

## A multi-billion dollar question

By Aritra Gupta, Head of Research and Analysis, BNC

**Aritra Gupta, Head of Research and Analysis, of our Associate Member BNC provides insights to the question: when will the market recover, and to what degree. As perhaps the most advanced construction database and intelligence service for projects in the region, covering urban construction, oil & gas, transportation, utilities and industrial sectors, BNC gives an update on latest market figures compared to the previous year.**

From the initial phase of imposing lockdowns across the globe to the current turmoil that governments are facing whether to or not to re-impose restrictions, the one question that is driving sentiment and business decision is:

**“When will the market recover and what will be the degree of recovery?”**

There is no definitive answer to this question, but here are a few statistics that may help you arrive at an educated conclusion.

### A quick insight of the GCC construction industry in 2020 to date

The GCC construction industry has been cautious in 2020 regarding new project announcements following a volatile and uncertain market and has contracted in terms of project awards as compared to the past year due to cashflow issues inflicted by the ongoing financial crisis coupled with a massive slump in oil prices in the initial half of the year due to the price war between Saudi Arabia and Russia and a falling demand of oil across the globe. However, the GCC countries were focused in driving the projects which are already under execution to completion and have fared better than the previous year in terms of the total value of completions in the first three quarters of the year.

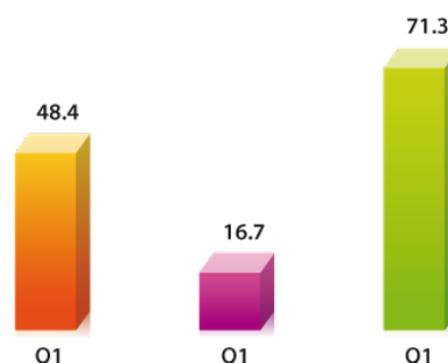
### Comparison with 2019

GCC construction was impacted but was not stopped by the current mayhem in 2020. Project completions sky-rocketed in 2020 and recorded 136,4bn USD in completions till Q3, compared to 129bn USD worth of completions in 2019 for the same period, registering an increase of 6%.

New projects worth 52,4bn USD were announced in the first three quarters of 2020, a 65% decrease as compared to the same period last year, while projects worth 81,1bn USD were awarded in 2020 till Q3, a 35% contraction as compared to the total value of awards in the first three quarters in 2019.

Continued major project announcements and early-stage work supports the findings of a recent survey conducted by Industry Networks with stakeholders from different segments of construction. The survey revealed that 52% of the respondents believe that the market will recover by H2 2021 while 25% believe that the market will make a comeback by early 2022.

Project Completions (USD Billion)



As you debate an answer to the multi-billion Dollar question on a construction market recovery, we hope that these market statistics and sentiment surveys help with your decision-making process.

## About Industry Networks and BNC

Industry Networks offers the construction industry state-of-the-art sales automation systems deeply integrated with constantly updated project information.

BNC intelligence, our project intelligence service, is the largest construction database in the MEA region, with 28.500+ live construction projects estimated at 11,1t USD (40,8t AED). The BNC intelligence database spans the urban construction, oil & gas, transportation, utilities, and industrial sectors.

BNC intelligence is used by thousands of business leaders and construction industry professionals every day, to track developments, gain insight on projects, and do business in the MEA construction industry.