GCC Projects Market Update

July-2026

Project awards decline sequentially in Q2-2026 led by war impact

The aggregate value of contracts awarded in the GCC witnessed a 25.4% q-o-q drop to reach USD 59.4 Bn as compared to USD 79.6 Bn in Q1-2026. All GCC countries witnessed q-o-q declines, with the exception of Saudi Arabia, which registered a 160.4% q-o-q jump in total contract awards during Q2-2026 to reach USD 30.0 Bn. Qatar witnessed the largest contraction in q-o-q project awards, registering USD 931 Mn in total contracts awarded during Q2-2026 against USD 9.3 Bn in Q1-2026. From a sectoral q-o-q perspective, all GCC sectors recorded q-o-q declines in the value of contracts awarded during Q2-2026, with the exception of the Oil Sector, which registered a 269% q-o-q increase to reach USD 13.7 Bn. The overall q-o-q drop in the GCC's aggregate value of contracts awarded during the quarter was mainly due to impact of the Iran war in the region and its global and regional effect on economic activity.

On the other hand, the picture was different in terms of y-o-y performance as aggregate value of contracts in the GCC increased by 30.0% to reach USD 59.4 Bn as compared to USD 45.7 Bn in Q2-2025. This improvement was driven largely by a substantial upturn in contract awards within Saudi Arabia and Oman, which represent the two largest percentage y-o-y growth in projects markets in the region during the quarter. In contrast, UAE, Bahrain, and Qatar recorded y-o-y decline in project awards during the same period.

According to MEED, overall contract awards in the wider Middle East region witnessed a sharp decline in the months following the commencement of the Iran war. The total monthly contract awards in the MENA region stood at USD 35.5 Bn in February-2026, but after the onset of the Iran war, this figure fell substantially to USD 19.2 Bn in March, USD 16.3 Bn in April-2026, and USD 16.8 Bn in May-2026.

Contract awards in Saudi Arabia improved 53.6% y-o-y in Q2-2026 to reach USD 30.0 Bn as compared to USD 19.5 Bn in Q2-2025. Similarly, project awards in Kuwait increased by 49.1% y-o-y to reach USD 2.0 Bn as compared to USD 1.3 Bn in Q2-2025. Meanwhile, contract awards in Oman jumped 341.7% y-o-y to reach USD 5.9 Bn as compared to USD 1.3 Bn. On the other hand, contract awards in the UAE recorded a 5.4% y-o-y dip to reach USD 20.5 Bn, while total projects awarded in Qatar declined by 40.8% y-o-y to reach USD 931 Mn as compared to USD 1.6 Bn in Q2-2025.

Sources : MEED Projects, Kamco Invest Research

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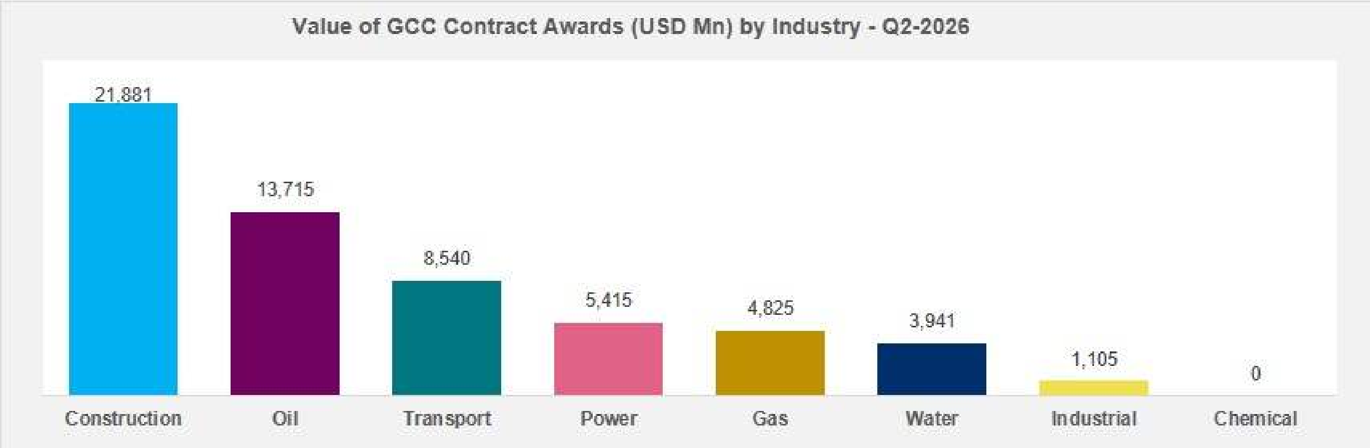
The y-o-y growth of the GCC contracts was also mainly driven by greater contract awards in the region's Oil Sector during the quarter, which reached USD 13.7 Bn as compared to USD 986.0 Mn in Q2-2025. Moreover, the Construction Sector, the largest sector in terms of value of contracts awarded, also witnessed strong 27.6% y-o-y improvements in the total value of projects awarded, which reached USD 21.9 Bn during the quarter.



Sources : MEED Projects, Kamco Invest Research

Saudi Arabia

Saudi Arabia was the only country in the GCC that recorded an increase in total projects awarded in terms of q-o-q comparison and y-o-y comparison. The total value of contracts awarded in Saudi Arabia during Q2-2026 reached USD 30.0 Bn, recovering from the second-lowest level recorded over the preceding twenty-one quarters, which amounted to USD 11.5 Bn in Q1-2026. Contract awards increased across four of the eight sectors within the Kingdom's projects market during the quarter. This broad-based upturn was spearheaded by the Construction sector, which recorded a 184.4% y-o-y surge in contract awards to reach USD 14.2 Bn, compared to USD 5.0 Bn in Q2-2025, followed by the Gas sector, which escalated from USD 0.8 Bn in projects awarded during Q2-2025 to USD 4.4 Bn in contracts awarded in Q2-2026.

Similarly, the Transport and Water sectors registered substantial double-digit growth in contracts awarded during the quarter, with values reaching USD 7.0 Bn and USD 2.5 Bn, respectively. Meanwhile, the three remaining sectors experienced y-o-y contractions in Q2-2026, most notably the Power Sector, which witnessed an 89.7% y-o-y decline in projects awarded during the sector to reach USD 648.0 Mn against USD 6.3 Bn in Q2-2025.

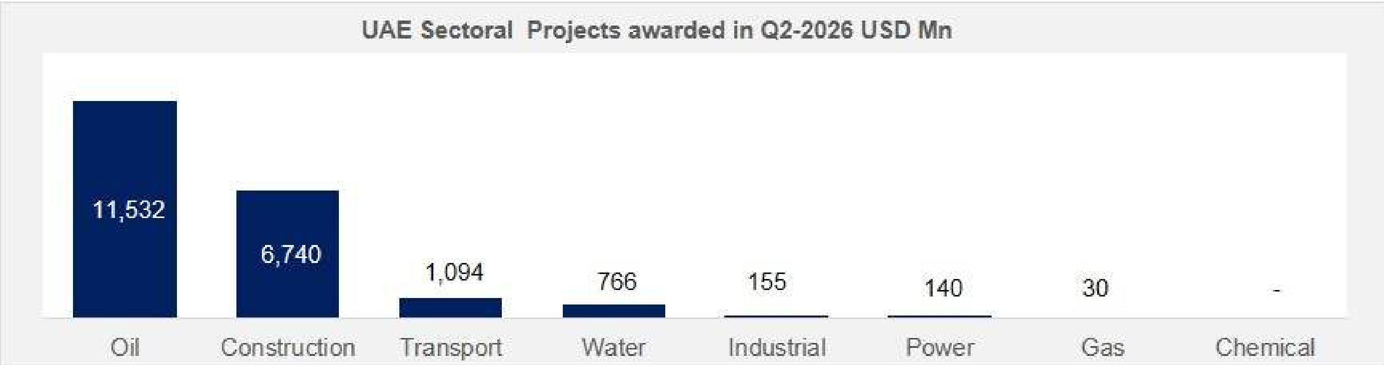
Sources : MEED Projects, Kamco Invest Research

Notable contracts awarded in the Kingdom during Q2-2026 include the USD 4.6 Bn contract awarded by the Ministry of Defense to leading local contractor Al-Bawani Company for the construction of its headquarters building. Furthermore, another significant project awarded during the quarter was the USD 1.3 Bn contract for the construction of the Sheikh Jaber Al-Sabah Road project in Riyadh. This project was awarded to a joint venture comprising Riyadh-based Al-Rashid Trading & Contracting Company (RTCC) and Turkiye's IC Ictas. The project, which spans 12 KM from Khurais Road to Al-Thumama Road in Riyadh, also entails the construction of five interchanges: Prince Bandar interchange, King Abdullah interchange, Imam Abdullah interchange, Dammam Road interchange, and Al-Thumama interchange.

Another noteworthy project awarded during the quarter was the USD 727 Mn contract for the main construction works on the development of the Waldorf Astoria superblock, awarded by Diriyah Company to the joint venture of Hassan Allam Construction Saudi and UCC Saudi. The Waldorf Astoria superblock comprises a mixed-use development, which includes a Waldorf Astoria hotel, Waldorf Astoria-branded residences, commercial and residential facilities, and office space.

UAE

The total value of projects awarded in the UAE declined by 5.4% y-o-y to reach USD 20.5 Bn in Q2-2026, compared to USD 21.6 Bn in Q2-2025, according to data collected by MEED Projects. In terms of q-o-q performance, aggregate value of projects awarded in the UAE registered a steeper decline of 56.6% highlighting the adverse impact of the war in the region had the Emirates projects market. The contraction in contract awards was underpinned by a broad-based reduction in y-o-y project awards for seven out of the eight sectors during the quarter, led by the Gas sector, which recorded a 99.4% y-o-y fall in contracts awarded to reach USD 30 Mn against USD 5.3 Bn in Q2-2025. The Emirates projects market stepped down from being the largest projects market in the GCC for the two quarters preceding Q2-2026 to the second-largest projects market during the quarter. The Emirates' share of the total value of projects awarded in the GCC during Q2-2026 reached 34.4%, declining from 47.3% in the corresponding period of 2025.

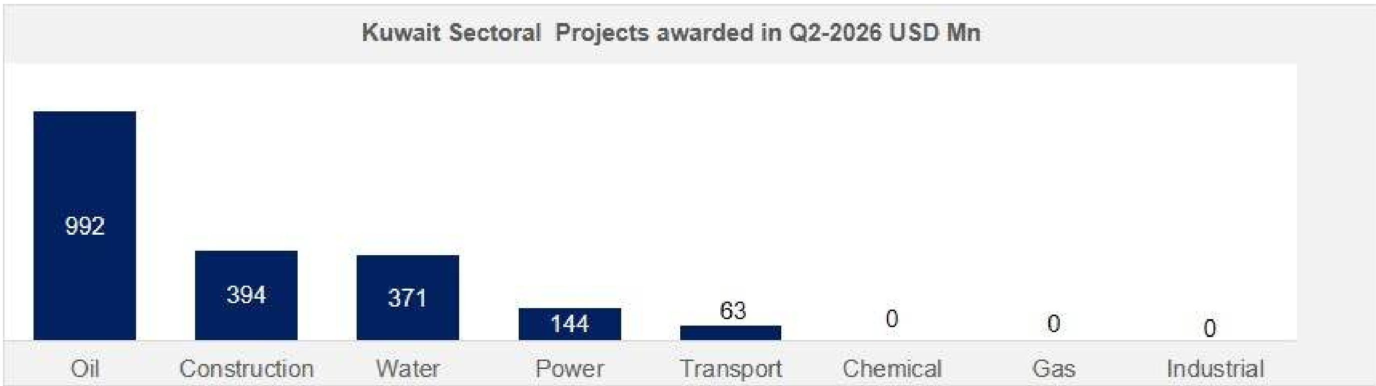


Sources : MEED Projects, Kamco Invest Research

From a sectoral perspective, the Oil sector constituted the largest proportion of new project awards in the UAE during Q2-2026, representing 56.4% of total projects awarded in the Emirates, reaching USD 11.5 Bn compared to USD 230 Mn awarded in Q2-2025. Abu Dhabi National Oil Company (Adnoc) has recently announced its plans to allocate USD 54.4 Bn of its USD 150 Bn capex budget for the next five years toward new contract awards during the upcoming two years (2026-2028). Adnoc has indicated its intention to direct 70% of these funds to upstream oil and gas projects, while the remaining 30% are designated for downstream projects.

Kuwait

The total value of projects awarded in Kuwait during Q2-2026 improved 49.1% y-o-y to reach USD 2.0 Bn against USD 1.3 Bn in Q2-2025, according to MEED Projects. However, in terms of q-o-q performance, the total value of contracts awarded in Kuwait during Q2-2026 fell sharply by 65.4% reflecting the impact of the instability caused by the war in the region. Over 50% (USD 992 Mn) of the value of projects awarded in Kuwait during the quarter were awarded in the Oil Sector, while 20% (USD 394 Mn) of the value of projects awarded fell into the Construction Sector during the same period.



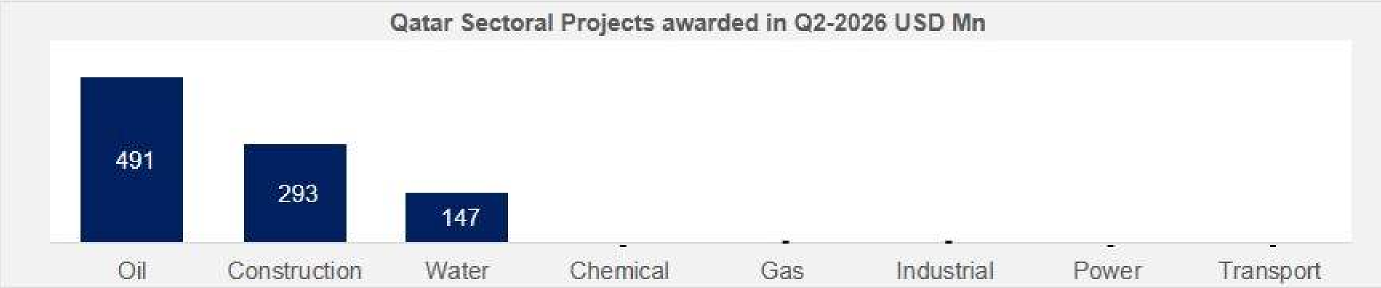
Sources : MEED Projects, Kamco Invest Research

The Kuwait Oil Company has awarded a USD 992 Mn contract to develop the export facilities and upgrade the existing export network for Jurassic Light Oil in Kuwait (JLO). Among other components, the project includes the development of nine new crude oil storage tanks, each rated at 618 million barrels of usable capacity, a north-tank farm, and the installation of a JLO pump station equipped with high-pressure centrifugal pumps that are skid-mounted and redundant. Meanwhile, Kuwait's aggregate value of contracts awarded in the Water Sector jumped to USD 371 Mn during Q2-2026 against USD 11 Mn in Q2-2025.

Conversely, total projects awarded in Kuwait's Power Sector declined by 29.8% y-o-y to reach USD 144 Mn as compared to USD 205 Mn during the corresponding period of the previous year.Notable projects awarded in Kuwait during Q2-2026 included the USD 100 Mn project to construct a substation in Wafra in the Al-Ahmadi Governorate, awarded to the local Al-Ahleia Switchgear Company. The construction of the substation (400/132/33kV) is scheduled for completion by January-2029. Another notable project awarded in the country during the quarter was the USD 565 Mn upstream oil project awarded to Kuwait's Heavy Engineering Industries & Shipbuilding Company (Heisco) by Kuwait Oil Company (KOC).

Qatar

The total value of contracts awarded in Qatar registered a substantial y-o-y contraction of 40.8%, reaching USD 931 Mn in Q2-2026 against USD 1.6 Bn in Q2-2025, according to data from MEED Projects. Furthermore, the aggregate value of contracts awarded also experienced a steeper q-o-q decline of 90% during the period, reflecting a sharp drop in contracts awarded due to the impact of the conflict in the region.

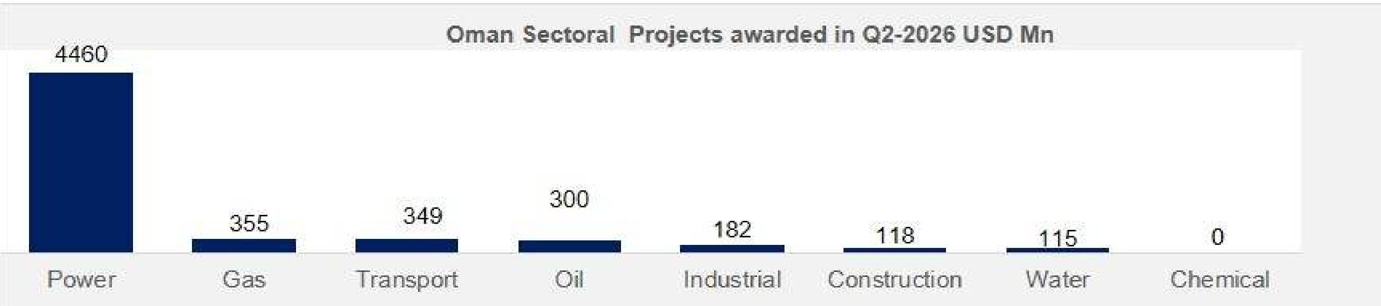


Sources : MEED Projects, Kamco Invest Research

The y-o-y decline in contract awards was principally attributable to the absence of contracts awarded in five out of the eight sectors during the quarter, including the Chemical, Gas, Industrial, and Power sectors. The largest value of projects awarded in Qatar was in the Oil Sector, which reached USD 491 Mn during Q2-2026, followed by the Construction Sector with an aggregate project award value of USD 293 Mn. Meanwhile, the aggregate value of contracts awarded in the Water Sector surged by 320% y-o-y to reach USD 147 Mn as compared to USD 35 Mn in Q2-2025. Notable projects awarded in Qatar during Q2-2026 included the USD 110 Mn project for the completion of the remaining works on the construction of the strategic trunk sewer from Sheehaniya to Doha North Sewage Treatment Works (DN STW) and the development of a sewage terminal pumping station at DN STW – P02.

Oman

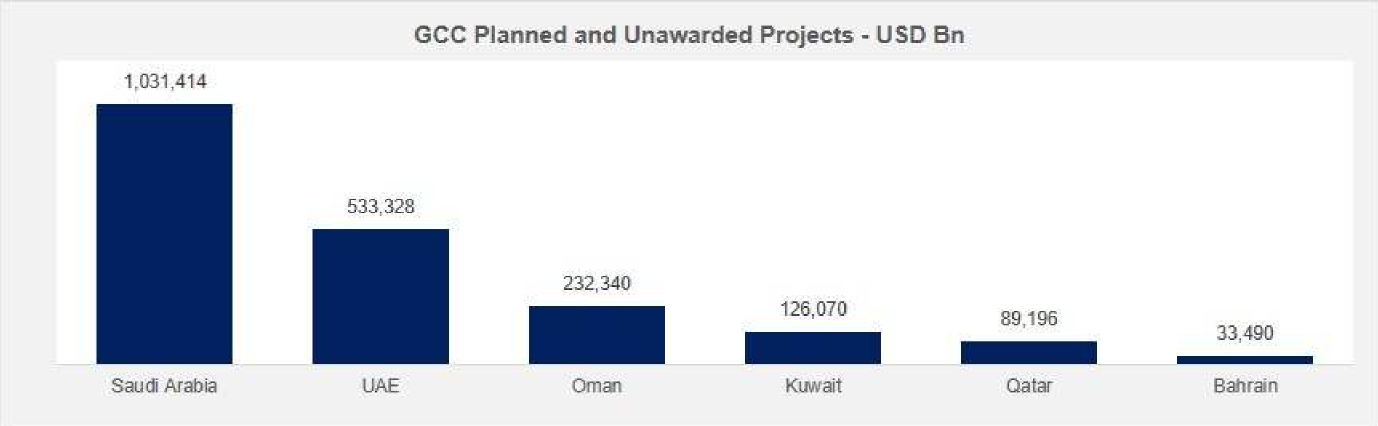
The total value of contracts awarded in Oman witnessed y-o-y jump of 341.7%, reaching USD 5.9 Bn in Q2-2026 against USD 1.3 Bn in Q2-2025, according to data from MEED Projects. Conversely, aggregate value of projects awarded in the Sultanate remained stable only recording 0.2% q-o-q marginal decline underlining the Oman project market's resilience during the instability period. The y-o-y improvement in contract awards in the Sultanate was principally attributable to the jump in contracts awarded in the Power Sector which reached USD 4.5 Bn during Q2-2025 as compared to no contracts awarded in the Power Sector during Q2-2025. Moreover, the total value of projects awarded in Oman's Gas Secor improved 30.0% y-o-y to reach USD 355 Mn. In comparison, the aggregate value of contracts awarded in the Transport Sector declined by 24.3% y-o-y to reach USD 349 Mn in Q2-2026 against USD 461 Mn in Q2-2025. Notable projects awarded in Oman during the quarter included the USD 2.3 Bn 15-year performance-based contract awarded to a consortium led by SUEZ. The project is entailed to provide basic water and wastewater services to roughly 43% of the Sultanate's population.



Sources : MEED Projects, Kamco Invest Research

GCC Projects Market Outlook

The recent efforts to resolve the conflict in the region have bolstered the outlook for the GCC projects market in both the short and long term. According to data compiled by MEED Projects, there are currently USD 2.05 trillion in upcoming projects across the GCC, of which Saudi Arabia accounts for over 50%, followed by the UAE with 26.1% of the regional total.



Sources : MEED Projects, Kamco Invest Research

From a sectoral perspective on the GCC project's outlook, the GCC Construction sector is poised to capture the largest share of upcoming projects (39.5%), followed by the Transport sector at 16.3%, and the Power sector, which is expected to account for 15.6%. Saudi Arabia represents 63% of the total value of Power projects currently under planning and execution phases in the GCC in 2026, followed by the UAE, which accounts for 35%. One of the largest planned and un-awarded GCC Power projects that are out to bid in 2026 includes the USD 6 Bn King Abdullah City for Atomic & Renewable Energy (KA-CARE) nuclear power reactor package 1 in Saudi Arabia. Overall, the majority of the GCC's upcoming projects are currently in the Design stage, representing a total value of USD 855.1 Bn worth of projects. This is followed by the Study stage, which accounts for USD 566.2 Bn worth of projects, and then the Bid Evaluation stage, which encompasses USD 209.2 Bn worth of projects.

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