

GCC Projects Market Update

October-2026

Project awards decline in Q3-2026 led by persistent war impact...

The aggregate value of contracts awarded in the GCC witnessed a 37.2% y-o-y drop to reach USD 47.4 Bn, compared to USD 75.6 Bn in Q3-2026. While all GCC countries recorded y-o-y declines during Q3-2026, the overall GCC aggregate improved moderately at 2.5% y-o-y in terms of 9M-2026 performance, reaching USD 204.1 Bn against USD 199.1 Bn in 9M-2025. All GCC countries posted double-digit declines y-o-y during the quarter, with Oman recording the biggest fall in contracts awarded at 96.6%, to reach USD 76 Mn. By comparison, Saudi Arabia registered the largest contract award among the GCC countries at USD 24.4 Bn, followed by UAE with USD 15.6 Bn and Qatar with USD 5.2 Bn during the similar period. In terms of q-o-q performance, GCC contract awards also declined, though at a moderately lower rate of 19.2%, with Qatar and Bahrain recording q-o-q increases of 76.1% and 4.3%, respectively. The slowdown in contract awards across the GCC region is mainly attributed to the impact of continuing regional geopolitical turmoil, including disruptions to the region's energy exports and trade routes and damage and attacks on energy infrastructure.

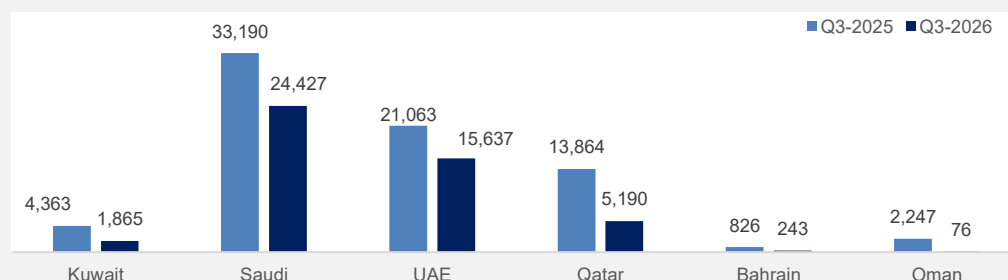
The drop in the GCC's contract awards is underpinned by an expected and currently observed slowdown in the economies of the GCC countries in 2026. According to ICAEW and Oxford Economics, the GCC economy is forecast to decline by 6.4% in 2026 but is expected to bounce back to 5.8% growth in 2027 owing to the disruption impact of the conflict in the region. The GCC's energy sector is expected to contract 26.9% in 2026 but is forecast to rebound to 25.9% growth in 2027. The disruption of the region's energy exports is poised to have a direct impact on the ability of the GCC countries to fund and award planned 2026 contracts. Saudi Arabia, the largest contracts market in the region, is expected to record a 4.6% GDP contraction in 2026, while the UAE economy is forecast to decline 1.5% during the similar period.

In terms of sectoral contract awards performance, two of the eight sectors (Chemical and Gas) recorded y-o-y growth in project awards during Q3-2026. Contract awards in the Chemical Sector jumped nearly 5 times to reach USD 3.5 Bn, compared to USD 750 Mn in Q3-2025. Meanwhile, awards in the Gas Sector improved 59.9% y-o-y to reach USD 13.5 Bn, against USD 8.4 Bn. The Construction Sector was the largest sector in terms of value of contracts awarded in the region in Q3-2026, recorded 44.7% y-o-y drop in value of contracts awarded reaching USD 14.8 Bn.

Value of GCC Project Awards by Quarter - USD Mn



Value of GCC Contract Awards (USD Mn) by Country - Q3-2026 Vs Q3-2025



Source: MEED Projects, Kamco Invest Research

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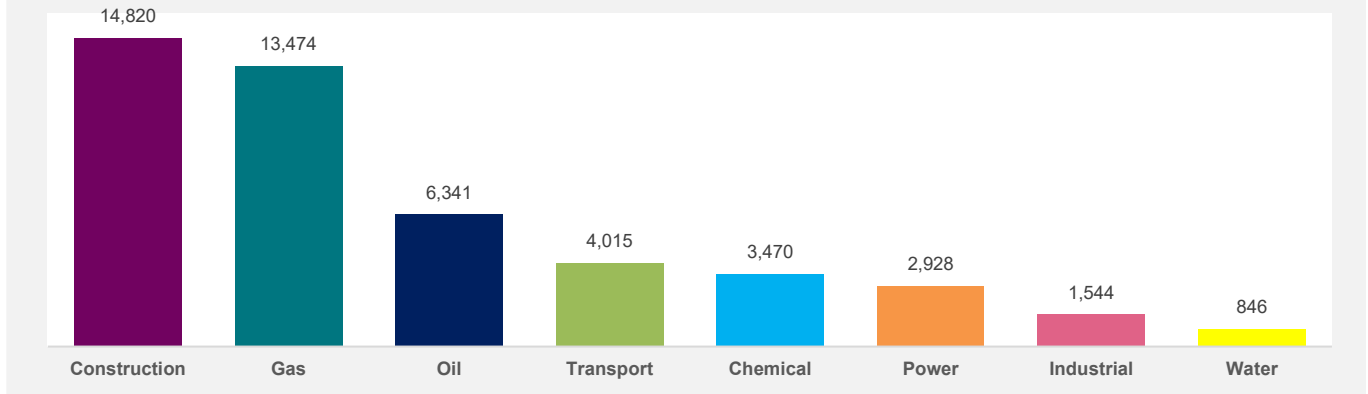
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Value of GCC Contract Awards (USD Mn) by Industry - Q3-2026



Sources : MEED Projects, Kamco Invest Research

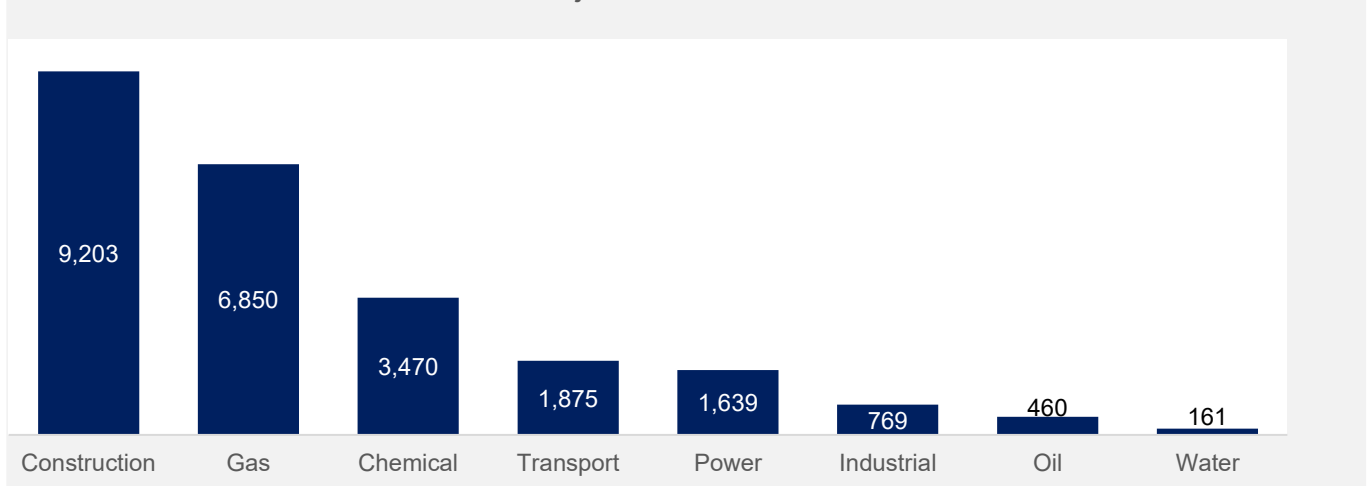
Saudi Arabia

Saudi Arabia was the largest projects market in the GCC during Q3-2026, registering USD 24.4 Bn in total contracts awarded. The Kingdom's project awards recorded a decline in both y-o-y and q-o-q performance. However, the overall picture of contract awards in the Kingdom is holding steady, with total contract awards reaching USD 73.4 Bn in the first nine months of 2026 as compared to USD 79.5 Bn during the corresponding period of 2025. One of the pillars of Saudi Arabia's projects market is Aramco's continuing investment in oil infrastructure, of which the company committed USD 50 Bn to USD 55 Bn for 2026, which is split approximately 65%-70% towards the Oil and Gas Sectors. According to MEED Projects, Aramco has already spent USD 12.3 Bn on upstream oil and gas contracts so far in 2026, of which the largest share went to the Dorra gas field development. This significant resilience happens in the backdrop of continuing disruption of the Kingdom's energy exports coupled with ongoing security threats that have been caused by the war in the region.

In terms of the Kingdom's sectoral performance, the Construction Sector was the largest sector by value of contract awards, reaching USD 9.2 Bn after recording 7.6% y-o-y growth in Q3-2026, followed by the Gas Sector, which recorded an 80.1% y-o-y jump to reach USD 6.9 Bn during the similar period. By contrast, total project awards in the Oil Sector fell from USD 3.8 Bn in Q3-2025 to USD 460 Mn in Q3-2026, while the aggregate value of contracts awarded in the Power Sector declined 83.4% y-o-y to USD 1.6 Bn in Q3-2026.

Notable contracts awarded in the Kingdom during Q3-2026 include the USD 208 Mn contract for the mechanical, electrical and plumbing works at Almoosa Hospital in Al-Khobar. Another significant project awarded during the quarter is the USD 105.6 Mn contract to complete the remaining construction works on the Taiba University Hospital project in Medina, which includes structural completion of remaining civil works, mechanical, electrical and plumbing installations, specialized clinical fit-outs and medical gas infrastructure to bring the long-stalled facility into operation.

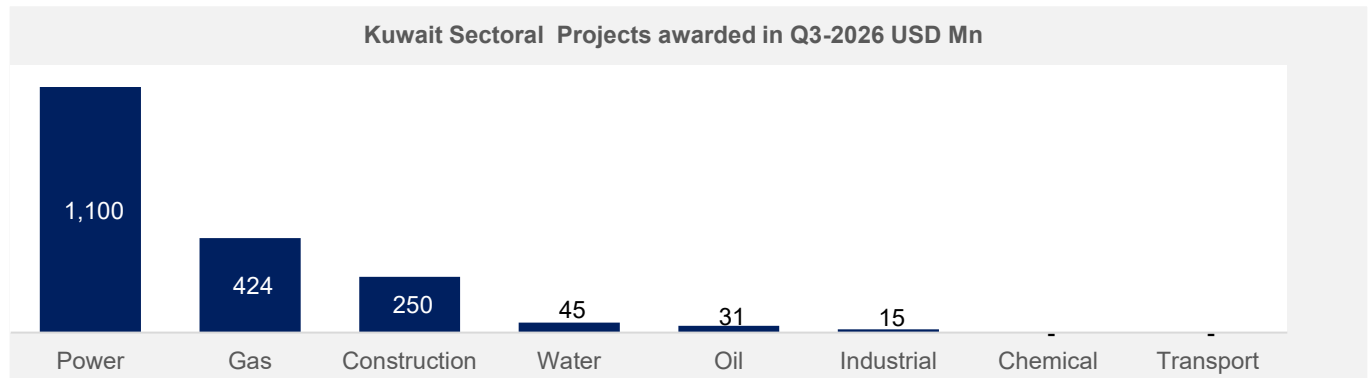
Saudi Sectoral Projects awarded in Q3-2026 USD Mn



Sources: MEED Projects, Kamco Invest Research

Kuwait

The total value of projects awarded in Kuwait during Q3-2026 declined by 57.3% y-o-y to reach USD 1.9 Bn, against USD 4.4 Bn in Q3-2025, according to MEED Projects. Similarly, in terms of q-o-q performance, the total value of contracts awarded in Kuwait during Q3-2026 declined, though less sharply, recording a 3.8% drop that reflects the impact of the instability caused by the war in the region. Over 58% (USD 1.1 Bn) of the value of projects awarded in Kuwait during the quarter was awarded in the Power Sector, while 22.7% (USD 424 Mn) of the value of projects awarded fell into the Gas Sector during the same period. Meanwhile, the total value of projects in the Construction Sector nearly doubled to reach USD 250 Mn in Q3-2026, versus USD 127 Mn in Q3-2025.

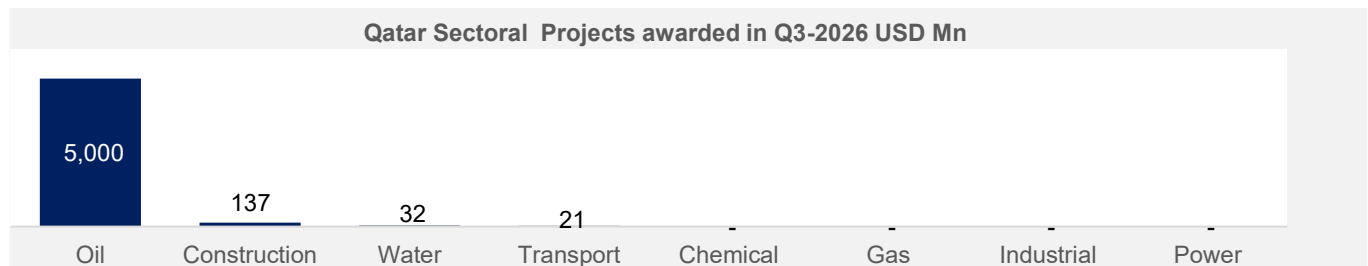


Sources : MEED Projects, Kamco Invest Research

Some of the notable contracts awarded in Kuwait during the quarter included the USD 445 Mn Subiya Power and Desalination Plant Gas Turbines 900 MW phase 4 project part, awarded by the Ministry of Electricity and Water. The project is expected to add 900 MW of electricity generation capacity through new CCGT units integrated with the existing power and water distillation station. Moreover, the project is expected to involve the supply, installation, operation and maintenance of gas turbines, steam turbine and heat recovery steam generators. Another significant project awarded in the country during the quarter is the USD 379 Mn contract for the installation of a Separation Facility at GC-25 and an Injection Facility at GC-30 in North Kuwait, with the aim of increasing gas, crude and effluent water handling capacity. Among other things, the project is expected to execute the installation of 150 MBbl/day 3-phase wet separators, a 53 MMSCFD LP gas knock-out drum and a 240 MBWPD effluent water balance tank with high-capacity transfer pump.

Qatar

The total value of contracts awarded in Qatar registered a substantial y-o-y contraction of 62.6%, reaching USD 5.2 Bn in Q3-2026, against USD 13.9 Bn in Q3-2025, according to data from MEED Projects. Conversely, the aggregate value of contracts awarded witnessed a steep q-o-q increase of 76.1% during the period, reflecting an ongoing recovery in contracts awarded during the quarter.

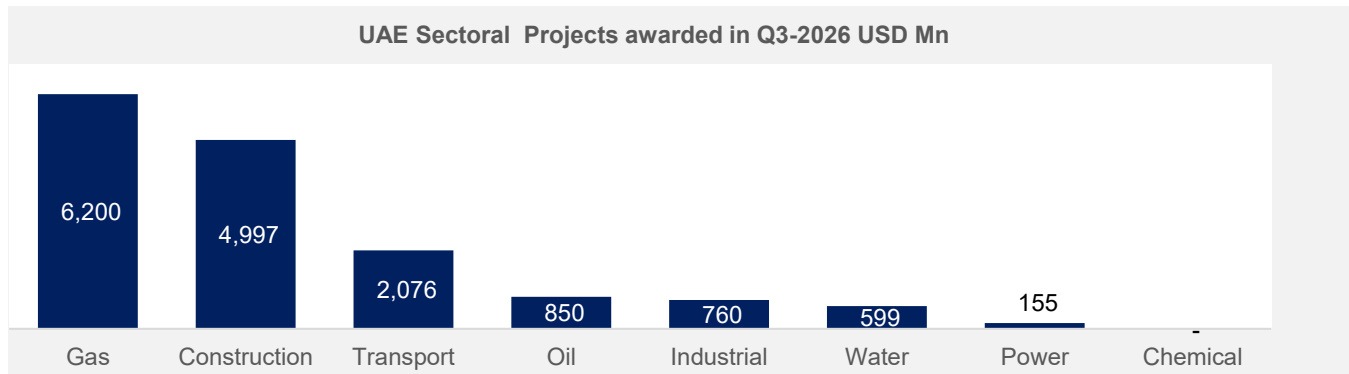


Sources : MEED Projects, Kamco Invest Research

The y-o-y decline in contract awards was principally attributable to the absence of contracts awarded in four 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 5 Bn during Q3-2026, followed by the Construction Sector with an aggregate project award value of USD 137 Mn. Meanwhile, the aggregate value of contracts awarded in the Water Sector jumped by 220.0% y-o-y to reach USD 32 Mn, compared to USD 10 Mn in Q3-2025. One of the notable projects awarded during the quarter was the USD 32 Mn Ashghal contract to execute the remaining works of the TSE Transmission pipeline along Dukan Highway and Orbital Road between Dukhan Road and North STW.

UAE

The total value of projects awarded in the UAE declined by 25.8% y-o-y to reach USD 15.6 Bn in Q3-2026, compared to USD 21.1 Bn in Q3-2025, according to data collected by MEED Projects. In terms of q-o-q performance, the aggregate value of projects awarded in the UAE registered a less steep decline of 13.5%, highlighting a recovery in motion and adjustment to the impact of the war in the region on the Emirates projects market. The contraction in contract awards was underpinned by a reduction in y-o-y project awards for five out of the eight sectors during the quarter, led by the Construction Sector, which recorded a 67.0% y-o-y fall in contracts awarded to reach USD 5 Bn against USD 15.1 Bn in Q3-2025. The Emirates projects market remained the second-largest projects market in the GCC during the quarter. The Emirates' share of the total value of projects awarded in the GCC during Q3-2026 reached 33.0%, up from 27.9% in the corresponding period of 2025.



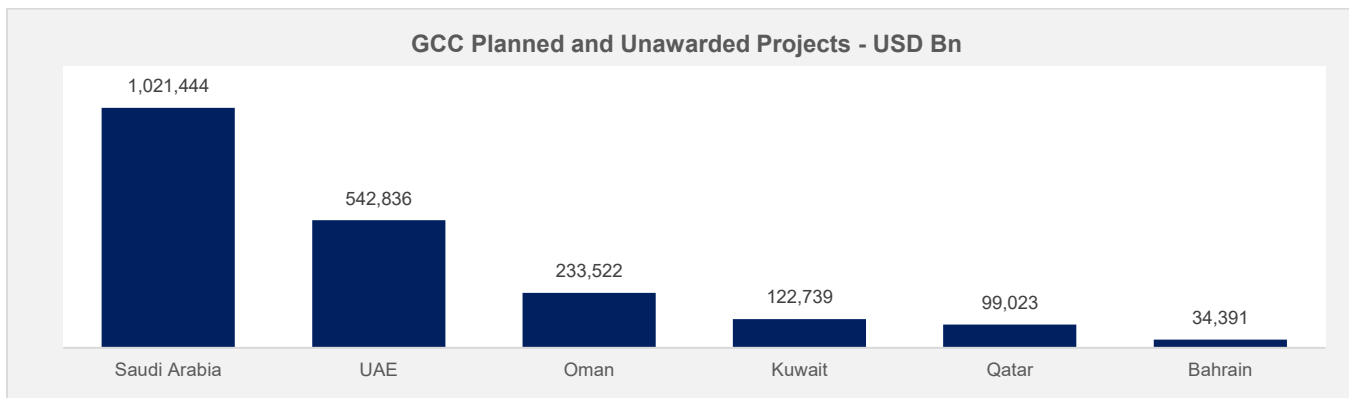
Sources : MEED Projects, Kamco Invest Research

From a sectoral perspective, the Gas Sector accounted for the largest proportion of new project awards in the UAE during Q3-2026, representing nearly 40% of total projects awarded in the Emirates and reaching USD 6.2 Bn. Among the largest gas projects awarded during the quarter was the USD 1 Bn Umm Shaif Gas Cap and Surface Pressure Boosting: Phase 1: Package 4 contract by ADNOC. This contract forms part of the USD 6.2 Bn in contracts awarded by ADNOC and its foreign partners.

Notable projects awarded in the UAE during the quarter included the USD 158 Mn RTA Dubai Al-Meydan Street Development, which covers the development of First Al-Khail Street, via Al-Khail Road, to Muscat Street. The scope of work for the contract also included the conversion of the signalized Al Meydan Street-Muscat Street intersection into a multi-level, grade-separated interchange with free-flow movement in all directions. Another major project awarded in the UAE during Q3-2026 was the USD 150 Mn project for the development of Dubai Peninsula, comprising luxury residential, hotel and retail developments.

GCC Projects Market Outlook

Despite the continuation of the US-Iran conflict in the region, the outlook for the GCC projects market has been bolstered 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 49.7%, followed by the UAE with 26.4% of the regional total.



Sources : MEED Projects, Kamco Invest Research

From a sectoral perspective on the GCC projects' outlook, the GCC Construction Sector is poised to capture the largest share of upcoming projects (38.3%), followed by the Transport Sector at 16.8%, and the Power Sector, which is expected to account for 15.9%.

One of the key active areas in which planned and unawarded projects are expected is the construction of data centers. Currently, according to the latest available data from regional projects tracker MEED Projects, the GCC Data Centre Projects Market 2026 tracks 174+ major active and planned projects across Saudi Arabia, the UAE, Qatar, Oman, Kuwait and Bahrain, with a combined value of more than USD 93 Bn. Among the major contracts to develop a data center is the USD 5 Bn development of major data center infrastructure in Oxagon, Neom's industrial cluster. Another major data center is being constructed by Amazon Web Services in the Saudi Arabia Zone, while Al Khazna AI Data Center in Ajman, UAE is expected to cost about USD 272 Mn for construction and deployment.

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