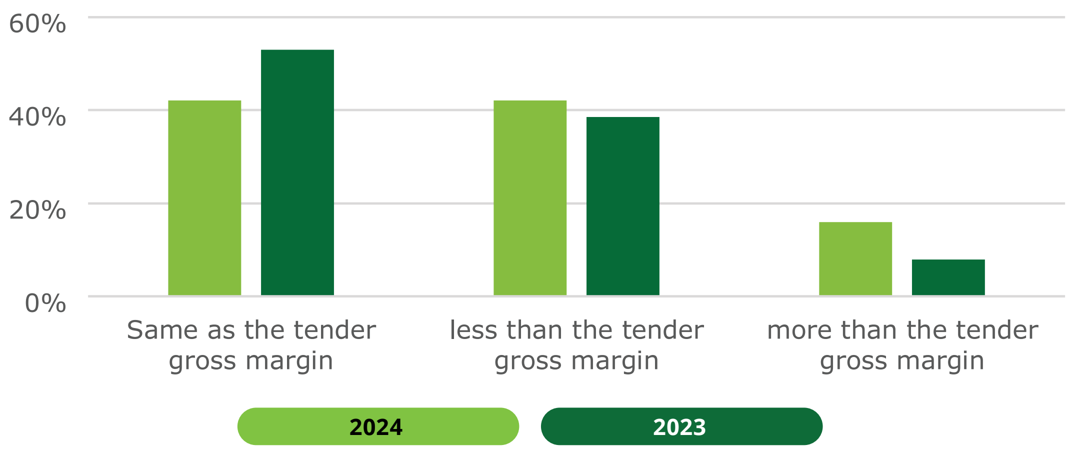


Pricing / Tender Market Analysis

Q. Has pricing on tenders over the past 12 months:



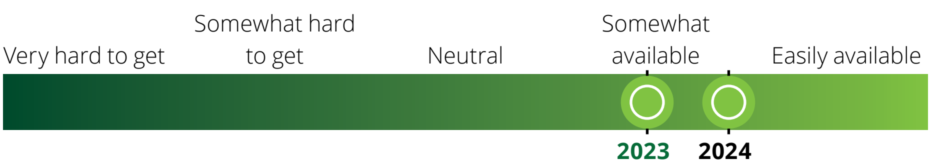
Q. Relative to average tender gross margin, the actual realized final project gross margin is:



Funding

Increasing number of respondents include funding as a part of their initial project bids. As compared to last year, the availability of funding options are mostly at similar levels and respondents do not feel added pressure to finance contracts due to delays in payments. Nervousness around bonds being called are also lower than last year.

Q. Availability of financing to your Company:



83%

of the respondents do not feel any greater pressure (relative to 12 months ago) to help fund projects due to delays in payments/other and only **17%** of the respondents feel the pressure (vis-à-vis 62% in 2023)

85%

of the respondents include some level of project funding costs (e.g. interest on bank over-drafts/ loans) their initial project bid . (vis-à-vis 71% in 2023)

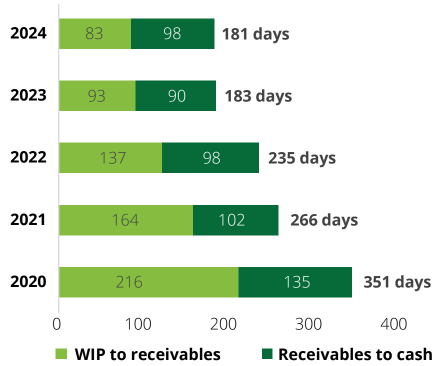
Certified/uncertified receivables

Q. Average number of days payments are received after revenue locked up in certified receivables

33%	**42%**	17%	8%	0%
Within credit period	1-60 days	61-120 days	121-365 days	After more than 2 years

Q. Average number of days certification occurs after revenue locked up in uncertified WIP

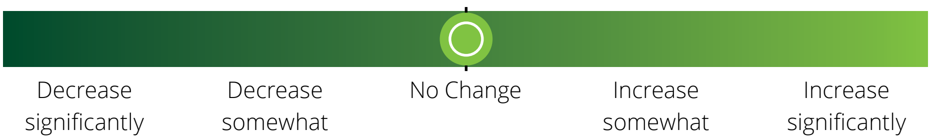
25%	**67%**	8%	0%
Within 1-30 days	After 31-90 days	After 91-180 days	After 181-365 days



67% of the respondents do not include uncertified/unapproved claims in contract revenue in their financial statements

Contractual dispute

Q. Initiating or completing contractual dispute resolution



Q. Timeframe to finalize/resolve the dispute

42%	17%	33%
Less than 12 months	Between 1 and 2 years	Between 3 and 5 years

Q. The final outcome of the dispute resolution was

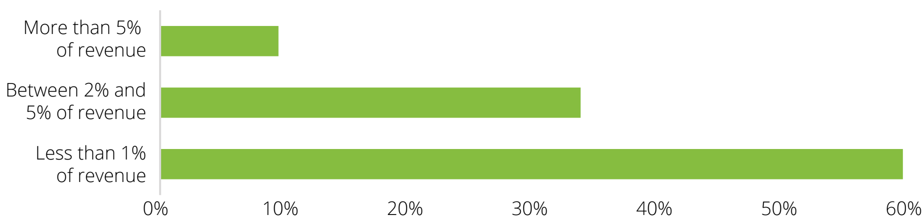
Less than we requested and less than what we feel were contractually owed

2024: 50% | 2023: 54%

Fair to both the contract owner and the contractor or a good result for us as contractor

2024: 50% | 2023: 36%

Q. How significant is the anticipated settlement of outstanding unapproved contract claims to your profit or loss?



83%

of the respondents (versus 50% in 2023) believe there is no change in contractual dispute activity over the past 18 months (either in terms of number of disputes or the value of those disputes).

33%

of the respondents' organization were currently involved in a contractual dispute (whether due to variation, claims, cancellation or other).

Sustainability

33% of the respondents (61% in 2023) witnessed increasing interest in sustainability financing options and tenders incorporating sustainable elements. Unlike last year, where most green requirements were expected at the design of the projects (50%) and construction firm and materials used in the construction (17% each) followed by the overall project and construction method (8% each). Majority of the respondents (75%) viewed sustainability as a competitive advantage over a necessity and believe it needs to be regulated at an industry and country level to drive change

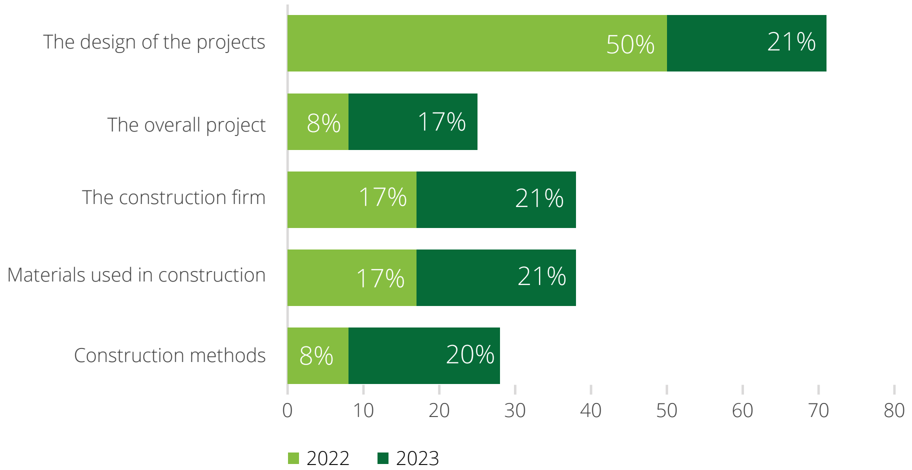
Q. Is there an increase in interest in Green Bonds/Loans/Sustainability Linked Loans to finance projects?

33% Yes

Q. There is a greater proportion of tenders incorporating Sustainability/Green elements in the requirement?

75% Yes

Q. What Sustainability/Green elements are you seeing in the tenders?



33%

of the respondents think 'Green building' regulation is not enough in their country to drive forward change

92%

of the respondents think Sustainability & the construction industry should be driven by Regulations or the Market

50%

of the respondents believe being a Sustainable/Green organization is an advantage and not an expectation in the market

75%

of the respondents are not very aware of Net Zero Transition policies and goals set by GCC governments

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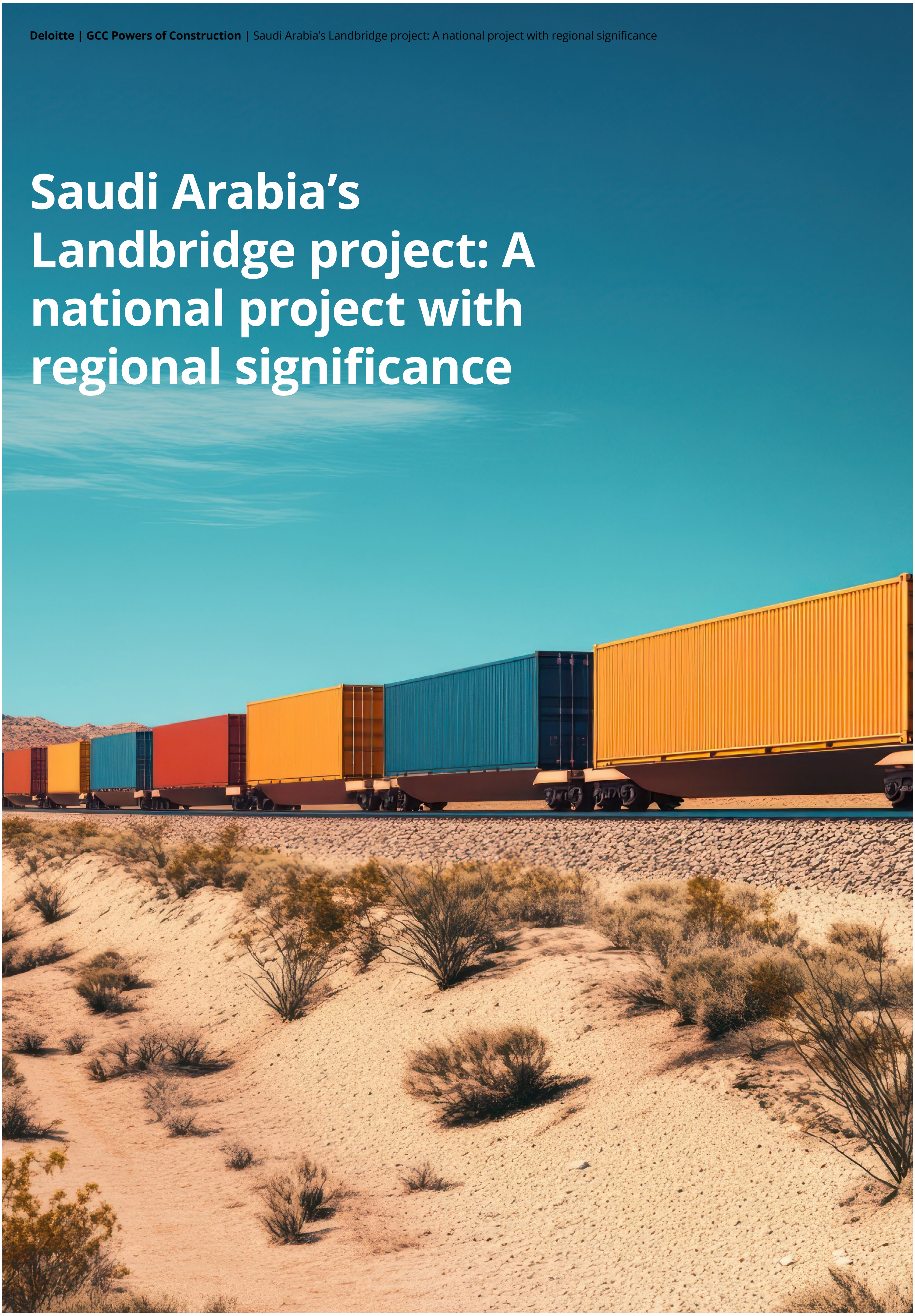
Saudi Arabia’s Landbridge project: A national project with regional significance



The Saudi Landbridge Railway Network (the Project) is one of the most anticipated infrastructure programs in the region and is set to become one of the largest passenger and freight railway projects globally. It will establish a continuous rail corridor stretching from Jeddah on the Red Sea, through Riyadh, and onward to Dammam and Jubail on the Arabian Gulf. Once complete, the Project will transform east-west connectivity across the Kingdom, enabling faster, more reliable, and more cost-effective transport across the Kingdom and GCC. The Saudi Railway Company (SAR), in coordination with other key public stakeholders, plays a central role in the development and delivery of this transformative initiative.

The Project spans over 1,500 kilometers, combining both new rail construction and the upgrade of existing lines, and includes seven major logistics centers located in key cities and industrial hubs. The Landbridge is designed not only to improve domestic mobility, but also to catalyze broader economic and logistics transformation. By connecting the Kingdom's ports, industrial zones, and inland markets, the Project is set to unlock new trade flows, reduce bottlenecks, and support Saudi Arabia's ambition to become a leading global logistics hub under Vision 2030. Its impact, however, is expected to reach beyond national borders, reinforcing the Kingdom's role as a critical gateway between Asia, Europe, and the wider GCC region.

The scale of the Landbridge sets it apart from other infrastructure projects in the region. It is being executed as a multi-billion-dollar multi-phase program. The Project has been segmented into six lines and seven logistic centers including:

- Line 1: Enhancement and upgrade of Jubail Industrial City's internal network
- Line 2: Enhancement and upgrade of the Jubail to Dammam line
- Line 3: Enhancement and upgrade of the existing Dammam to Riyadh line
- Line 4: New rail link through Riyadh, connecting the north and south networks
- Line 5: New rail link from Riyadh to Jeddah, continuing to King Abdullah Port with three intermediate stations
- Line 6: New line connecting Jeddah to King Abdullah Port and to Yanbu Industrial City

Seven logistics centers will be developed across the lines, including facilities at King Khalid International Airport, Jubail, Dammam, Riyadh, Jeddah, King Abdullah Port, and Yanbu.

Financing the Landbridge: Strategic considerations

Delivering the Landbridge is not only a construction effort, but also a financing challenge. The Project requires significant upfront capital investment, long delivery timelines, and coordinated sequencing to ensure it can progress in a financially viable way. Although the Kingdom has robust institutions for delivering major projects, the scale of this Project calls for a tailored, strategic approach to funding and capital structure.

Over the years, the Project's delivery model has evolved. It was initially tendered as a 50-year build-operate-transfer (BOT) package in 2008 and was then revived under a government-led model. Most recently, the delivery strategy was restructured into smaller, standalone procurement packages, moving away from a single large-scale public-private-partnership (PPP). This shift enables parallel progress across different scopes, allows for more targeted funding sources, and helps manage complexity more effectively.

The National Center for Privatization & PPP (NCP) is currently undertaking its own process to assess the procurement and delivery approach for certain elements of the Project, in coordination with SAR and other key stakeholders. Each procurement package, defined as a commercial procurement scope that may include one or more technical or geographic segments, will present its own risk and financing profile, and therefore must be assessed carefully to determine the optimal delivery model.

Key considerations include:

- **Capital structure:** Matching each package with an optimal mix of public funding, sovereign support, equity injections, and concessional or export credit finance
- **Market appetite:** Structuring and sizing packages with clear, transparent risk-sharing mechanisms to attract private sector participation, aligned with global best practices and tailored to public and private stakeholder capabilities
- **Timing:** Strategic phasing of tenders should consider not only market appetite, contractor bandwidth, and overall program risk, but also the opportunity to prioritize sections with stronger standalone business cases and income-generating potential
- **Value-for-money (VfM):** Evaluating whether each package justifies private delivery or whether government-led implementation provides higher value for money
- **Commercial viability and profitability:** Ensuring that capital investment decisions are informed by profitability, demand forecasts, and cost-recovery potential
- **Technical complexity:** The Project presents varying levels of technical complexity, from challenging terrain to integration with existing infrastructure; with brownfield sections such as upgrades to existing lines introducing additional constraints that require careful interface management to mitigate disruption and delivery risks, while the Central Riyadh segment, being built in an urban environment, demands close coordination with municipal authorities to effectively manage and minimize disruption risks

This calls for a structured options analysis to identify which packages are suitable for PPP, which can attract development finance or export credit, and which should proceed through a more traditional public procurement.

Key enablers for success

Successful delivery of the Landbridge will depend on more than financing or construction capabilities. As a flagship project of national significance, it will require clear program governance, strong technical packaging, and alignment with the broader economic agenda.

Key success factors include:

- **Over-arching funding and financing strategy:** A unified strategy across the full Project is needed to guide capital deployment, sequencing, and investor engagement
- **Clear project packaging:** Packages must be designed to stand alone financially and technically, with clear interfaces and risk allocation
- **Institutional alignment:** Ensuring that the vision and direction for delivery is consistent across SAR, NCP, Transport General Authority (TGA), Public Investment Fund (PIF), and relevant ministries and key stakeholders
- **Robust risk allocation:** Contract models should align with market expectations and appetite while safe-guarding long-term public value, and should consider whole lifecycle costs, including operation and maintenance responsibilities
- **Procurement strategy:** Procurement strategies should align the sourcing approach with delivery objectives, timelines, and market capability, ensuring funding cycles are matched to disbursement need and interface risks are minimized
- **Alternative value capture:** Exploring land value uplift and broader economic benefits can unlock new funding sources and improve bankability

The Landbridge presents an opportunity to reshape how regional infrastructure is financed and delivered. Its success will depend not only on engineering excellence and construction execution, but also on aligning funding strategies, managing delivery risks, and engaging the right delivery partners. As governments across the region face tighter budgets, evolving priorities, and rising expectations for impact, the Landbridge offers a compelling model for delivering transformation at scale – through coordinated planning, institutional alignment, and innovative financing.

Source

1. MEED (Saudi Arabia launches Landbridge design tender, April 2025)

> "Its impact, however, is expected to reach beyond national borders, reinforcing the Kingdom's role as a critical gateway between Asia, Europe, and the wider GCC region"

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Building the future of sport through infrastructure investment

The Middle East has rapidly emerged as a global hub for sport, leveraging large-scale infrastructure investments to drive socioeconomic diversification and elevate the national brand of GCC states hosting mega events. Qatar, Saudi Arabia (KSA), and the United Arab Emirates (UAE) have strategically hosted landmark events such as the FIFA World Cup Qatar 2022, Expo 2020 Dubai, and Formula 1 Grands Prix, with Saudi Arabia scheduled to host the FIFA World Cup in 2034. While these projects have elevated the region's profile, their long-term success hinges on balancing capital investment with sustainable value creation—maximizing revenue through sustainable and long-term commercial planning and securing venue utilization through a well-planned, longstanding, year-round event calendar, while aligning with environmental standards to ensure lasting impact.

Integration into city planning and urban regeneration

A new model of sporting infrastructure is emerging, with venues integrated into urban centres as anchors for mixed-use districts that stimulate commercial (residential and retail), social, and cultural activities. Short-term socioeconomic benefits have already been observed, yet the long-term imperative is aligning with broader national strategies, such as Dubai's 2040 Urban Master Plan[1] and KSA's Vision 2030[2]. These frameworks emphasize efficient resource utilization, the creation of vibrant and inclusive communities, expansion of green and leisure spaces, improved mobility, and sustainable urban growth, ensuring sports infrastructure contributes to enduring economic and societal transformation and balancing the rising carbon emissions generated by dense urban centres.

Across Doha, Riyadh, Dubai, and Abu Dhabi, stadiums and supporting precincts are no longer treated as standalone landmarks. Instead, public space, green corridors, and robust transport infrastructure are integral to their design. When embedded within mixed-use developments, stadiums can drive urban regeneration by enhancing land value, attracting investment (both local and foreign investment, e.g., the privatization of sports and community clubs), and serving both professional and community needs. Their effectiveness depends on multimodal connectivity and the design of venues as part of a broader facilities ecosystem, enabling diversified use, operational efficiency, and sustained value creation beyond major events. Facilities must also consider serving various objectives, including grassroots and mass participation through to the delivery of high-performance talent pathways.

Big investments in transformative urban and sporting developments

KSA is investing approximately SAR 98 billion (USD 26 billion) towards hosting the 2034 World Cup[3], focusing on 15 stadiums across cities such as Riyadh, Jeddah, Khobar, Abha, and Neom, along with major upgrades to airports, metro systems, hospitality, and urban infrastructure to enhance connectivity and living standards. Notable projects include King Salman Park, set to be the world's largest urban park, and expanded capacity at King Khalid International Airport, both designed to support the event and deliver lasting benefits for residents, businesses and visitors. In Riyadh, ROSHN Stadium and New Murabba Stadium exemplify how sports venues can integrate with mixed-use developments - combining retail, hospitality, and public spaces to attract investment and foster community engagement.

Dubai's Expo City follows a similar model, linking sports, residential, commercial, and cultural areas within a transit-connected plan. This mixed-use approach improves accessibility, efficiency, and long-term social and economic benefits. Mixed-use projects in the GCC usually require significant investment, with construction costs ranging from USD 1,200 to 2,500 per square metre.

The construction sector is an increasingly important contributor to the GCC's GDP, with sports infrastructure playing a significant role. Investing in sports facilities boosts construction activity and supports wider economic growth by enhancing community engagement and urban development.

Governments evolving financing and investment strategies

The Middle East's recent construction boom is deeply rooted in national development agendas. KSA's Vision 2030 places sporting infrastructure at the heart of economic diversification, tourism promotion, public health, and social cohesion. According to a 2023 report, KSA's construction sector contributed around 6% of GDP (approximately SAR 255 billion / USD 68 billion)[4], with plans to raise this to 8.8% by 2030 through giga-projects such as NEOM, Qiddiya, and the Red Sea Project[5]. By 2030, the sports industry is expected to contribute approximately SAR 62 billion (USD 16.5 billion) annually to GDP. This includes generating an economic impact of SAR 83 billion (USD 22 billion) and the creation of over 100,000 jobs through sports investments within the next decade[6].

"Sports have become an integrated economic sector with a legislative structure, financial governance, and investment areas and models that open promising horizons for national and international companies." – KSA's Minister of Investment Khalid Al-Falih

Financing strategies have evolved alongside this growth. Qatar has relied heavily on government funding, as seen with the stadiums developed for the 2022 FIFA World Cup, emphasizing sustainability and sports tourism. The UAE increasingly employs public-private partnerships, exemplified by Dubai Sports City, which distributes financial risk while enhancing operational management. KSA's Vision 2030 blends government funding with private sector incentives, demonstrated by King Abdullah Sports City and growing private involvement in developing sports complexes and stadiums ahead of the 2034 milestone. These strategies reflect how financing innovation and integrated planning ensure stadiums support both global events and long-term urban, economic, and community development.

Sustainability and legacy

Sustainability is a vital consideration for KSA's 2034 World Cup infrastructure, given that the construction sector contributes approximately 38% of the nation's carbon emissions and the region faces significant challenges such as climate change, water scarcity, and urban heat[7]. Drawing on lessons from Qatar's compact World Cup model and modular stadium designs, setting emerging regional benchmarks for minimizing material waste and ensuring a positive post-tournament legacy, KSA is prioritising sustainable practices in its stadium and sports infrastructure. The planned venues incorporate energy-efficient cooling systems, water recycling technologies, and locally sourced materials, reflecting a strong commitment to environmental stewardship while delivering enduring urban and community benefits. This focus on sustainability is essential to creating a positive legacy that extends beyond the event itself.

Conclusion

The Middle East's approach to sporting infrastructure reflects a holistic, forward-looking model: one that integrates stadiums into urban ecosystems, aligns investments with national objectives, diversifies financing, and prioritizes sustainability. By combining mega-event impact with long-term urban, economic, and social value, the region is not only hosting world-class events but redefining the role of sport as a catalyst for inclusive, sustainable growth.

Source

1. https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/transport-and-infrastructure/dubai-2040-urban-master-plan
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> "Sustainability is a vital consideration for KSA's 2034 World Cup infrastructure, given that the construction sector contributes approximately 38% of the nation's carbon emissions"

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AI in construction: From cost savings to competitive advantage

The global construction sector is undergoing a decisive shift. Rising input costs, persistent labour shortages, and increasing complexity of large-scale projects, which have pushed traditional delivery models to their limits. Although construction accounts for a significant portion of economic activity in many countries, its productivity growth has consistently lagged other industries. In this challenging environment, digital transformation is no longer a discretionary investment but a strategic imperative.

Artificial Intelligence (AI) is at the center of that transformation. Using machine learning, advanced analytics, computer vision, and automation, AI augments how projects are planned, sequenced, and executed. For clients, it promises greater transparency, quality, and predictability. For contractors and developers, it enables faster, evidence-based decisions, tighter control of risk, and a pathway from short-term cost containment to long-term competitive advantage.

Impact on customers

Clients today demand faster project delivery, greater transparency, and fewer surprises. AI is instrumental in delivering and exceeding these expectations by enhancing various aspects of project execution.

- **Real-time visibility and governance:** AI-powered dashboards integrate data from schedules, cost systems, and site sensors to deliver near real-time view of progress and risk exposure. This enhanced visibility improves governance, fosters collaboration and reduces conflicts among stakeholders.
- **Design integrity and quality:** AI integrated with Building Information Modelling (BIM) detects design clashes and scope inconsistencies before they reach the site, minimizing rework and claims. Computer vision tools applied to drone imagery can flag quality issues early.
- **Predictability and assurance:** Advanced predictive models estimate the probability of delay in critical activities, leading to fewer disputes, higher first-time-right quality, and stronger assurance that the project will meet safety and regulatory standards.
- **Sustainability Performance:** AI-supported energy modelling and digital twins optimize building envelopes and systems for efficiency, enabling clients to meet increasingly stringent ESG (Environmental, Social, and Governance) expectations without compromising functionality.

Market dynamics and competitive edge

Adoption of AI in construction is accelerating as organizations respond to market volatility and competitive pressure. Firms are deploying predictive analytics to guide bidding strategy, assess commodity price exposure, and plan capacity. In parallel, public and private owners are embedding digital requirements in procurement, which is raising the baseline for technology adoption across the industry.

Major programs - ranging from smart-city districts to transportation corridors - are using AI to orchestrate complex interfaces, simulate schedule scenarios, and coordinate supply chains. As these capabilities scale, leaders are distinguishing themselves not only on cost but on certainty of delivery, sustainability outcomes, and user experience. The competitive gap between digital leaders and followers is widening.

Case example: AI-driven schedule recovery in large infrastructure projects

On a large infrastructure project facing a significant schedule delay, a leading construction firm leveraged an AI-powered platform to recover lost time. The AI system analyzed millions of potential scheduling combinations – a process known as optioneering – factoring in resource constraints (such as crew availability and specialized equipment) and material delivery timelines. The AI identified an optimized sequence that had been overlooked by human planners, enabling the project team to recover over 30 days of delay and avoid substantial potential penalties. This case illustrates AI's unique capability to uncover non-obvious pathways to project completion, providing a strong competitive advantage.

Business impact of AI

AI is delivering tangible and measurable benefits across the construction lifecycle by enabling organizations to:

- **Drive data-informed decision-making:** By consolidating cost, schedule, and field data into advanced predictive models, enabling proactive actions rather than reactive responses.
- **Optimize project scheduling:** Predicting critical path slippages and recommending resequencing or resource reallocation before delays cascade.
- **Enhance risk management & safety:** Quantifying exposures across safety, quality, cost, and compliance while using computer vision and IoT to detect unsafe conditions in real time.
- **Achieve cost and productivity gains:** Early clash detection, automated scheduling, and lean logistics reduce rework, idle time, and waste—freeing teams for higher-value tasks.
- **Enhanced quality assurance:** Vision systems and sensor data identify defects early and verify installation quality, reducing punch-list churn and disputes.

“Digital transformation is no longer a discretionary investment but a strategic imperative”

Adoption challenges

While AI offers significant opportunities for the construction industry, its adoption is accompanied by several challenges that organizations must carefully navigate:

- **Data security and privacy concerns:** AI systems depend on access sensitive commercial and personal data, raising concerns about confidentiality and compliance. Robust cybersecurity, access controls, and data-minimization practices are essential to be implemented by organizations to protect information and maintain stakeholder trust.
- **Integration with legacy systems:** The construction sector often relies on fragmented legacy applications and inconsistent data standards, which complicate the seamless deployment of AI solutions. Establishing a unified data architecture and modern integration platforms are critical steps to ensure interoperability and data consistency.
- **High initial investment:** Deploying AI requires substantial upfront investment in technology platforms, infrastructure, and specialized skills. To mitigate financial risks, organizations should adopt t phased implementation roadmaps starting with targeted pilots that demonstrate clear value before scaling.
- **Ethics and governance:** AI driven decisions must be transparent, explainable and accountable to meet regulatory requirements and stakeholder expectations.
- **Digital debt and data readiness:** Many organizations face a "digital debt" – a lack of clean, structured, timely data coupled with immature processes that hinders reliable AI performance. This issue is compounded by the fact that much critical project data (up to 80% in many cases) remains buried in unstructured documents, PDFs, or emails, preventing meaningful analysis. Addressing these foundational gaps through disciplined data management and process optimization is essential for successful AI adoption.
- **Cultural resistance and trust:** Construction's reliance on human instinct, judgment, and relationships means that asking site leaders and engineers to trust an algorithm can face cultural resistance. Successful adoption requires positioning AI as an extension of human expertise, not a replacement, building trust through measurable impact and proof.

AI is moving construction beyond incremental efficiency improvements and towards a fundamentally new basis of competition. This new paradigm is built on four critical pillars: certainty, safety, quality, and sustainability. Organizations that successfully harness AI will not only realize immediate cost and productivity benefits but also position themselves for long-term leadership in a rapidly evolving market. In the end, true competitive advantage will belong to organizations that treat AI not merely as a cost-saving tool, but as a disciplined practice of transparency, accountability, and intelligent decision-making. The construction workforce of the future will not be replaced by AI - it will partner with it to build faster, safer, and smarter.

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Forensic data management for an aviation mega-construction project

In the aviation industry, where precision, safety and coordination are non-negotiables, effective data management is a cornerstone in ensuring that vast amounts of design, operational, financial, supply chain and health and safety data is captured to ensure compliance and project transparency.

One of the largest aviation groups in the world sought to build and preserve its status as the aviation hub of choice in Asia Pacific. In the construction and build of one of the largest terminals globally, the organization quickly realized that its most valuable asset was not the actual building, but the vast amounts of data being generated through communications, designs and planning, office documents, and construction management platforms.

With a clear view of a 10-to-15-year project timeline, the Internal Audit and Legal teams had to ensure proper data management across various construction workstreams, third party service providers, subcontractors and critically, senior management. This was to ensure that in the event of internal investigations, litigation, or disputes that could arise during the project period, the organization was well prepared and would easily locate relevant documents and communications materials without losing time and resources.

While there were numerous system integrators and technology service providers that were able to provide the platform for data to be aggregated, specific expertise was needed in relation to investigations and legal matters. Deloitte's Discovery & Data Management practice was brought in to provide advisory and implement robust forensic workflows. The combination of people, process and technology ensured end-to-end chain of custody of all information retrieved from the myriads of systems, in particular, communications data.

Deloitte partnered with a local system integrator that was providing the infrastructure for all email communications. The setup was a large on-premises data centre running Microsoft Exchange which was handling several hundred thousand email exchanges daily. While operations, backups, and disaster recovery were handled by the system integrator, retrieving and auditing the data proved to be particularly challenging, as the backup medium of choice was tape storage.

Tape storage is a tried and tested solution (dating back to 1952) which continues to be developed and deployed in large enterprise environments. While most organizations today take comfort in the security, redundancy, and disaster recovery capabilities that the cloud provides, backup tapes are a cost-effective and scalable storage solution for on-premises solutions. The key benefit of a tape solution, is that it is air-gapped and stored completely offline, protected from any form of online attack or ransomware.

The Linear Tape Open (LTO) technology has been around since the late 1990s, and the current tape standard, LTO-10, allows storage of up to 30TB of uncompressed data, all the way up to 75TB of compressed data. It is a highly cost-effective solution for organizations looking to archive their legacy data to meet and legal and regulatory retention requirements.

The main challenge, however, lies in the retrievability of data from backup tapes.

Key considerations when attempting to retrieve data are:

- Backup tape format: While LTO is the standard choice, others still exist and require specific hardware.
- Appropriate hardware: Specific tape libraries or drives are required to read the backup tape depending on the format; even the widely used LTO technology is not always backward compatible with newer tape drives.
- Backup software: These are generally proprietary and stored in a format that only works with the specific software, without which data cannot be retrieved.
- Catalogue information: All backup tapes have catalogues or header information, which allows organizations to provide a description of what the tape contains. This information is not always populated correctly.
- Data Access: It is practically impossible to search, filter, or access specific data on a backup tape, without restoring the entire dataset of the tape. This limitation is primarily due to the nature of backup tapes being magnetic media.

While the system integrator had a regular backup schedule in place, there was no process in place to retrieve the data from the tapes in a manner that would maintain the forensic integrity of the information contained within.

Deloitte implemented a methodology and technology solution that would:

- Extract the catalogue information from the backup tapes

- Index the data on the tape without the need for restoration

- Allow date range filters, searches to be performed on the index

- Extract only specific relevant information in a forensically sound manner

- Ensure the posterity of the data by preserving the indexes for investigations and legal matters, while returning the tape to storage

> “In large-scale construction projects, effective data management is not only a support function but a critical enabler of a project's success”

In large-scale construction projects, effective data management is not only a support function but a critical enabler of a project's success. The volume and complexity of data generated requires robust systems and processes to ensure data integrity, accessibility, and security. Proper management of data throughout an entire project lifecycle is essential to mitigate risks, facilitates internal investigations, and supports legal and regulatory compliance. Without such rigorous data governance, organizations risk costly delays, inefficiencies, and potential disputes that could jeopardize the project's timeline and reputation.

The case also highlights the importance of integrating advanced forensic data management techniques with traditional infrastructure, such as tape storage, to overcome challenges related to data retrievability and auditability. By implementing a combination of people, process and technology, organizations can maintain forensic integrity while enabling timely access to relevant information. This approach ensures that critical data remains secure, searchable, and legally defensible, which is needed to manage the complexities of multi-year and multi-stakeholder construction endeavours. Ultimately, prioritizing data management in large-scale construction projects safeguards not only the physical assets but also the invaluable informational assets that underpin successful project delivery and long-term operational excellence.

"By implementing a combination of people, process and technology, organizations can maintain forensic integrity while enabling timely access to relevant information"

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Navigating construction technology: A Middle East perspective

The Middle East at a construction crossroads

From Riyadh's giga-projects to Dubai's smart city initiatives, the Middle East is undertaking transformative capital projects aimed at reshaping economies and societies. These developments carry significant national importance, serving both as symbols of pride and as key drivers of economic diversification.

However, the scale and complexity of such projects mean that success is far from assured. Research by Bent Flyvbjerg, author of How Big Things Get Done, reveals that only 0.5% of megaprojects worldwide are completed on time, within budget, and delivering their intended benefits; in other words, the vast majority encounter challenges in at least one of these areas.

In the Middle East, these challenges are amplified by compressed timelines, heightened global scrutiny, and intricate multi-stakeholder delivery models. In this context, digital transformation is not merely advantageous - it is essential to improving the likelihood of successful outcomes.

The digital and AI opportunity

The construction sector globally has traditionally lagged in productivity compared to other industries. Yet, recent advances in technology are closing this gap. Several converging forces are accelerating this shift:

- A digitally native workforce is driving faster adoption of new tools.
- Artificial intelligence is converting unstructured data - such as emails, drawings, and sensor feeds - into actionable insights that enhance decision-making.
- Regulatory frameworks and industry standards, including BIM (Building Information Modelling) mandates, are establishing foundational digital requirements.
- Significant investment from technology leaders is expanding the construction tech ecosystem.

The benefits are already evident. AI-enabled solutions are reducing commissioning and validation times by up to 30%, enhancing safety through predictive monitoring, and delivering productivity improvements of around 20% in industrial environments. For Middle Eastern developers and contractors, this represents a transformative opportunity to achieve better cost control, stronger governance, accelerated delivery, and improved sustainability outcomes.

Why does the construction industry struggle with Digital Transformation?

Despite the clear potential, many digital initiatives struggle to scale. Common obstacles include:

1. Digital overload: Multiple pilots without clear scaling strategies can lead to perceived costs without visible value, and operational disruption without adequate support.
2. Fragmented systems: Disparate project controls, procurement, scheduling, and finance systems create data silos, preventing a unified view of project performance.
3. Adoption challenges: Tools that do not align with existing workflows often see low uptake, with teams reverting to familiar but less efficient methods.
4. Extended timelines: Long, monolithic transformation programmes risk scope creep, funding fatigue, and loss of momentum.

Addressing these challenges is critical, as poor integration and communication can lead to costly rework, which globally accounts for a significant portion of construction inefficiency. Implementation is the key to success, technology itself is not the barrier. Platforms such as Procore, Kahua, SAP, and Oracle Unifier have proven their value in global markets. The challenge lies in effective implementation, coordination, adoption, and embedding digital practices within organisational culture.

A disciplined approach - captured in the mantra "think slow, act fast" - is vital. This means investing time upfront in rigorous planning, modular solution design, and reference-class forecasting, while delivering value in short, high-impact increments that build momentum and trust.

“AI-enabled solutions are reducing commissioning and validation times by up to 30%, enhancing safety through predictive monitoring, and delivering productivity improvements of around 20% in industrial environments”

The role of the Orchestrator

Successful digital transformation requires an orchestrator who can align digital strategy with organizational needs and technology deployment. This role is characterized by:

- **Neutrality:** not aligned to any one vendor but focused on outcomes.
- **Connectivity:** bridging the boardroom, the site, and technology.
- **Behavioural change:** embedding digital accountability across executives, managers, and practitioners.
- **Capability-building:** upskilling at all levels - executives (AI strategy), managers (program decision-making), and practitioners (hands-on tools).

Without this orchestration, digital transformations risk being driven by vendors (narrow), EPCs (delivery-biased), or internal IT (detached from field realities).

Success factors for scaling digital

Drawing on Deloitte's experience, six factors underpin effective digital transformation in construction:

1. Leadership breaking barriers - executives must align incentives across owners, contractors, and consultants.
2. Pragmatic use of data - data foundations are essential, but "data paralysis" stalls progress. Momentum comes from visible wins.
3. Shared accountability for digital behaviours - adoption is a cultural issue as much as a technical one.
4. Short-horizon roadmaps - long-term visions must be broken into achievable phases.
5. Differentiated upskilling - executives, managers, and field practitioners need different skills to succeed.
6. Clustered investment - focusing investment into integrated solutions, not scattered pilots, ensures value is captured.

No one-size-fits-all: designing the right digital suite

Every organization's digital journey is unique. Government owners may prioritize transparency and compliance, developers may seek portfolio visibility and speed to market, while contractors often require intuitive tools to reduce rework and enhance collaboration. The orchestrator's role is to design and implement the right combination of tools aligned with each organisation's maturity and ambitions.

Platform deep dive

There are several Project Management Information Systems (PMIS) and Construction Management solutions available in the market, with varying AI capabilities. A review of four leading platforms, all aim to improve project delivery, with their approach tackling different parts of the construction value chain.

Procore - "Single Source of Truth" for the site

- **Purpose:** Improves communication and coordination across the jobsite.
- **How it works:** Procore centralizes project documents, drawings, RFIs, and daily logs in a cloud environment accessible from mobile devices. Site engineers use it to upload photos, complete safety checklists, or issue RFIs directly from the field. Managers see real-time updates, reducing lag and miscommunication.
- **Value add:** Ensures everyone — from subcontractors to owners — is working from the same set of information, cutting down rework.

Kahua — Governance and Asset Readiness

- **Purpose:** Provides owners and programme managers structured oversight across multiple projects and ensure clean handover data for operations.
- **How it works:** Kahua offers configurable workflows that cover cost approvals, funding requests, and capital planning. Owners can enforce standardized data capture across contractors, so that when an asset is handed over, it comes with digital records ready for operations.
- **Value add:** Strengthens portfolio-level governance and ensures asset data integrity beyond construction.

Oracle Primavera Unifier - Programme Controls and Auditability

Purpose: Provides robust project controls for mega-programs and public sector owners

- **How it works:** Unifier allows organizations to design and enforce cost, schedule, contract, and fund workflows. Its "uDesigner" tool lets teams configure business processes — for example, creating a bespoke workflow for change orders that routes through multiple approvals before impacting budgets.
- **Value add:** Strong audit trail, compliance reporting, and configurability. Particularly valued by public sector owners where accountability and transparency are paramount.

> "Every organization's digital journey is unique. Government owners may prioritize transparency and compliance, developers may seek portfolio visibility and speed to market, while contractors often require intuitive tools to reduce rework and enhance collaboration"

Whilst Procore, Kahua, SAP, and Oracle Unifier are among the most common platforms we see in the Middle East, they are part of a much wider ecosystem of construction technology.

- **Autodesk Construction Cloud (ACC):** Strong in design-to-construction collaboration, integrating BIM and model coordination — particularly relevant where BIM mandates apply.
- **Trimble (ProjectSight & Viewpoint):** Provides project controls and ERP solutions, often extending from Trimble's design and survey ecosystem.
- **Hexagon (EcoSys):** Widely used in energy and infrastructure sectors for rigorous cost engineering and portfolio controls.
- **CMiC:** Contractor-focused ERP that integrates finance, payroll, and project management in a single platform.
- **InEight:** Advanced project controls and risk forecasting, often favoured by EPCs and complex mega-projects.

This diversity underscores why no single tool can meet every organization's needs. The real challenge is identifying and defining the outcomes expected and achieving this through the integration of the right mix of solutions into a cohesive digital ecosystem.

Looking ahead: the future of construction technology

The construction industry's digital journey is just beginning. Emerging trends include AI copilots for project management, digital twins for real-time asset simulation, and automated compliance monitoring powered by advanced sensors and computer vision.

Ultimately, success will be defined not by the availability of technology but by how organizations navigate change, embed new behaviors, and orchestrate their digital ecosystems. This approach will ensure projects move beyond the 99.5% statistic to become exemplars of delivery excellence.

Source

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Building tomorrow: standardising for a smarter future

Insights from Abu Dhabi Projects and Infrastructure Centre

A Story Written with Purpose

Across every great city, infrastructure tells a story, one of ambition, collaboration, and the enduring will to build what lasts. In Abu Dhabi, that story is being written with intent and foresight: a story that honours heritage while shaping a sustainable, connected future for generations to come.

The GCC's construction landscape is evolving at an unprecedented pace. Once defined purely by scale and ambition, it is now driven by governance, sustainability, and collaboration. Across the region, governments are redefining how infrastructure is conceived and delivered, building systems that are transparent, resilient, and globally competitive. At the forefront of this evolution stands the Abu Dhabi Projects and Infrastructure Centre (ADPIC), pioneering a new era of standardisation, efficiency, and collaboration in capital-project delivery.

From Vision to Framework

Since its establishment in 2023, ADPIC has pursued a clear mission: to create a world-class infrastructure ecosystem that delivers measurable public value, fosters innovation, and sets a global benchmark for governance. As the central authority for capital projects, the Centre ensures that every investment contributes to livability, sustainability, and long-term prosperity. Today, its portfolio spans over USD 55 billion in value and more than 600 initiatives across housing, mobility, health, culture, and education.

To realise this vision, ADPIC introduced one of Abu Dhabi's most significant governance reforms, the enhanced Abu Dhabi General Conditions Contract (ADGCC). This unified framework, now mandated across all government entities, has become the cornerstone of consistent, fair, and transparent project delivery. By aligning public and private stakeholders under a single contractual standard, ADPIC is ensuring that Abu Dhabi's infrastructure is not only built to last but built to lead.

The Centre's objectives were simple yet transformative: to establish a contracting model that promotes clarity, allocates risk equitably, and strengthens accountability. Rooted in international best practice and informed by the FIDIC 1999 suite, the ADGCC embeds mechanisms such as the elevation of the Engineer's role, Dispute Avoidance and Adjudication Boards, and Conflict Avoidance Panels, all designed to resolve challenges early and collaboratively. Together, these measures have redefined construction governance in Abu Dhabi, fostering a culture of trust, transparency, and proactive engagement.

Rolling Out Consistency Across Stakeholders

Delivering consistency at this scale requires inclusion, discipline, and collaboration. ADPIC worked closely with government entities, legal experts, and industry partners to ensure the framework was practical, fair, and aligned with Abu Dhabi's development ambitions. Through comprehensive training and onboarding sessions, every contracting authority was equipped to apply the ADGCC effectively, ensuring shared ownership and real-world impact.

One year on, the results are visible. The framework is now a cornerstone of capital-project delivery, earning international acclaim, with ADPIC recognised as Best Client of the Year at the 2024 FIDIC Contract Users Awards for its exemplary leadership in contract governance and stakeholder engagement.

"Our focus has always been on building systems that last, frameworks that make construction smarter, faster, and more collaborative. By standardising processes and promoting fairness across every project, we are creating the foundations for an infrastructure ecosystem that can sustain Abu Dhabi's growth for decades to come," H.E. Eng. Maysarah Mahmoud Eid.

The clarity and predictability of the ADGCC are also driving investor confidence, paving the way for stronger private-sector participation and long-term partnerships. It is not simply improving how Abu Dhabi builds; it is transforming how the world views investment in its future.

Driving Transformation Through Sustainability and Technology

Standardisation is enabling more than governance; it is powering digital transformation. ADPIC is integrating the ADGCC into a forthcoming Centralised Government Authorities Platform, a unified digital ecosystem that connects planning, contracting, and performance management. This platform will ensure real-time visibility, accountability, and collaboration across all stakeholders, a single source of truth for decision-makers.

Sustainability forms another defining pillar. The ADGCC embeds robust environmental clauses that align with Abu Dhabi's Net Zero 2050 policy, mandating the use of sustainable materials, circular waste-management systems, and eco-conscious design principles. It also reinforces worker-welfare provisions, ensuring every contractor upholds ethical and safety standards. These measures represent a shift from building fast to building responsibly, ensuring progress today enriches the generations of tomorrow.

> “Our focus has always been on building systems that last, frameworks that make construction smarter, faster, and more collaborative”

Building Trust That Endures

The impact of ADPIC's reforms extends far beyond contracts. The Centre has reshaped how infrastructure connects with people. Today, nine out of ten new livability-focused projects incorporate direct community input — ensuring design decisions reflect real needs and aspirations. Whether through housing, mobility, or social infrastructure, ADPIC's model puts people at the heart of progress, embedding accessibility, safety, and cultural identity into every project.

The result is a more integrated, accountable, and future-ready ecosystem, one where innovation is guided by structure, and structure empowers innovation. In this sense, the standardised contract is no longer a legal formality; it is a platform for collaboration, a catalyst for efficiency, and a guarantee of trust.

"At ADPIC, we are entrusted with shaping infrastructure that endures," says H.E. Maysarah.

> "Our goal is not merely to build projects, it is to build trust, across systems, sectors, and generations"

As the GCC enters a new decade of ambitious growth, Abu Dhabi's model stands as a blueprint for progress. Through unified contracts, digital delivery, and a steadfast commitment to sustainability, ADPIC is proving that governance and growth are not opposing forces, they are partners in shaping a smarter, more resilient future.

Investigating agile adaptability to capital projects

Transforming traditional project management methodology

In today's fast-paced tech-driven business landscape, the Information Technology (IT) sector has long transitioned from traditional project management practice such as the waterfall methodology to embrace the agile way of working. Agile, rooted in the Agile Manifesto, has revolutionized software development by improving efficiency and responsiveness to change. This success has spurred interest in agile across other industries like construction, particularly in managing capital projects involving substantial investments in infrastructure and significant financial resources.

A need for a shift in construction

Historically, project management in construction has relied on traditional methods. The waterfall methodology, advocated by the Project Management Institute (PMI), breaks projects into sequential phases, each feeding into the next. Despite being structured, this approach often leads to delays and cost overruns. PMI's 2018 Pulse of the Profession reports that only 52% of projects were delivered on time, with most setbacks caused by scope changes, misaligned human capital, inefficient procurement processes, and liquidity issues. The industry's dynamic nature fuels uncertainty, driving the need for a more adaptable methodology like agile[1].

Agile thrives in uncertain environments due to its flexibility and adaptability. By breaking down processes into smaller tasks, agile reduces processing times and optimizes costs, thereby enhancing customer value and satisfaction. In capital project terms, the sub-packages of a wider project when properly broken down into discipline-specific sprints, can be monitored in greater detail, more effectively managed, iterated and refined. Industries like logistics and supply chain have successfully outperformed others by adopting agile practices, demonstrating operational efficiency and responsiveness, due to the flexible nature of their operations.

Agile concept applied to Capital Projects...

Agile principle	Complexity	Impact	Application to capital projects
Customer satisfaction through early and continuous software delivery	●●●●○	●●●●○	Encouraging organization to set interim milestone with system or component deliverables instead of delivering a final product at the end of the project life cycle. This would enable organizations to meet their clients' needs and bolster their trust in overall future delivery.
Collaboration between business stakeholders and developers throughout the project	●●○○○	●●●●○	Seeking to enhance communication channels and optimize meeting outcomes between business owners and construction professionals by aligning their expectations and eliminating impediments along the way.
Enabling face-to-face interactions	●●●○○	●●●●○	Facilitating collaboration among team members from diverse functional units greatly influences the project's work flow, particularly when implemented within a capital projects environment where swift turnaround and effective decision-making are crucial.
Working software is the primary measure of progress	●●●●○	●●●●○	Rearranging the scope within the Work Breakdown Structure to track progress across manageable whole systems/ components such as MEP systems, is important. Subsequently, Earned Value Management would be used as a regular progress measurement tool, referencing a baseline of key project milestones.
Agile process to support a consistent development pace	●●●○○	●●●●○	Establishing a clear and consistent cadence for a phased and sequenced development would consequently maintain a high team morale, low turnover rates, and help in achieving a timely completion of packages.
Attention to technical detail and design	●●●○○	●●●●●	This is achieved through continuous refinement of the quality of output and deliverables by team members in each cycle. This is particularly evident in projects involving long stretches of pipelines or high-rise buildings with repeated patterns. In agile terms, this repetitive process is referred to as an iteration.
Simplicity-Develop just enough to get the job done for right now	●●●○○	●●●●○	Streamlining the workload and harnessing a ll resources, materials, and equipment to prioritize the completion of short-term lookahead activities, with a weekly update frequency.

Source: Deloitte

Agile principles in Capital Projects context

Agile operational framework – A bespoke geography-driven model

The construction market, especially in regions like the GCC, is experiencing a rapid unmatched expansion due to significant infrastructure investments needed to achieve country visions, economy diversification, and leadership in digitalization and sustainable development. These developments require refined strategies and operational agendas to deliver major programs effectively. Agile frameworks, informed by business maturity assessments and operational considerations such as organizational structure, governance, data reporting, systems, and processes, are emerging to facilitate seamless transitions, eventually enhancing the organizations' value propositions into meeting their strategic objectives. In construction, a forward agile-looking operating model focusing on collaboration, adaptability, and flexibility, with key pillars including agile organization structure, technological integration, knowledge transfer, and continuous improvement, is foreseen to boost the sector and accommodate regional needs.

Agile organization structure for effective governance

Cross-functional teams, both within the organization and externally, are fundamental to fostering collaboration especially when empowered with decision-making rights linked to junior-level governance and delegation matrices. This is vital for planning an effective response to evolving project conditions in rapidly changing environments. Additionally, a matrix organization structure, which blends project-based and functional arrangements, supports an organization's strategic priorities by improving coordination and reducing time loss caused by the extended communication channels and process otherwise found in a traditional organization structure. Regular check-ins with corporate office in such instances are therefore instrumental in ensuring compliance to standards and alignment to ways of working across various functions. At project level, focused working groups are essential to facilitate collaboration among different contracting entities, ensuring cohesion throughout the asset lifecycle over progress, risks, and challenges.

To optimize the achievement of these principles, organizations should adopt a structure that is bolstered by thriving entities strategically investing in their Human Resource Management function. This involves prioritizing employees by identifying, facilitating, and nurturing their knowledge and skills throughout recruitment, training, and development processes, thereby enhancing effective HRM practices and fostering agile capabilities[2].

Technological operational integration

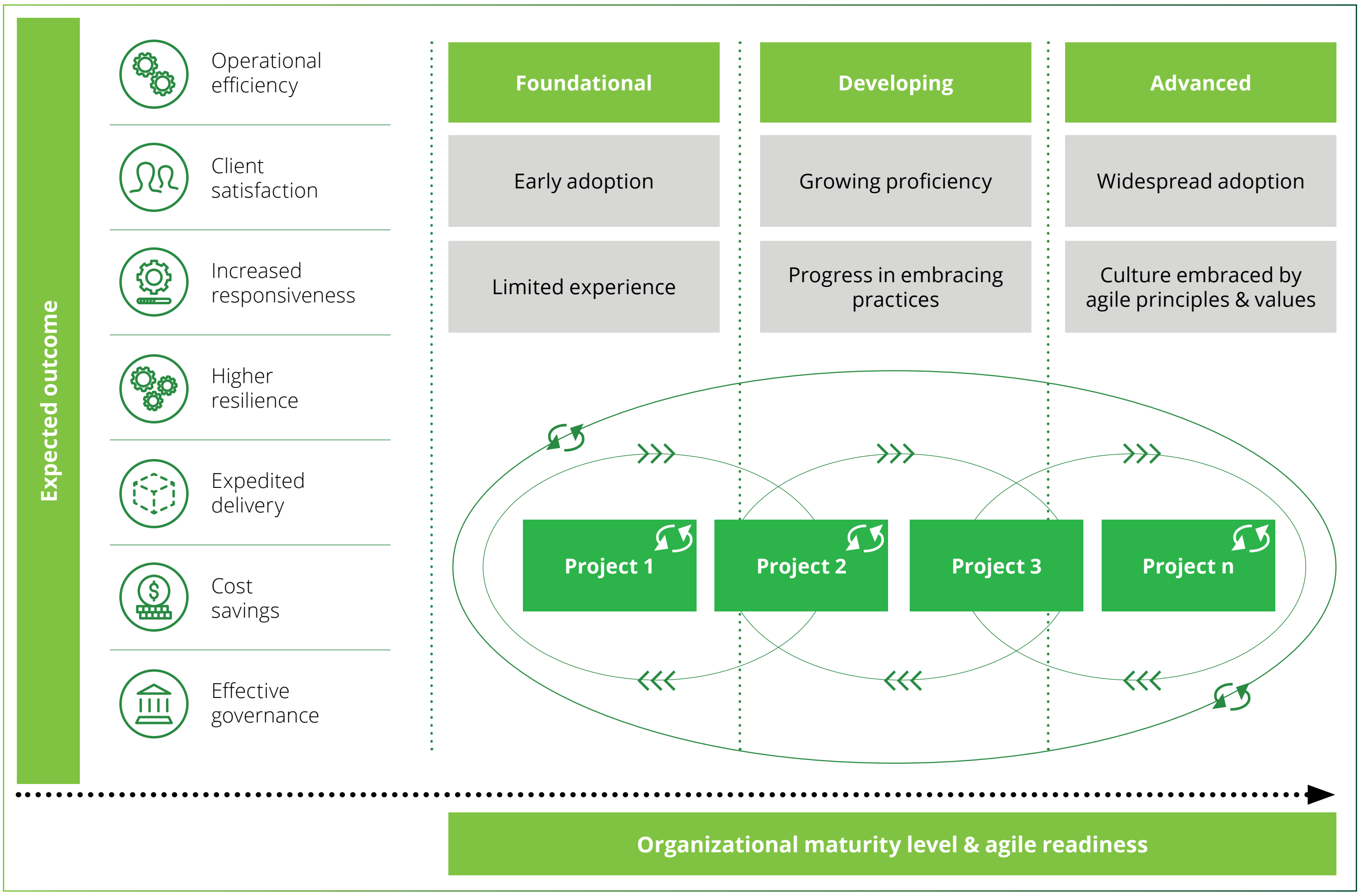
Technology plays a crucial role in optimizing processes and enhancing overall delivery. Digital Twin and Building Information Modelling (BIM), along with Project Management Information Systems (PMIS), are pivotal in this regard. BIM develops detailed 3D models incorporating design and construction data, while Digital Twin integrates real-time data for monitoring and analyzing asset performance, thus enabling predictive maintenance, and enhancing safety measures. In this context, construction projects still in the design phase demonstrate a strong inclination towards adopting agile methodologies, due to the significant similarities they share with software development projects in the common ways work is conducted[3]. Concurrently, a well-implemented PMIS is integral to managing tasks effectively. It prioritizes smaller tasks while ensuring comprehensive coverage, supporting iterative development through flexible interfaces. These tools significantly improve productivity, team collaboration, and task management, continuously refining working methods as the project advances through its lifecycle, enabling informed decision making and enhanced asset management.

Knowledge transfer across projects

In addressing unpredictable and dynamic environments, complex patterns are created, necessitating continuous organizational learning. Effective knowledge management is fundamental to achieving success in agile environments.

Facilitating knowledge transfer across projects and individuals connects diverse perspectives, enriching information and expanding the organization's intellectual wealth. This caters to the establishment of an organization's best practices library, which can be effectively utilized by employees on future projects. In addition, the workplace's social architecture, influencing collective behavior, supports the transfer of knowledge through information sharing platforms, promoting innovation and success. AI-driven solutions further enhance agile governance and maneuverability by providing real-time data reporting, augmenting the organization's ability to respond quickly and efficiently to changes and paving the way for a more resilient and safeguarded community.

> “AI-driven solutions further enhance agile governance and maneuverability by providing real-time data reporting, augmenting the organization's ability to respond quickly and efficiently to changes”



Source: Deloitte Knowledge transfer impact on organizational agile readiness[4]

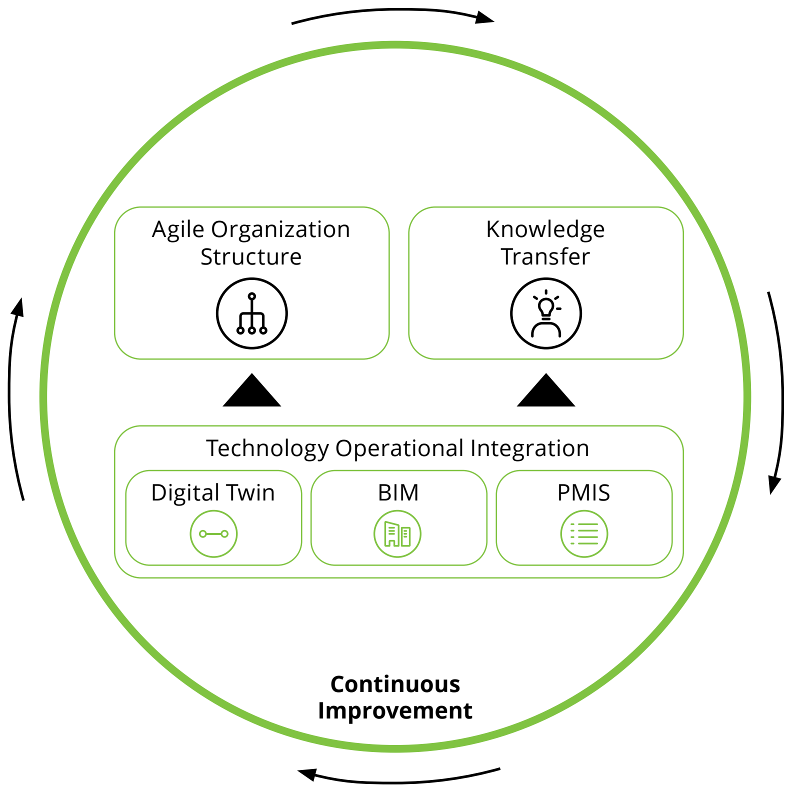
Continuous improvement

Continuous improvement in agile practices involves incorporating client feedback at each sprint in an iterative approach, in which key performance indicators are systematically designed and embedded within these cycles to monitor performance. This allows teams to refine work packages, thereby enhancing output quality and customer satisfaction. Principles like Integrated Project Delivery, Design for Manufacture and Assembly (DfMA), and modular off-site construction are all solid grounds within the construction sector for agile concept to thrive, the result of which is on-site efficiency, time savings and reduction in waste and rework. A hybrid approach that integrates traditional, agile, and lean project management methodologies delivers the greatest synergy, as it leverages the structured planning and control of traditional methods, the flexibility and iterative progress of agile, and the efficiency and waste reduction principles of lean—recognizing the interdependence of these approaches to optimize project outcomes and drive continuous improvement throughout the project lifecycle[5]. A formalized structure, guided by workflows and stage-gate approvals, promotes the healthy progress of the development and addresses time, cost, and scope variances effectively. The speed of reaction to such changes and the organization's agile appetite is crucial for the success of capital projects.

In practice

Organizations are increasingly adopting the Agile Manifesto principles in capital projects, customizing them to meet their specific needs and revamp the future of project management. Factors influencing this adoption include project requirements, organizational maturity, complexity, timeline, and strategic alignment.

In a capital project setting, the agile principle of customer satisfaction through continuous feedback is operationalized through stakeholder workshops and targeted design coordination sessions along with inter-disciplinary checks and clash resolution exercises. These activities foster stakeholder collaboration and expedite approvals. Another key principle involves embracing changing requirements and managing them throughout the development stages to ensure continuous alignment with project goals. However, it is crucial not to overlook the cost and the change management process itself, as these components can significantly impact the project's trajectory. Also, forming working groups, in line with the principle of regular collaboration between stakeholders, offers forums to ensure alignment throughout the asset lifecycle and to address challenges promptly. Nonetheless, careful planning is essential to prevent potential drawbacks.



The four dimensions of Agile Operational Framework

“The digital era alongside the rapid deployment of AI across industries are accelerating the project management and delivery scene”

Way forward

Agile methodologies have significant potential for transforming capital projects by offering flexibility, expedited delivery, and improved stakeholder engagement. Integrating agile principles with an upgraded organizational operating model into value chains enhances adaptability to unexpected challenges. While traditional methods may be effective in certain situations, agile offers customized solutions to address high levels of uncertainty, unpredictable changes, and persistent risks.

The digital era alongside the rapid deployment of AI across industries are accelerating the project management and delivery scene, with industry leaders leveraging agile alongside principles like Lean and Six Sigma. Embedding agile practices within organizational culture unlocks its full potential, leading to added value and elevated quality in project delivery.

Source

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Sustainable supply chains in construction: What EcoVadis data reveals

EcoVadis, GTM Manager
MENA - Sahar Rouhani

With ambitious megaprojects underway, new sustainability regulations emerging, and 2030 net-zero targets approaching, Gulf Cooperation Council (GCC) countries are at an inflection point in their green transition. Companies in the region face strengthening ESG regulations and growing scrutiny from regional stakeholders and global investors. No sector is under more pressure than construction: the critical driver of growth and economic diversification in the GCC.

To keep pace with soaring development goals while responding to growing ESG transparency demands and delivering the emission reductions needed to meet national climate targets, companies in the region must make sustainability a priority across their operations and supply chains. Those taking a proactive approach are not only building compliance readiness for laws like the UAE's new Climate Law – they're unlocking new opportunities and seeing more ROI from their efforts.

This article draws on EcoVadis' sustainability ratings dataset to explore the progress already being made by GCC construction companies, how they're performing compared to global peers, and what progress can look like in terms of business value.

ESG ratings streamline compliance with emerging GCC guidelines

In 2023, the GCC introduced unified ESG metrics across major stock exchanges to standardize voluntary reporting[1]. The framework spans all three ESG pillars, with indicators for energy and water use, all emission scopes, workforce health and safety, and policies on human rights and child labor. New guidelines released this year build on this and push alignment with global standards – as Qatar, Oman, and the UAE have already done through mandatory disclosure[2].

A fifth of global construction companies demonstrate advanced sustainability performance

In 2024, EcoVadis rated 2,500+ construction companies globally – about 5% of all rated companies[4]. EcoVadis defines the sector based on eight ISIC categories covering the construction of buildings (including finishing), roads and railways, utilities, and other civil engineering projects[5]. Real estate developers fall within a different sector, though their subsidiaries may be classified in the construction sector depending on their activities.

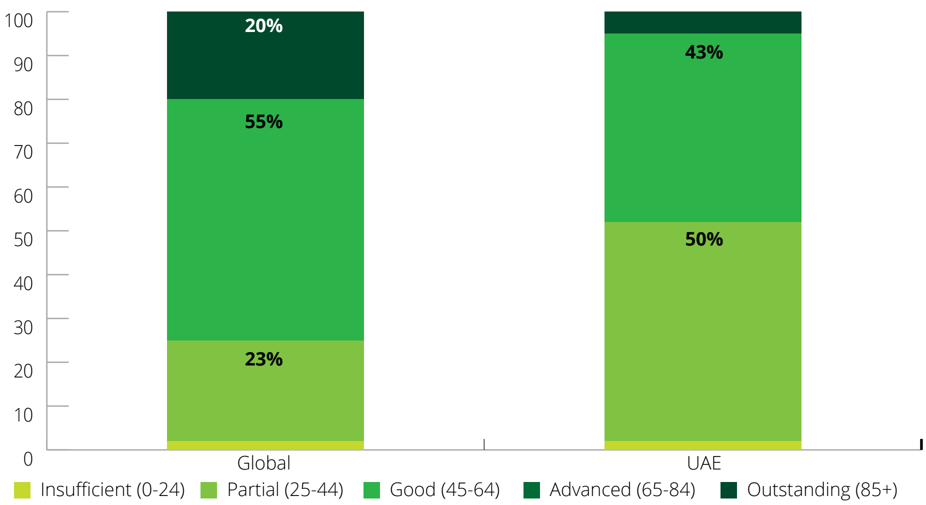
Nearly a quarter of these construction companies fell into high to medium-risk categories on our scoring scale (scores of below 45), indicating limited management of sustainability issues operationally and in the supply chain. However, most have at least a foundational program in place, and 20% achieved advanced performance (scores above 65) – on par with the cross-sector average but behind finance, legal and consulting where 30% are considered advanced.

Globally, construction ranks second of nine major sectors on Labor & Human Rights and is in the middle of the pack on the Environment and Ethics themes. It lags behind on Sustainable Procurement – an indication of how effectively companies are engaging suppliers on sustainability – with its 41.4 average putting it ahead of only the transport sector on this theme.

> ### About EcoVadis[3]
>
> EcoVadis' sustainability ratings and global platform help companies gain the supply chain intelligence and data needed to streamline ESG reporting. Through a methodology developed on leading standards, EcoVadis Ratings assess companies on 21 core sustainability topics across four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. Companies receive a 0-100 score for their performance on each theme and scorecards highlighting strengths and weaknesses. Over 1,400 global companies use the EcoVadis platform to collaborate with a network of roughly 150,000 rated suppliers, accelerating supplier improvement and enabling primary data collection.

> "The adoption of sustainability ratings and ESG platforms in GCC countries has been relatively slow compared to global economic peers, but momentum is building"

Distribution of companies across EcoVadis performance levels: Global vs. UAE



Source: EcoVadis Ratings dataset (2025)

GCC ratings growth and UAE construction sector progress

The adoption of sustainability ratings and ESG platforms in GCC countries has been relatively slow compared to global economic peers, but momentum is building. Of the five regions tracked in the latest EcoVadis Index report[6], Africa & the Middle East had the fewest ratings in 2024 but also the fastest growth (+42%). The GCC saw a 57% average increase in ratings from 2023 to 2024, with much of this driven by the UAE. The UAE and Saudi Arabia were the only countries in the region with significant activity in 2024, with 260 and 79 ratings respectively. Ratings drop to single digits for Bahrain, Kuwait, Qatar and Oman[7].

Construction sample sizes remain small in GCC countries. In the UAE, where construction comprised 11% of total ratings in 2024, clear trends are emerging[8]:

- UAE construction trails all other sectors: A 43.3 average in 2024 puts the construction sector behind all others in the UAE and more than 10 points below the EU average (58.5).
- Sector performance is highest on the Labor & Human Rights theme – followed by Environment: With an average of 47.9, the typical construction company in the UAE has a solid foundation in place for managing labor and human rights challenges. However, there is significant room for improvement: construction still trails all other sectors in the country on this theme.
- Sustainable procurement remains a weakness: A 31.1 average on the sustainable procurement theme (medium-risk category) signals the need for deeper supplier engagement on sustainability.
- Progress can be rapid: Across all sectors, the average UAE company achieves a score of 46.1 on their first rating (vs. 52.9 in Europe, 46.3 in North America, and 42.8 in Asia-Pacific). Those rated multiple times by EcoVadis have gained an impressive 9.6 points on average (vs. 8 points in Europe).

Companies must look beyond compliance to unlock untapped value

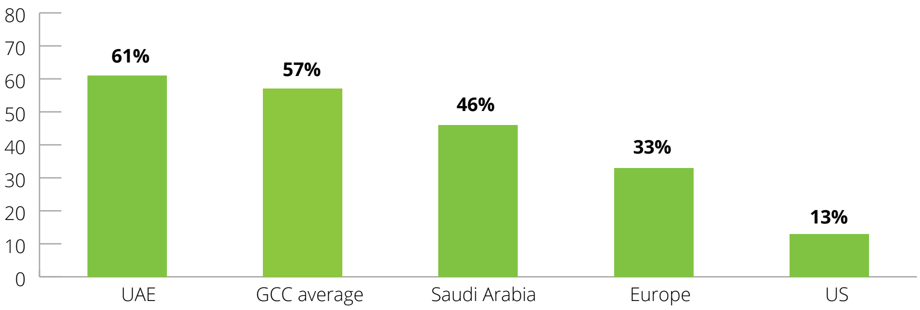
There is significant potential to accelerate sustainability and decarbonization in the GCC's construction sector. Top-down drivers are strong: national strategies such as Saudi Vision 2030, Qatar National Vision 2030, and "We the UAE 2031" embed ESG in development. Five of six GCC countries have long-term net-zero targets. The UAE's bold new Climate Law and the ambitious national sectoral target of 79% emissions reductions by 2035 – the region's most comprehensive – requires companies to measure, report, and plan to reduce emissions, with reporting starting in 2026[9].

These elements are essential, but the transition depends on companies realizing the true business value of sustainability.

In a recent EcoVadis survey of 400+ US executives, 65% said sustainability is a competitive advantage that drives growth through risk reduction, supply chain resilience, brand enhancement, and cost savings[10]. Deloitte Middle East's 2024 CxO Sustainability Report echoes global trends, with 85% of executives increasing sustainability investment and seeing it as a driver of value creation and growth[11].

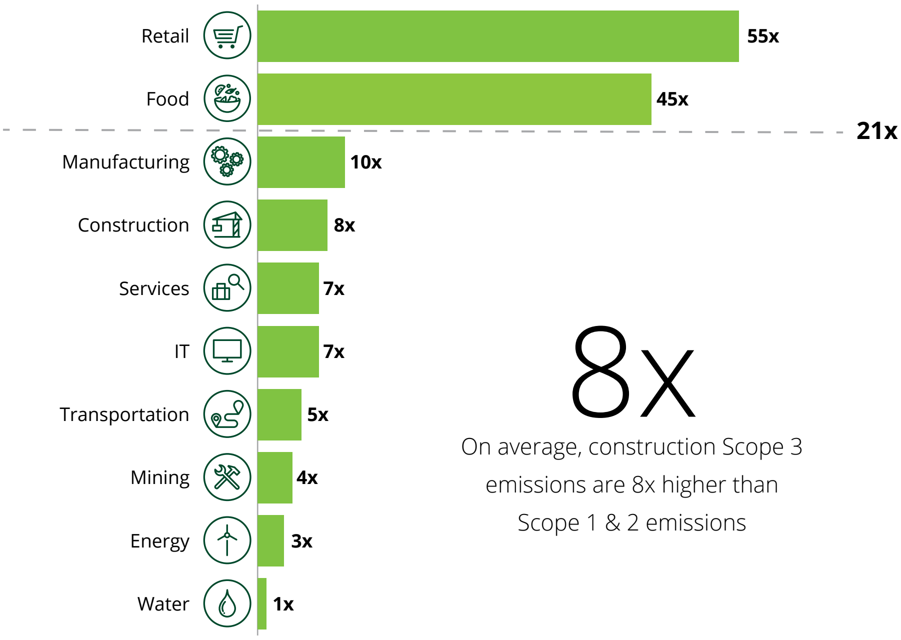
Scope 3 decarbonization is also key to unlocking business value. EcoVadis' latest Carbon Action report found that investing in efforts to reduce supply chain emissions can deliver a 3–6x return over time[12]. Supplier engagement is essential: companies that engage suppliers effectively are 9x more likely to meet Scope 3 targets.

EcoVadis rating growth in 2024
Percentage annual growth by country/region from 2023 to 2024



Source: EcoVadis Ratings dataset (2025)

Scope 3 emissions multiplier (vs. Scope 1 & 2) by sector



8x

On average, construction Scope 3 emissions are 8x higher than Scope 1 & 2 emissions

Source: EcoVadis Carbon Action Report (2025)

That matters in sectors like construction, where Scope 3 emissions are typically 8x higher than Scope 1 and 2 combined.

Across industries, roughly one-third of emissions can be cut for under $12 per metric ton, with potential returns up to 6x.

Key takeaways

Momentum on sustainability transparency and performance is building in the GCC, with the UAE leading the way on ESG ratings adoption and demonstrating that rapid progress is possible. As 2030 approaches, construction companies across the region must show measurable and verified progress on carbon, labor and human rights, ethics, and supply chain sustainability. By preparing now for ESG disclosure rules, they can use the resulting data and insights to engage suppliers, strengthen governance, start unlocking value and, ultimately, turn today's building boom into a lasting competitive edge.

Source

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