

GCC Projects Market Update

April-2026

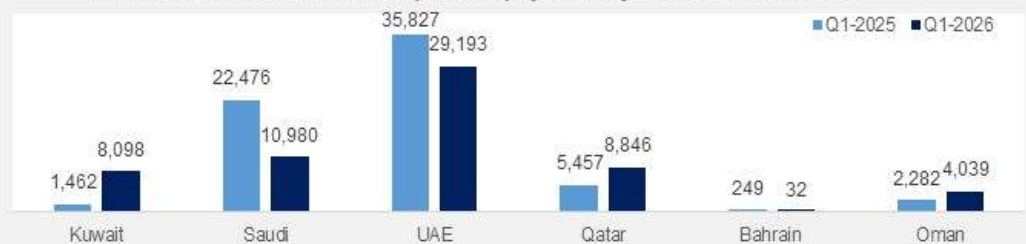
GCC project awards decline in Q1-2026 due to the instability in the region...

The GCC projects market experienced a slowdown in Q1-2026 as a direct consequence of regional instability. According to data collected by MEED Projects, the total value of contracts awarded across the Gulf Cooperation Council declined by 9.7% y-o-y in Q1-2026, reaching USD 61.2 Bn, compared to USD 67.8 Bn in Q1-2025. This contraction was driven largely by a substantial downturn in contract awards within Saudi Arabia and the United Arab Emirates, which represent the two largest projects markets in the region. In contrast, Kuwait, Oman, and Qatar recorded growth in project awards during the same period.

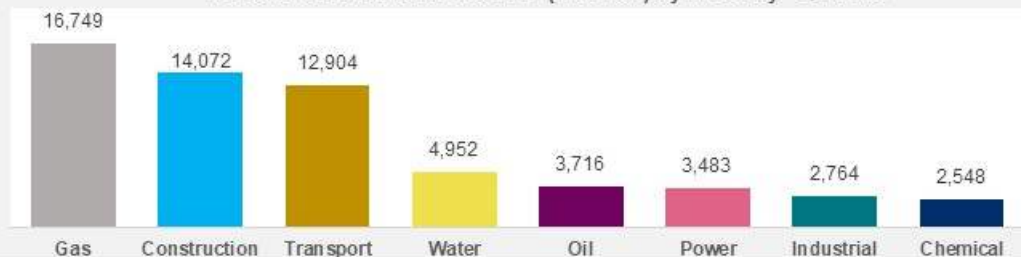
According to MEED Projects, the number of contract awards in the GCC region declined from 84 in January-2026 and 80 in February-2026 to just 25 in March-2026, with the corresponding value of contract awards similarly dropping from USD 20.5 Bn and USD 26.0 Bn in January-2026 and February-2026, to only USD 11.8 Bn in March-2026. The war has already impacted many aspects of life and business in the GCC countries, including supply chain delays resulting from shipping disruptions in the Strait of Hormuz, as well as the creation of negative sentiment in some of the region's key industries, such as Real Estate and Tourism. Moreover, energy exports serve as the primary revenue generators for the GCC countries; consequently, any disruption in the production and export of oil and gas will have a significant negative impact on the ability of GCC countries to fund projects. Already, the closure of the Strait of Hormuz and attacks on energy infrastructure have resulted in sharp increases in oil prices and the cessation of production in several hydrocarbon-producing complexes.

Contract awards in Saudi Arabia contracted by 51.1% y-o-y, falling to USD 11 Bn in Q1-2026 from USD 22.5 Bn in Q1-2025. Conversely, aggregate project awards in Kuwait jumped more than five-fold to reach USD 8.1 Bn, compared to USD 1.5 Bn in the prior-year quarter. Meanwhile, the UAE saw contract awards decline by 18.5% y-o-y in Q1-2026, reaching USD 29.2 Bn, down from USD 35.8 Bn. Looking forward, GCC project activity is anticipated to witness sluggish momentum in 2026, weighed down by the destabilizing repercussions of the US-Iran conflict for the region as well as for the global economy. In its latest Regional Economic Outlook report, the IMF has revised down its projected GDP growth for the global economy by 230 basis points to 2.0% for 2026, and by 260 basis points for the MENA real GDP to 1.1%. In context, the IMF downgraded all real GDP projections for GCC countries with Qatar witnessing the highest downgrade in 2026. The apparently expected economic growth slowdown for the MENA and GCC countries is expected to have an adverse impact on the funding of contract awards during the year. On the other hand, economic activity for 2027 is expected to witness moderate growth during the upcoming year, and hence a bounce-back in contract awards is projected for 2027.

Value of GCC Contract Awards (USD Mn) by Country - Q1-2026 Vs Q1-2025



Value of GCC Contract Awards (USD Mn) by Industry - Q1-2026



Sources : MEED Projects, Kamco Invest Research

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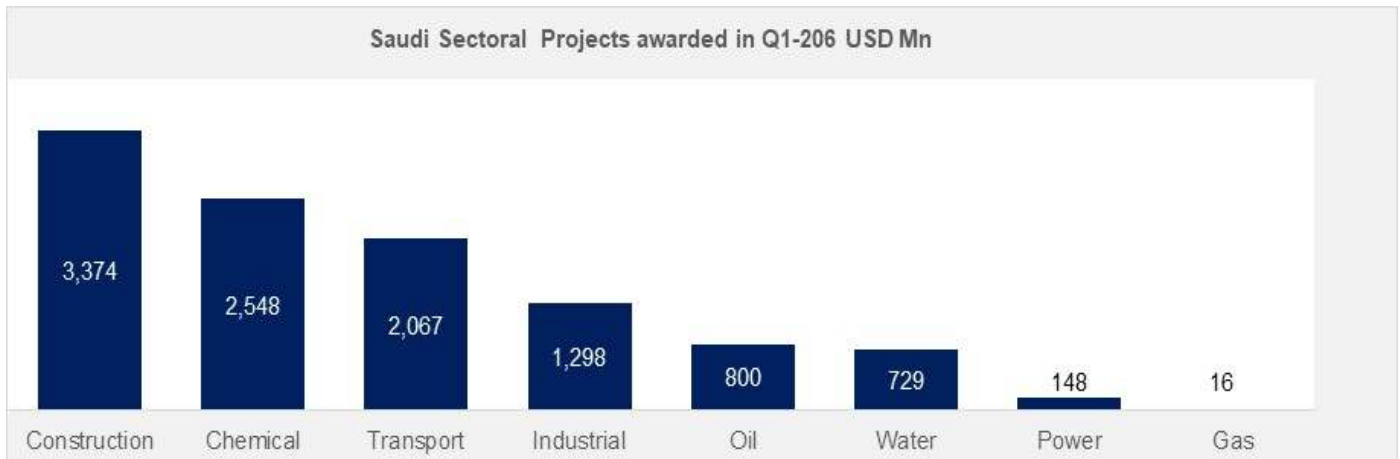
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Saudi Arabia

The total value of contracts awarded in Saudi Arabia during Q1-2026 reached the second-lowest level recorded over the preceding twenty-one quarters, amounting to USD 11 Bn. This figure represents a substantial decline when compared to the USD 22.5 Bn awarded in Q1-2025. Contract awards declined across four of the eight sectors within the Kingdom's projects market during the quarter. This broad-based downturn was led by the Construction sector, which recorded a 64.4% drop in contract awards to reach USD 3.4 Bn, compared to USD 9.5 Bn in Q1-2025, followed by the Water sector, which went from USD 5.1 Bn in projects awarded during Q1-2025 to USD 729 million in contracts awarded in Q1-2026.



Sources : MEED Projects, Kamco Invest Research

Similarly, the Gas and Power sectors recorded significant drops in contracts awarded during the quarter, recording USD 16 million and USD 148 million in contracts awarded, respectively. On the other hand, the Kingdom's Chemical sector reported the largest absolute increase in contract awards during the quarter, changing from zero contracts awarded in Q1-2025 to USD 2.5 Bn in project awards in Q1-2026. Meanwhile, only around USD 800 million worth of projects were awarded in the Kingdom's ever-important Oil sector during the quarter, according to data collected by MEED Projects.

The fall in Saudi Arabia's contract awards during Q1-2026 follows a slowdown in project awards in 2025, which was mainly attributed to reduced activity in Saudi mega-project awards during that year. This quarter's slowdown witnessed an additional drag added by the ongoing disruption and instability in the region due to the USA-Iran war. Overall, there is USD 735.1 Bn worth of projects under execution in the Kingdom, making it the largest project market in the MENA region. Furthermore, the valuation of the upcoming pipeline projects in the Saudi market reaches USD 999.3 Bn as of April-2026, of which 38% is earmarked for the Construction sector, 20% is marked for the Power sector, and 17% is locked in for the Transport sector.

Some of the major and notable contracts awarded in the Kingdom during Q1-2026 include the USD 850 million contract that Saudi Arabia's King Salman Park Foundation signed with a consortium led by Retail Urban Development Company. The contract entails the development of an integrated urban district comprising more than 600 residential units, 140 hotel keys, 50,000 square meters of Grade A office space, and several retail and food and beverage offerings. Another major project awarded in the Kingdom during the quarter is the USD 500 million project awarded by ARAMCO to Italian contractor Saipem for the engineering, procurement, construction, and installation (EPCI) of structures at the Safaniya offshore oil and gas field development.

UAE

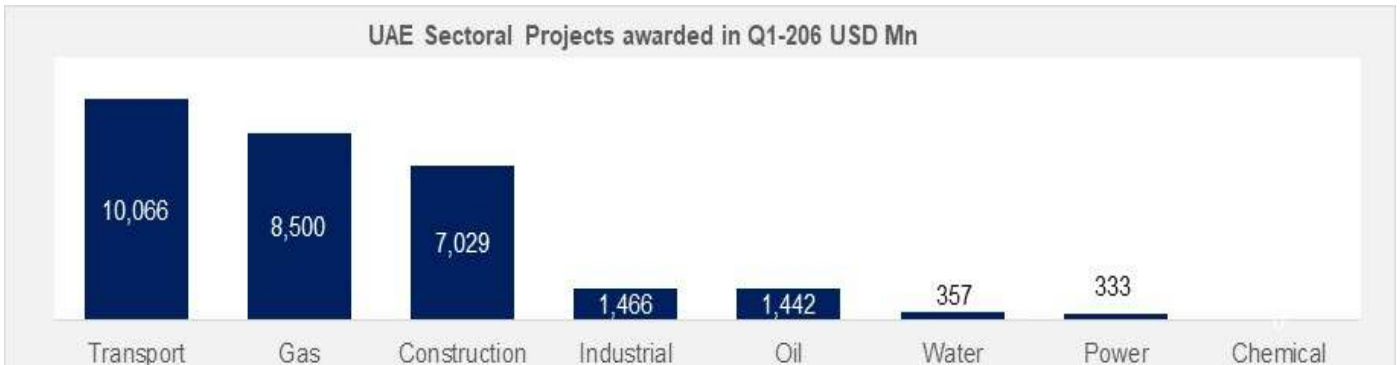
The total value of projects awarded in the UAE declined by 18.5% y-o-y (about USD 6.6 Bn) to reach USD 29.2 Bn in Q1-2026, compared to USD 35.8 Bn in Q1-2025, according to data collected by MEED Projects. The fall in the value of contract awards was underpinned by a broad-based decline in y-o-y project awards for six out of the eight sectors during the quarter, led by the Power sector, which recorded a 95.8% y-o-y (USD 7.6 Bn) fall in contracts awarded to reach USD 333.0 million against USD 8.0 Bn in Q1-2025. The Emirates' projects market once again overtook Saudi Arabia as the biggest projects market in the GCC during Q1-2026, despite a decline in its share of total GCC projects from 52.9% in Q1-2025 to 47.7% in Q1-2026. In context, despite the dip in the overall aggregate of quarterly project awards, there has been robust gains in two sectors namely the Gas and Transport sectors for projects awarded in the UAE during the quarter. Overall, the Emirates' projects market has recently been positive and is currently undergoing robust expansion.

According to MEED Projects, there are currently nearly USD 550 Bn worth of projects in the pipeline (upcoming) in the Emirates, of which 57.1% are marked for the Construction sector, followed by 11.5% which are earmarked for the Transport sector. Publicly funded modernizing projects are fueling this strong project growth, such as the expansion of Etihad Rail's passenger network across the emirate starting in 2026, with a direct Abu Dhabi-to-Dubai journey projected to take roughly 50 minutes.

In terms of sectoral performance during the quarter, the Transport sector comprised the largest share of new project awards in the UAE, representing 34.4% of total projects in the UAE during Q1-2026, reaching USD 10.1 Bn compared to USD 3.0 Bn awarded in Q1-2025.

The Gas sector reported the second-largest aggregate value of contracts awarded in the UAE during Q1-2026, reaching USD 8.5 Bn compared to USD 2.9 Bn in Q1-2025. In the UAE's Construction sector, Q1-2026 aggregate contracts awarded dropped 39.9% y-o-y to reach USD 7.0 Bn, compared to USD 11.7 Bn in Q1-2025. Dubai's property market remains a primary driver and has recently been shifting from rapid gains to stable growth.

Some of the notable projects awarded in the UAE during Q1-2026 include the USD 544 million contract from Dubai South Properties to deliver multiple phases of Hayat by Dubai South, a master-planned community spanning 10 million square feet (sq



Sources : MEED Projects, Kamco Invest Research

ft), awarded to Kuwaiti contractor Mohammed Abdulmohsin Al-Kharafi & Sons. The project is expected to cover around 2,500 residential units, including townhouses, semi-detached and standalone villas, mansions, apartments, and hotel apartments, with one- to five-bedroom layouts. Another significant contract awarded during the quarter was the USD 545 million contract to develop over 2,210 residential units at its Aljada community in Sharjah.

Kuwait

The total value of yearly projects awarded in Kuwait during Q1-2026 reached the highest quarterly level in over 21 quarters (since Q1-2021), rising to USD 8.1 Bn against USD 1.5 Bn in Q1-2025. Kuwait witnessed a 5.5 times y-o-y gain in the value of contracts awarded during Q1-2026, representing the largest y-o-y percentage growth in aggregate contracts awarded among the GCC countries for the year.



Sources : MEED Projects, Kamco Invest Research

Projects that are in line with the economic diversification agenda of the Kuwaiti government, which falls under the broader Kuwait Vision 2035 strategy, served as the foundation for the overall growth of contracts within the country over the course of the year. Beyond these diversification efforts, Kuwait also continued to push forward with various initiatives aimed at modernizing its essential foundational sectors, such as the Energy sector (specifically Oil and Gas). Kuwait's Water sector received over 45% (USD 3.7 Bn) of the total value of projects awarded in the country during the quarter.

This was followed by the Construction Sector with USD 2.6 Bn and the Oil sector, which witnessed over a 36-fold jump y-o-y in contract awards, reaching USD 1.5 Bn in Q1-2026 compared to USD 41 million in Q1-2025. Currently, according to MEED Projects, there are over USD 128.8 Bn worth of contracts in the pipeline for Kuwait. Of these, 34.4% are in the Study stage, followed by 29.6% in the Design stage, while 11.5% are in the Bid Evaluation stage.

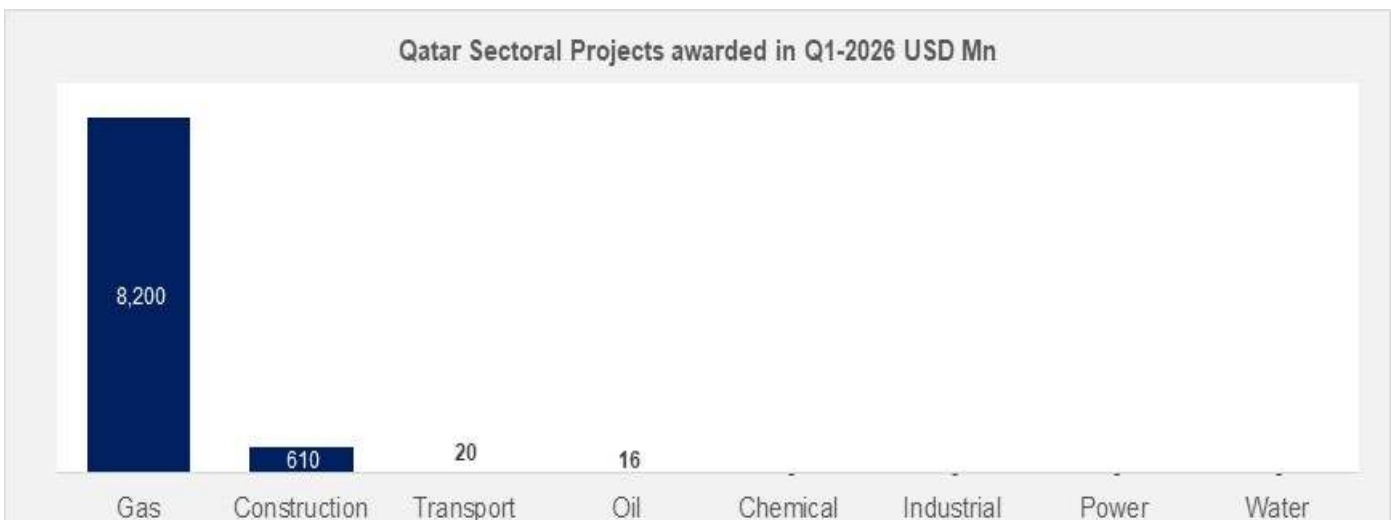
In terms of upcoming contracts, the Construction sector (28.4%) and the Power sector (27.7%) represent the lion's share of projects in the pipeline. One of the major projects in the country that has been awarded during the quarter is the North Kabd Sewage Treatment Plant Upgrade, with a budget of USD 3.2 Bn. The project is expected to process up to 1 million cubic meters of wastewater a day, using advanced technologies. Major works of the project include design, construction, operation, and maintenance over a ten-year period. Key components of the project also include the upgrade of the existing treatment plant as well as the construction of two sewage treatment units. Another major contract awarded during Q1-2026 is the USD 320 million contract to construct crude oil pipelines and associated works in South Kuwait, including the procurement and supply of construction materials as well as the construction of flowlines for producer, injector, and disposal wells.



Sources : MEED Projects, Kamco Invest Research

Qatar

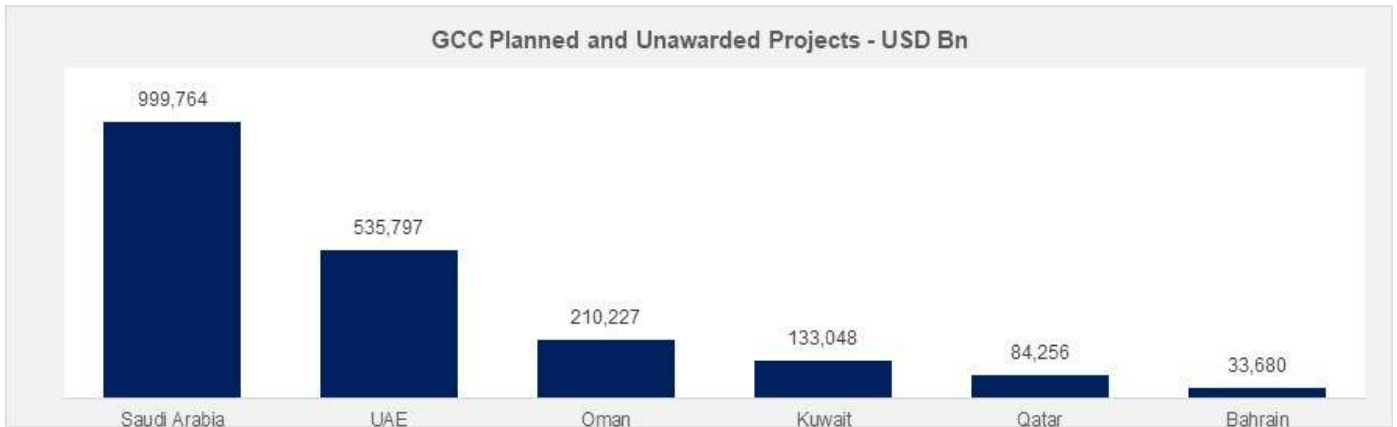
The total value of contracts awarded in Qatar registered a strong y-o-y increase of 62.1%, attaining USD 8.8 Bn in Q1-2026 against USD 5.5 Bn in Q1-2025, as per data from MEED Projects. This expansion in contract awards was principally driven by a substantial surge in the value of projects within Qatar's Gas sector, which recorded a nearly two-fold increase to reach USD 8.2 Bn in Q1-2026, up from USD 4.3 Bn in Q1-2025. The Gas sector constituted over 93% of the total contracts awarded in the country during the quarter, which was mainly due to the recent USD 8 Bn investment that Qatar has committed to building two new LNG processing trains with a total capacity of 16 million tonnes per year. On the other hand, total contracts awarded in Qatar's Construction sector dipped 2.2% y-o-y to reach USD 610 million, compared to USD 624 million in Q1-2025.



Sources : MEED Projects, Kamco Invest Research

GCC Projects Market Outlook

The war in the GCC region is expected to thwart the strong outlook for the GCC projects market in 2026. So far, three countries (Kuwait, Qatar, and Bahrain) have declared force majeure in several of their energy production and export infrastructure, while some other remaining countries in the region have reduced their production. This significant disruption is expected to dent the GCC countries' ability to fund projects during the year. However, according to data gathered by MEED Projects, there are currently USD 2.0 trillion in upcoming projects in the GCC, of which Saudi Arabia has nearly 50%, followed by the UAE with 27.5% of the upcoming projects in the region. In terms of a sectoral view of the GCC projects' outlook, the GCC Construction sector is poised to receive the lion's share of the upcoming projects (39.7%), followed by the Transport sector at 16.3%, and the Power sector, which is expected to receive 15.7%. The majority of the GCC's upcoming projects are currently in the Design stage, representing a total value of USD 841.5 Bn worth of projects. This is followed by the Study stage, which accounts for USD 554.1 Bn worth of projects, and then the Bid Evaluation stage, which encompasses USD 220.4 Bn worth of projects .



Sources : MEED Projects, Kamco Invest Research

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