GCC Projects Overview
Qatar focus

A briefing to Enterprise Ireland

Dublin, 21st March 2013
• Regional context
• GCC projects review
• Qatar focus
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• Qatar focus
Regional context – headlines

Baghdad approves $118bn draft budget for 2013 – MEED 5 Nov

Saudi Arabia’s king appoints new interior minister – BBC, 5 Nov

UN: Iran not cooperating on nuclear probe – Daily Star, 5 Nov

Bahrain bomb blasts kill two foreign workers – BBC, 5 Nov

Syria opposition groups hold Qatar meeting – MEED, 4 Nov

UAE approves deficit-free budget for 2013 – MEED, 31 Oct

IMF warns GCC to cut government spending – MEED, 30 Nov

Adviser lined up for NWC privatisation – MEED, 30 Oct

Kuwait awards $2.6bn Subiya Causeway contract – MEED, 29 Oct

Contractors submit bids for Doha Metro Red Line - MEED 16 Oct

Kuwait approves $433m worth of road projects – MEED, 10 Oct
Regionally/globally, outlook is uncertain
- Global outlook worsened, although emerging economies have performed well
- MENA disrupted by upheaval, but high oil prices boost oil exporters
- IMF forecasting MENA growth of 5.3% in 2012, downturn in 2013
- Oil price outlook - $110 barrel in 2012 and $94/barrel in 2013, up from $104/barrel in 2011 and $79/barrel in 2010
- GCC growth = 5.3% in 2012 (3.9% (oil), 6.4% (non oil))
- MENA oil exporters = 5.5%
- MENA oil importers = 2.2%
- Iraq = 10.2% (14.7% in 2013)

Source: IMF World Economic Outlook, October 2012
The region as a whole and GCC in particular has a strongly positive macro environment.
“The US will overtake Saudi Arabia and Russia to become the world’s largest global oil producer by the second half of this decade.”

“US will be producing 11.1m b/d in 2020 compared with Saudi output of 10.6m b/d. Saudi Arabia will have regained top spot by 2030 pumping 11.4m b/d compared with the US’s 10.2m b/d.”

“a drop in global oil prices would affect production, since tight oil requires a high market price to be economic.”
Regional context – IEA implications

- **US oil output growth and softening of US demand means possible drop in oil price**
  - Governments must invest while they have surpluses to invest

- **Speed of US oil output growth means oil-exporters only have a 5 year window in which to enjoy high surpluses**
  - Governments have a narrow window of opportunity

- **Increasing importance of Iraq in the region, economically and probably politically**
  - Iraq to displace Saudi Arabia, UAE, Qatar as biggest projects’ market

- **Universal natural gas demand means hydrocarbons investment focus must shift to gas production**
  - Emphasis on previously uneconomic unassociated gas and gas recovery

- **Imperative for reduction in fuel subsidy in GCC/MENA without increase in tariffs, demands energy efficient buildings, transport, industry**
  - Public transport, water re-use, green buildings, alternative energy
Agenda

- Regional context
- GCC projects review
- Qatar focus
Landscape since 2004 has been dominated by UAE, KSA construction; last 3 years sees UAE contraction and KSA growth.
Big shift in this picture is due entirely to the inclusion of the Saudi nuclear and renewables programme. Aside from this masterplan, Iraq has potential to be at least as big as UAE.
GCC Review – recent history

GCC: Contract awards by year 2007 to 2012

- Arrow indicates trend over past 5 years: flat = Qatar; growing = KSA, Kuwait, Oman; slowing = UAE, Bahrain

- % of contracts awarded:
  - 2007: 39%
  - 2008: 35%
  - 2009: 12%
  - 2010: 7%
  - 2011: 5%
  - 2012: 2%
UAE accounts for 66% of the total value of projects put on hold or cancelled since 2007
In recent years Qatar has exhibited negative award to completion ratios suggesting that since the end of the LNG boom and the collapse of the real estate construction market, Qatar has been very conservative.
KSA awards proportionately more big contracts than GCC

Count of contract awards actually increased after 2009 but will drop in 2012

More contracts of $1bn or more were awarded in 2009, 2010, 2011 than in any other year

Most contracts awarded in 2009, 2010, 2011 were in the $50-$100m band

Inference: biggest and smallest projects have been the least susceptible to market conditions

But in 2012, likely that the lowest value bands will see the biggest volume of awards
GCC – 2013 Outlook

Predicted $112bn full year 2012

Best case: $170bn full year 2013 if KSA rebounds, all scheduled Qatar projects are awarded

Mid case: $137bn full year 2013 if KSA has modest rebound, Qatar delays Gold, Blue and Green Line
• Regional context
• GCC projects review
• Qatar focus
High population growth
- Number of residents forecast to reach 2.5 million by 2020 (1.9 million today)

Economic growth forecast to remain strong
- 12-17 per cent in 2009
- 5-6 per cent in 2013

High budget surplus
- $25bn in 2012/13
- Averaging an estimated $15bn a year over the next five years

Qatar Vision 2030

The hosting of the 2022 Fifa World Cup
Qatar Focus – Last Decade

- Third largest capital projects market in GCC
- $120bn worth of awards between 2006 and 2012
- Peaked at $26bn in 2006
- Not averaged much above $13bn 2009 to 2012
- LNG investment boom 2004 to 2006
- Non-oil/gas projects impacted by 2008 financial crisis
- Qatar Vision 2030 (Oct 2008)
  - Social
  - Economic
  - Educational
  - Environmental

North field wellhead gas production, 1995-2015

Source: Total
Qatar Focus - opportunity

- Qatar has $90bn+ of announced and planned projects not yet awarded
- Majority in the transportation sector:
  - Doha metro
  - mainline passenger and freight rail
  - Doha Bay Crossing
  - Expressway programme
- Also IDRIS, ports, local infrastructure

- Increase in activity expected in 2013
- Acceleration in spending particularly:
  - Doha Metro Red Line
  - IDRIS
  - LRDP
  - Expressway programme
  - Downstream hydrocarbons (Ras Laffan)
<table>
<thead>
<tr>
<th>Project</th>
<th>Sector</th>
<th>Estimated budget value ($m)</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>QRAIL - Qatar Integrated Rail Project: Doha Metro: Golden Line - Tunneling Works</td>
<td>Transport</td>
<td>2,000</td>
<td>Main Contract Bid</td>
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<tr>
<td>QRAIL - Qatar Integrated Rail Project: Doha Metro: Green Line - Tunneling Works</td>
<td>Transport</td>
<td>2,000</td>
<td>Main Contract Bid</td>
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<tr>
<td>QRAIL - Qatar Integrated Rail Project: Doha Metro: Red Line North: Tunneling Works</td>
<td>Transport</td>
<td>1,500</td>
<td>Main Contract Bid</td>
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<tr>
<td>QRAIL - Qatar Integrated Rail Project: Doha Metro: Red Line South: Tunneling Works</td>
<td>Transport</td>
<td>1,500</td>
<td>Main Contract Bid</td>
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<tr>
<td>Msheireb Properties - Musheireb: Phase 4</td>
<td>Construction</td>
<td>1,200</td>
<td>Design</td>
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<tr>
<td>Laffan Refinery Company - Laffan Condensate Refinery: Phase II</td>
<td>Oil</td>
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<tr>
<td>QRAIL - Qatar Integrated Rail Project: Doha Metro: Education City Station</td>
<td>Transport</td>
<td>1,000</td>
<td>Main Contract Bid</td>
</tr>
<tr>
<td>QRAIL - Qatar Integrated Rail Project: Doha Metro: Msheireb Station</td>
<td>Transport</td>
<td>1,000</td>
<td>Main Contract Bid</td>
</tr>
<tr>
<td>ASHGHAL - LRDP - Qatar South: Roads and Infrastructure in Doha Industrial Area</td>
<td>Transport</td>
<td>988</td>
<td>Main Contract Bid</td>
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<tr>
<td>Bawabat Al-Shamal - Doha Festival City: Phase II</td>
<td>Construction</td>
<td>800</td>
<td>Main Contract PQ</td>
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<tr>
<td>ASHGHAL-Primary Routes Project:Doha Expressway:New Orbital Highway &amp; Truck Road</td>
<td>Transport</td>
<td>642</td>
<td>Main Contract Bid</td>
</tr>
<tr>
<td>ASHGHAL - LRDP - Qatar North: Al-Khor Town</td>
<td>Transport</td>
<td>631</td>
<td>Main Contract Bid</td>
</tr>
<tr>
<td>ASHGHAL - Primary Routes Project: North Road: Phase IV</td>
<td>Transport</td>
<td>604</td>
<td>Main Contract Bid</td>
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<tr>
<td>ASHGHAL - LRDP - Doha North: Doha North Sewerage Schemes PH3 - Al Duhail CP 746/3</td>
<td>Transport</td>
<td>535</td>
<td>Main Contract Bid</td>
</tr>
<tr>
<td>ASHGHAL - LRDP - Doha North: Sewerage Schemes PH3 - Al Um Salal CP 746/1</td>
<td>Transport</td>
<td>535</td>
<td>Main Contract Bid</td>
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<tr>
<td>ASHGHAL - LRDP - Doha North: Roads in Umm Salal Mohammed Phase - 2</td>
<td>Transport</td>
<td>535</td>
<td>Main Contract Bid</td>
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</table>

Source: MEED Projects
### Top Clients

<table>
<thead>
<tr>
<th>Top 10 clients by value of work under execution</th>
<th>Estimated value of contracts let ($m)</th>
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<tbody>
<tr>
<td>ASHGHAL</td>
<td>8,304</td>
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<tr>
<td>Qatar Foundation</td>
<td>4,636</td>
</tr>
<tr>
<td>QP</td>
<td>4,111</td>
</tr>
<tr>
<td>Qatari Diar</td>
<td>4,025</td>
</tr>
<tr>
<td>RasGas</td>
<td>3,800</td>
</tr>
<tr>
<td>KAHRAMAA</td>
<td>2,557</td>
</tr>
<tr>
<td>Qatargas</td>
<td>2,245</td>
</tr>
<tr>
<td>Msheireb</td>
<td>2,217</td>
</tr>
<tr>
<td>NDIA</td>
<td>2,153</td>
</tr>
<tr>
<td>NPP</td>
<td>2,080</td>
</tr>
</tbody>
</table>

Source: MEED Insight, MEED Projects
• QIRP is directed by executive committee chaired by Prime Minister Sheikh Hamad bin Jassim bin Jabr al-Thani

• Rail projects = biggest share of infrastructure spending 2010 to 2020
  – $35bn by 2020
  – high-speed, long-distance passenger and freight lines
  – four-line metro system serving the Doha area
  – a people mover in the West Bay area of the capital
  – light transit rail serving Lusail

Source: QRail
• Strategic programme manager is Parsons Brinckerhoff
• The schedule calls for the construction of the QIRP sections needed for the 2022 World Cup to begin this year and be completed by 2020.
• Allows commissioning to take place between June 2020 and June 2021
• Elements of the programme not required by World Cup likely to be completed in 2026

The proposed QIRP development schedule

Source: QRail
Qatar Focus – Doha Metro

Four lines (360km, 100 stns):

• **Red (Coast):** Mesaieed and NDIA to West Bay and Lusail via Central Doha. Northern extension (Al-Khor, Al-Shamal and Ras Laffan). Connects stadiums outside Doha

• **Golden (Historic):** East-West connects NDIA via central Doha with Al-Waab St, Al-Rayyan South and Salwa Rd

• **Green (Education):** follows Al-Rayyan Road to connect Education City to central Doha; extends west to Dukhan and south to Umm Salal

• **Blue (City):** connects new residential areas with commercial areas of West Bay and Airport City

Source: QRail
<table>
<thead>
<tr>
<th>Doha metro - key facts</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Total length of lines, of which</strong></td>
<td>358km</td>
</tr>
<tr>
<td>Underground</td>
<td>119km</td>
</tr>
<tr>
<td>Elevated</td>
<td>73km</td>
</tr>
<tr>
<td>At grade</td>
<td>166km</td>
</tr>
<tr>
<td><strong>Maximum design speed</strong></td>
<td></td>
</tr>
<tr>
<td>Underground</td>
<td>80km/h</td>
</tr>
<tr>
<td>Elevated urban</td>
<td>80km/h</td>
</tr>
<tr>
<td>Elevated suburban</td>
<td>160km/h</td>
</tr>
<tr>
<td>At grade</td>
<td>160km/h</td>
</tr>
<tr>
<td><strong>Service headway (minutes)</strong></td>
<td></td>
</tr>
<tr>
<td>Inner city</td>
<td>2-10</td>
</tr>
<tr>
<td>Suburbs/region</td>
<td>30-60</td>
</tr>
<tr>
<td><strong>Number of stations</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Number of trains</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Number of World Cup stadiums served</strong></td>
<td>12</td>
</tr>
</tbody>
</table>

Source: QRail
Qatar Focus – Long distance rail

The passenger rail network: key facts

<table>
<thead>
<tr>
<th>Service description</th>
<th>Design speed</th>
<th>Number of stations in Qatar</th>
<th>Traction power</th>
<th>Journey times:</th>
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<tbody>
<tr>
<td>Passenger railway services 1</td>
<td>350 km/h</td>
<td>4</td>
<td>25kV AC</td>
<td>NDIA-Manama</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>55 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>West Bay Central-Manama</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Education City-Manama</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tunnel sections in Doha</td>
</tr>
<tr>
<td>Passenger railway services 2</td>
<td>250 km/h</td>
<td>1</td>
<td>25kV AC</td>
<td>NDIA-Doha West</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>55 minutes</td>
</tr>
<tr>
<td>Freight railway services</td>
<td>120 km/h</td>
<td></td>
<td>25kV AC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: QRail
Qatari Diar’s flagship real estate project is Lusail City, a 37 square km development expected to house about 200,000 people. As part of the development, a 30km light rail transit (LRT) system with four lines and 33 stations is to be built. The LRT system would accommodate more than 30 trains. In addition, seven of the stations and 7km of the rail line will be underground. The Lusail LRT will be connected to the national rail network at two interchanges along the Al-Khor highway.

Qatari Diar announced in late 2009 that preliminary designs had been completed on the project and that QDVC, its joint venture with France’s Vinci, had been appointed to start excavating the tunnels and undertake engineering work. In 2011, QDVC was awarded a further $535m worth of work on the scheme, involving the construction of eight stations, a viaduct and a depot.

A US team of Parsons and Aecom is project managing the scheme under a $42.5m, five-year contract awarded in April 2011.
Qatar Focus – Doha Bay Crossing

- Doha Bay Crossing will be an iconic project at the sea entrance to Doha; budget $1bn
- Originally the responsibility of the MMUP but now Ashghal
- Construction of road link between NDIA and West Bay / Lusail
- Initial concept called for the crossing to comprise bridges and tunnels.
- DBC’s designs will take two years to complete and construction a further five

Source: MMUP
The delivery team comprises Ashghal employees and representatives of KBR as strategic programme manager.

Expressway program comprises 35 road projects to be executed by 2018:
- 900km of mainline carriageway
- 200 at-grade and multi-level intersections

Original budget estimated at $12.3bn, figure has since been raised to almost $20bn.

Tendering is ongoing.

Source: Ashghal
Also known as the Friendship Bridge, the Qatar-Bahrain causeway will connect the north-west coast of Qatar to Bahrain. The 44km causeway includes stretches of bridge sufficiently high to allow ships to pass under it. Overseen by the Qatar Bahrain Causeway Foundation (QBCF), the project is an important part of the plan for the 2022 World Cup finals and will accommodate the high-speed railway connecting Bahrain and Qatar. This will allow visitors to travel from Manama to Doha in 55 minutes.

First proposed in the 1990s, the causeway has suffered major delays, most recently in mid-2010 when the project was put on hold and the nominated contracting consortium, led by Qatari Diar and France’s Vinci, demobilised. Doha’s approval of a $350m loan to Bahrain in October 2011 was expected to get the project moving again, although as of early 2013, it was still unclear whether the same contracting consortium would continue to be involved in the $4bn project.

The causeway was originally designed as a road project, but QBCF added a railway to its plans for the project in late 2009 as part of the wider GCC-wide rail network. The bridge will include a four-lane motor crossing and two railway lines. Completion is not expected until 2015/16 at the earliest.
Qatar Focus – LRDP

- Client: Ashghal; budget c. $14bn
- PMC: ParsonsBrinckerhoff
- Divided into 5 bidding blocks; each with its own consultant
- Project scope includes minor roads and associated drainage
- Budget estimated at $14.6bn
- Tenders underway for frame agreements covering packages of projects

<table>
<thead>
<tr>
<th>Catchment Area</th>
<th>Consultant</th>
<th>Total No. of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar North</td>
<td>K&amp;A/WSP</td>
<td>40</td>
</tr>
<tr>
<td>Qatar South</td>
<td>TBD</td>
<td>15</td>
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<tr>
<td>Doha North</td>
<td>Hyder</td>
<td>68</td>
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<tr>
<td>Doha South</td>
<td>Parsons</td>
<td>80</td>
</tr>
<tr>
<td>Doha West</td>
<td>Atkins</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>221</strong></td>
</tr>
</tbody>
</table>

Source: Ashghal
Qatar Focus – IDRIS

• Client: Ashghal; budget c. $2.5bn
• Inner Doha Re-sewerage Implementation Strategy
• Sewers for 50-year demand projection
• Starts: 2014, commissions 2019
• Involves:
  – Tunnels: 33km of trunk sewer (average depth 43m); 76km of lateral intercept (depth 4-40m);
  – New sewage treatment plant
  – New pumping station (70m underground)
  – 92km of TSE return pipes
  – Decommissioning of 37 existing pumping stations

Source: Ashghal
## LRDP – Indicative budgets

<table>
<thead>
<tr>
<th>Area</th>
<th>No of Projects</th>
<th>0 – .200 (QAR)</th>
<th>.200 – .900 (QAR)</th>
<th>&gt; .900 (QAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar North</td>
<td>40</td>
<td>31 (1.4)</td>
<td>7 (2.9)</td>
<td>2 (2.3)</td>
</tr>
<tr>
<td>Qatar South</td>
<td>15</td>
<td>11 (0.8)</td>
<td>3 (1.4)</td>
<td>1 (3.6)</td>
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<tr>
<td>Doha North</td>
<td>68</td>
<td>46 (3.2)</td>
<td>17 (5.7)</td>
<td>5 (7.8)</td>
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<tr>
<td>Doha South</td>
<td>80</td>
<td>62 (4.6)</td>
<td>17 (8.4)</td>
<td>1 (1.3)</td>
</tr>
<tr>
<td>Doha West</td>
<td>18</td>
<td>13 (1.5)</td>
<td>4 (7.5)</td>
<td>1 (1.0)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>221</strong></td>
<td><strong>163 (11.5)</strong></td>
<td><strong>48 (25.8)</strong></td>
<td><strong>10 (15.9)</strong></td>
</tr>
</tbody>
</table>

Source: Ashghal
Lusail City

Located on the east coast 15km north of Doha, Lusail City will play a central role in the 2022 World Cup, hosting both the opening ceremony and the final at its planned iconic stadium. Occupying a site of 38 sq km, it is the most ambitious non-energy project in Qatar, with the infrastructure alone estimated to cost $5bn. The city has been masterplanned into 19 integrated mixed-use districts, expected to house a resident population of about 200,000. A further 170,000 people are forecast to work in the city, while visitors to its tourism, recreational and cultural facilities are set to number 80,000.

Barwa

Barwa is the largest real estate company listed on the Qatar Exchange with a total asset capitalisation of QR38bn ($10.4bn). Its projects include: Barwa Village, Barwa City, Barwa Commercial Avenue, Barwa Financial District, and Barwa al-Khor

Dohaland

Dohaland is a subsidiary of the Qatar Foundation. It was launched on 3 March 2009 to lead real estate development in Qatar and is headed by Sheikha Mozha bint Nasser al-Misanad, wife of the emir. The company aims to align its projects with the Qatar National Vision 2030 and ‘to lead innovation in urban living through sustainability and heritage’.

Dohaland’s first project is Musheireb, which aims to transform an area representing much of the city’s original built-up area in the heart of Doha. Launched in January 2010, Musheireb’s masterplan calls for the development of a 31-hectare site. Its northern perimeter is defined by the Al-Rayyan road, which corresponds to the Doha coast before major work took place in the 1970s for the new Doha corniche, while its western perimeter is defined by Al-Diwani road, adjacent to the Emiri Diwan. The southern boundary is formed by Musheireb street.
On the east coast 15km north of Doha. Lusail will host both the opening ceremony and the final at Lusail Iconic stadium. Site is 38 km sq, it is the most ambitious non-energy project in Qatar. Infrastructure alone estimated at $5bn. The city has been masterplanned in 19 mixed-use districts, expected to house a population of about 200,000. A further 170,000 people are forecast to work in the city, while visitors to its tourism, recreational and cultural facilities estimated at 80,000.

Lusail Vision

The Lusail Development is one of the most significant mixed-use developments planned for Qatar and a natural extension to Doha city along the urban growth corridor expanding northwards.
Msheireb is an area representing much of the city’s original built-up area in the heart of Doha. Launched in January 2010, Msheireb’s masterplan will develop a 31-hectare site. Northern perimeter is the Al-Rayyan road, corresponding to the Doha coast before reclamation work in the 1970s for the new Doha corniche. Western perimeter is defined by Al-Diwan road, adjacent to the Emiri Diwan. Southern boundary is Msheireb street.

Msheireb Properties is a subsidiary of the Qatar Foundation. Launched on 3 March 2009 to lead real estate development in Qatar, it is headed by Sheikha Mozha bint Nasser al-Misanad, wife of the emir. The company aims to align its projects with the Qatar National Vision 2030 and ‘to lead innovation in urban living through sustainability and heritage’.

<table>
<thead>
<tr>
<th>Package</th>
<th>Description</th>
<th>Status</th>
<th>Value ($m)</th>
<th>Contractor</th>
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</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>Infrastructure</td>
<td>Complete</td>
<td>500</td>
<td>CAT International</td>
</tr>
<tr>
<td>Phase 1a</td>
<td>Diwan Amiri Quarter</td>
<td>Execution</td>
<td>500</td>
<td>Hyundai/HBK</td>
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<tr>
<td>Phase 1b</td>
<td>Buildings</td>
<td>Execution</td>
<td>650</td>
<td>Carillion JV</td>
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<tr>
<td>Phase 1c</td>
<td>Buildings</td>
<td>Execution</td>
<td>650</td>
<td>Brookfield Multiplex</td>
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<tr>
<td>Phase 2</td>
<td>Buildings</td>
<td>Execution</td>
<td>687</td>
<td>Arabtec</td>
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<td>Phase 3</td>
<td>Construction</td>
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<td>Phase 4</td>
<td>Construction</td>
<td>On Hold</td>
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<td>Drake &amp; Scull</td>
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<td>District Cooling Plants</td>
<td>Cooling</td>
<td>Execution</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>
Qatar Focus – FIFA 2022: stadiums

New stadium

* Source: Qatar 2022 Bid Committee
240 hotels and properties in total
- All located within 20km of stadiums
- Mostly four star
- Government commitment to provide over 84,000 hotel rooms (FIFA requirement = 60,000)
- A total of 44,000 rooms already
- 140 new properties will be built
- Cruise ship (6,000 rooms) to dock in Al-Wakra Plan calls for new capacity to be built in 17 projects, 13 after 2016
- Government has responsibility as the client
- Bid evaluation report: government to contribute ‘substantial investment’ in new hotels (estimated at $17bn to 2018)
Opportunity yes, challenges yes

• Increased contractor competition – in late April 2012, 42 companies bid for a simple road tender!
• Slow decision-making remains in both public and private sector projects
• International contractors have found it very hard to be successful – many reported problems due to contractual issues. Contracts in Qatar are not generally very contractor friendly and tend to favour the client
• Logistics issues – supply chain bottlenecks at the ports (still being built), a lack of certain materials such as sand and a protectionist local building materials market
• However, experienced contractors already active in Qatar which can provide quality projects and technical expertise can potentially thrive in the market by distinguishing themselves from lower cost and less regionally-experienced competition
• The Qatar authorities have stressed that they will be focusing on technical quality of bids rather than price alone, although the regional market in general remains relatively price-sensitive
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Dublin, 21 March 2013

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