

## GCC Projects Market Update

October-2025

### *GCC contract awards fall in Q3-2025, driven by a broad-based slowdown...*

The total value of contracts awarded across the GCC declined after four of the six member countries recorded y-o-y decreases in project awards during Q3-2025 as geopolitical conflict in the Middle East continue to persist and weigh on risk appetite. The aggregate value of awards in the region fell by 27.0% y-o-y in Q3-2025 to USD 54.8 Bn, the second-lowest figure in the last ten quarters as compared to USD 75.0 Bn in Q3-2024. This downturn was primarily driven by a sharp contraction in project awards in Saudi Arabia, together with a similarly weak performance in the UAE, both of which experienced significant y-o-y declines in awards during the period. Likewise, in terms of first nine months performance, overall GCC contract awards during 9M-2025 declined by 30.5% y-o-y to USD 154.4 Bn, versus USD 222.2 Bn in 9M-2024, largely reflecting the substantial reduction in project activity in Saudi Arabia over the period. Every market, with the exception of Qatar and Kuwait, recorded a y-o-y decline in awards during Q3-2025. Conversely, through 9M-2025, all GCC countries except Kuwait and Qatar registered y-o-y decreases in awarded contracts. This sharp pullback in project activity follows two years of record spending, during which the region invested heavily in large-scale oil and gas developments alongside a USD 1 trillion-plus GIGA projects program in Saudi Arabia.

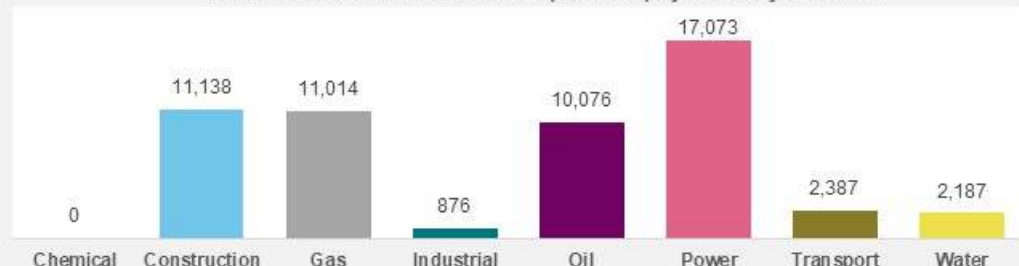
The GCC-wide decline during the first nine months of 2025 was mainly led by Saudi Arabia, as the Kingdom's giga projects awards declined during the year. Several factors have underpinned the slowdown in this area. According to MEED Projects, lower-than-expected foreign investment into the giga projects, sluggish oil prices, as well as massive cost inflation and engineering challenges in some giga schemes, notably NEOM, collectively contributed to the overall contraction of giga projects awards in Saudi Arabia.

From a sectoral perspective, six of the eight key GCC industries registered y-o-y declines in contract awards during Q3-2025. The GCC Construction sector recorded a 62.4% drop, with awards falling to USD 11.1 Bn in Q3-2025 from USD 29.6 Bn in Q3-2024. This was followed by the Power Sector, which saw a 13.3% y-o-y decline to USD 17.1 Bn, down from USD 20.0 Bn in Q3-2024. Consequently, Construction and Power were the primary contributors to the overall decline in GCC project awards during the quarter. On the other hand, the Gas and Oil Sectors were the only industries to record a y-o-y increase in contract awards during Q3-2025, while the remaining six sectors experienced declines across Qatar, Bahrain, and Saudi Arabia. Given the sharpness and breadth of the deceleration, there are growing concerns that full-year contract awards in 2025 may fall short of the total value recorded in 2024.

Value of GCC Contract Awards (USD Mn) by Country - Q3-2025 Vs Q3-2024



Value of GCC Contract Awards (USD Mn) by Industry - Q3-2025



Sources : MEED Projects, Kamco Invest Research

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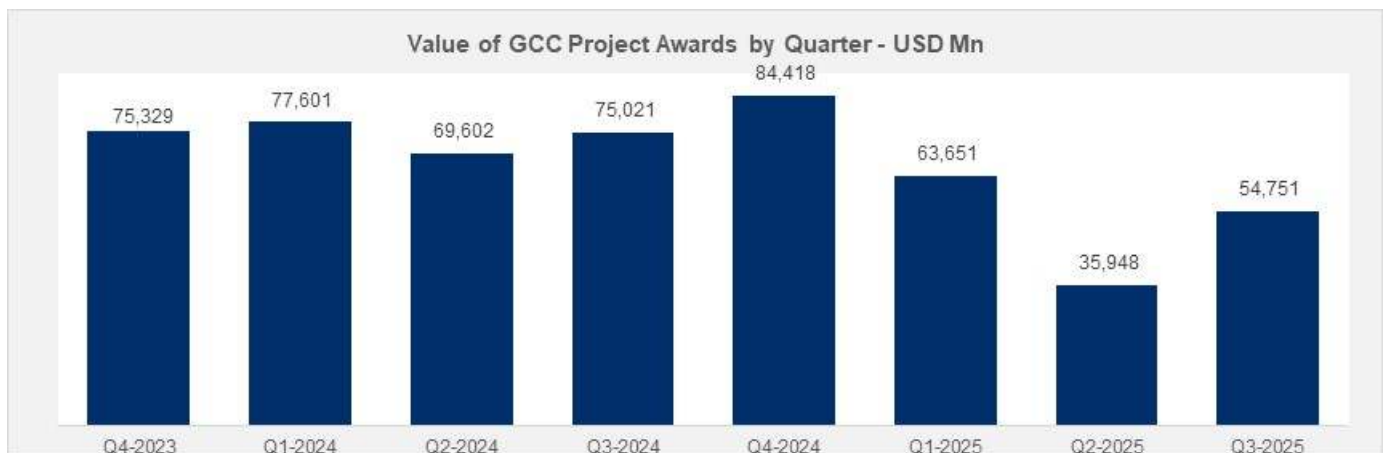
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## Saudi Arabia

Total contract awards in Saudi Arabia recorded a 34.8% y-o-y decline during Q3-2025, falling to USD 28.1 Bn compared to USD 43.1 Bn in Q3-2024. This sharp contraction reduced the Kingdom's contribution to overall GCC project awards to 51.3% in Q3-2025, down from 57.4% in Q3-2024. The decline primarily reflects persistent challenges within the Construction sector, which continued to deliver mixed results, weighed down by a downward trend in residential and hospitality-led awards. According to MEED Projects, all sectors of the Saudi market are expected to underperform this year relative to last year. The fall in the Kingdom's contract awards during the quarter and during the first nine months is most evident in the y-o-y decline in giga projects awards over the period. In terms of first nine months performance, the total value of project awards in the Kingdom during 9M-2025 nearly halved to USD 61.5 Bn as compared to USD 116.6 Bn in 9M-2024, indicating that overall project activity in Saudi Arabia has been sluggish throughout 2025. However, the Kingdom's broader economic performance has been better than previously expected. In its latest WEO report, the IMF revised up its forecast for Saudi Arabia to 3.5% from 3.0%, mainly due to an expected uptick in demand for government-led projects as well as an anticipated phase-out of OPEC+ oil production cuts.



Sources : MEED Projects, Kamco Invest Research

At the sectoral level, the Power Sector emerged as the largest in terms of contracts during Q3-2025 despite witnessing a 42.7% decline in the value of awards to USD 9.8 Bn, as compared to USD 17.1 Bn. By contrast, awarded projects in the Construction sector totaled USD 5.2 Bn, versus USD 13.5 Bn in Q3-2024. In parallel, the Chemical Sector reported no contract awards during Q3-2025, a sharp drop from USD 187.0 Mn in the same quarter of the previous year. Meanwhile, the Oil Sector slid 2.5% y-o-y to USD 3.9 Bn in Q3-2025 compared to USD 4.0 Bn in Q3-2024.

Among the most notable contracts awarded during the quarter was the USD 853 Mn project for the construction of two road schemes, awarded to Saudi local contractor Almagabani General Contractors. According to MEED, these contracts were granted by the Royal Commission for Riyadh. The project includes the construction of 17 bridges, comprising 211 spans measuring 20–45 meters in length and 6.7–16.5 meters in width. Another significant project awarded in the Kingdom during the quarter was the USD 167 Mn contract to build the Pirelli tyre manufacturing plant in King Abdullah Economic City.

## UAE

The total value of contracts awarded in the UAE slumped 65.8% y-o-y to reach USD 6.7 Bn, compared to USD 19.6 Bn in Q3-2024. The slump during the quarter moved the UAE from the largest projects market in the GCC in Q2-2025 to the third-largest in Q3-2025. Moreover, in terms of first nine months performance, the aggregate value of projects awarded in the UAE declined by 18.0% to USD 59.7 Bn, compared to USD 72.8 Bn in Q3-2024. Project awards in the UAE are expected to stabilize and then recover toward the end of 2025 and into 2026 due to the expected growth of the UAE economy during the period. Recently, the IMF has penciled its optimism for the UAE economy and its projection that Emirates GDP growth would outpace the global average. The IMF projects the UAE economy to expand by 4.8% in 2025 and 5% in 2026, mainly supported by strong non-oil activity as well as OPEC+ production increases. This anticipated economic momentum is expected to bolster the projects market.

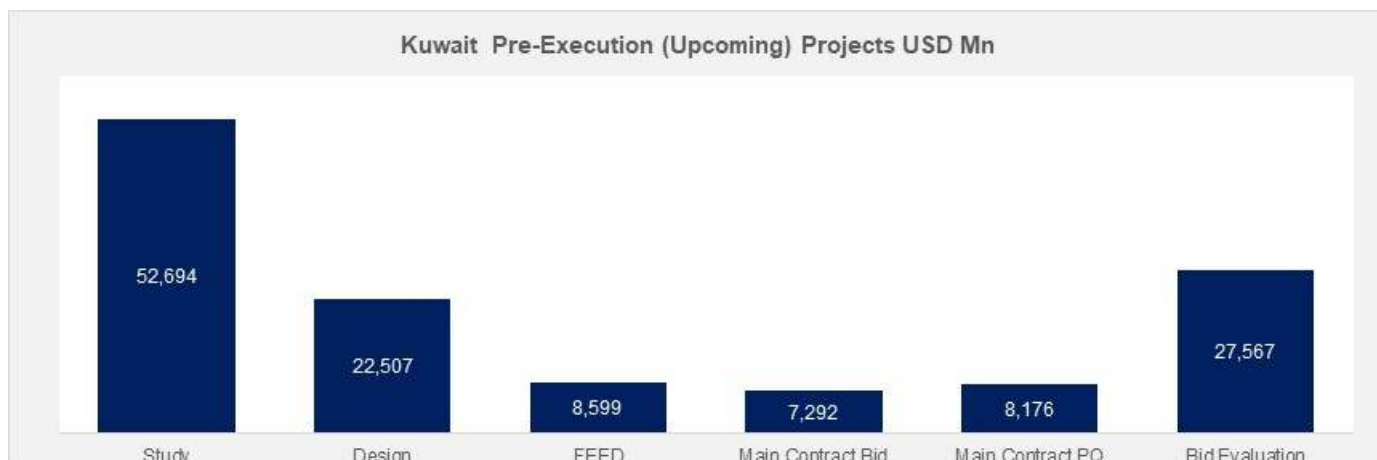
In terms of sectoral performance, seven of the eight sectors of the UAE's contracts witnessed y-o-y declines during Q3-2025, while the remaining sector, the Chemical Sector, registered no awards during Q3-2025, unchanged from Q3-2024. The Construction Sector was the largest by value at USD 5.4 Bn, despite witnessing a 56.2% y-o-y slide. There were no projects awarded in the two key hydrocarbon sectors (Oil and Gas) during the quarter. Meanwhile, total value of contracts awarded in the Transport Sector reached USD 579.0 Mn as compared to USD 1.4 Bn in Q3-2024, while aggregate awards in the Power Sector stood at USD 434.0 Mn during the similar period.

Among the most notable contracts awarded in the UAE during the quarter were the USD 593 Mn award to build the Madar Mall at the Aljada project in Sharjah which is expected to feature an 11-screen cinema, an ice rink, dancing fountains, a fitness centre, a central observation tower with a restaurant at the top, 80 dining outlets, and over 400 retail outlets as well as the USD 300 Mn award to build the Erisha Smart Manufacturing Hub in Ras Al-Khaimah, a fully integrated mixed-use development combining industrial, residential, retail, office, commercial, financial, educational, medical, warehousing, and community centre components.

## Kuwait

Total projects awarded in Kuwait improved 33.8% y-o-y during Q3-2025 to reach USD 4.3 Bn, as compared to USD 3.2 Bn in Q3-2024. Similarly, according to MEED Projects, total contracts awarded in Kuwait during the first nine months of the year increased by 25.3% y-o-y to USD 7.0 Bn versus USD 5.6 Bn in 9M-2024. The growth in awards reflects Kuwait's steady economic momentum, mainly due to increasing oil production and resilient non-oil growth. The IMF has recently penciled Kuwait's oil-sector GDP at 2.4% and non-oil GDP at 2.7% growth for 2025. From a sectoral perspective, the Power Sector recorded a significant uptick, with total awarded projects valued at USD 4.0 Bn in Q3-2025, compared to USD 1.4 Bn in Q3-2024, making it one of only three sectors registering growth during the period. Moreover, projects awarded in the Oil Sector increased by 26.8% y-o-y to USD 213 Mn, while contracts in the Construction Sector slumped 94.9% y-o-y to USD 65 Mn, down from USD 1.3 Bn in Q3-2024.

According to MEED Projects, there were 11 contracts awarded in Kuwait during Q3-2025. The largest project was the USD 4.0 Bn KAPP/MEW, Kuwait— Al Zour North IWPP: Phase 2 and 3: Power and Water Desalination Plant. The project involves constructing a 2,700 MV power plant as well as a desalination plant with capacity of 120 million gallons per day, with completion targeted toward the end of 2028. The second-largest by value was the USD 84 Mn upstream oil extraction contract to develop five patterns well hook-up installation and associated works in Kuwait, expected to complete in mid-2028. The third-largest contract was the USD 65 Mn PAHW— Public Buildings in Al Mutlaa Residential City (N1, N2 & N4), covering public buildings as well as a commercial facility, retail facility, and parking facilities.



Sources : MEED Projects, Kamco Invest Research

## Qatar

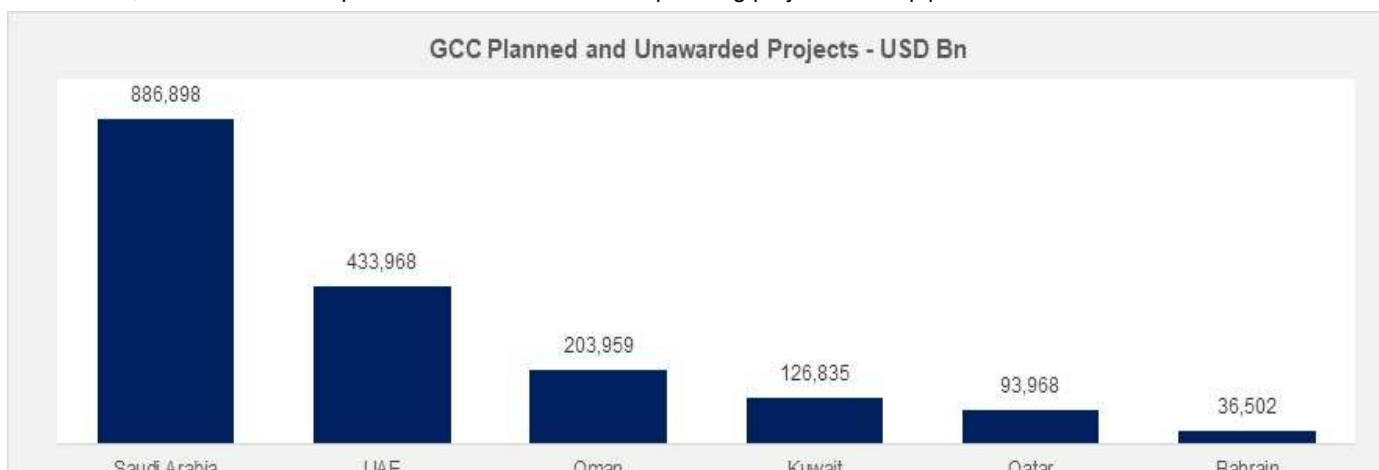
The total value of contracts awarded in Qatar jumped by 115.9% y-o-y to USD 13.6 Bn in Q3-2025, compared to USD 6.3 Bn in Q3-2024, according to data from MEED Projects. This growth was partially driven by preparations relating to Qatar's successful bid to host the 2030 Asian Games, which is expected to catalyze a vast array of industrial and infrastructure projects aimed at building, preparing, and upgrading facilities for the event. In terms of 9M-2025 performance, the total value of projects awarded in Qatar improved 27.6% y-o-y to reach USD 20.5 Bn, as compared to USD 16.0 Bn during the corresponding 2024 period.

In terms of sectoral performance, the Oil and Gas Sectors led with the highest values of contracts awarded during Q3-2025 at USD 6.0 Bn and USD 5.0 Bn, respectively. Moreover, total value of projects awarded in the Power Sector reached USD 2.3 Bn in Q3-2025, up from zero awards in Q3-2024. Notable projects awarded during the quarter included approximately USD 4 Bn of contracts won by China Offshore Oil Engineering (COOEC) for the Bul Hanine offshore oil field. The scope entails maintenance and increased oil production at the Bul Hanine field, including installation of four wellhead platforms requiring 80,000 tonnes of fabrication work, expansion of existing offshore production stations, and construction of living quarters. The Bul Hanine oil field is located 120 KM offshore in the Gulf waters.

## GCC Projects Market Outlook

Contract awards are expected to gain momentum in the fourth quarter of the year, driven primarily by recoveries in Saudi Arabia and the UAE. However, despite a strong project pipeline, overall project awards in 2025 in the GCC are expected to decline and fall short of the 2024 record contract awards.

Multiple positive factors across the GCC are anticipated to support and sustain this momentum throughout the remainder of the year. According to MEED Projects, Saudi Arabia accounts for approximately USD 887 Bn, or nearly 50% of the GCC's upcoming pre-execution projects. The UAE ranks second with USD 434.0 Bn, representing 24.4% of the GCC's total upcoming contracts. Meanwhile, Kuwait is in fourth place with USD 127.0 Bn of upcoming projects in the pipeline.



Sources : MEED Projects, Kamco Invest Research

In Saudi Arabia, the state oil company (Aramco) is planning to launch 99 projects over the next three years in its effort to increase oil and gas production as well as its treatment capacity. In context, Aramco currently has approximately USD 50 Bn of EPC contracts under execution. In Kuwait, contractors have submitted USD 6.4 Bn of bids for Kuwait oil projects, according to MEED Projects. The oil projects that have received the bids include the development of Separation Gathering Center 1 and Water Injection Plant 1.



Sources : MEED Projects, Kamco Invest Research

Overall, the GCC's pipeline of pre-execution stage contracts totals approximately USD 1.78 trillion. The Construction Sector holds the largest share of the contracts in the pipeline at 35.0%, equivalent to USD 624.2 Bn, followed by the Transport Sector (USD 300 Bn) and the Power Sector (USD 294.2 Bn). According to MEED, the GCC Power Sector has at least 29 independent power projects at the bidding or bid-evaluation stages, mainly led by Saudi Arabia and the UAE. One of the notable leading power projects under tender or in bid evaluation in the near term is the 3,000 MW Al-Sadawi 2 solar IPP.

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