

# Saudi transport to build on 2021 growth

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Saudi Arabia's transportation projects market has been buoyed in 2021 as the kingdom pursues an SR550bn (\$147bn) [National Transport and Logistics strategy](#) to support its so-called gigaprojects, new industries such as entertainment, and existing infrastructure and masterplans.

Project plans have simultaneously progressed in the ports, rail and roads sectors since the start of this year as the kingdom implements measures to upgrade and modernise its transport sector.

Contracts worth \$1.3bn were awarded for 26 ongoing transport projects between January and July, according to data by regional projects tracker [MEED Projects](#).

The largest of these is Royal Commission for Riyadh City's (RCRC)

contract worth SR1.4bn (\$373m) awarded [in April](#) to a joint venture of the local El-Seif Contracting and Lebanon's Consolidated Contractors Company for the construction of roads, bridges and tunnels at King Salman Park.

Greek contractor Archirodon was also awarded work this June for the construction of a 1.2 kilometre (km) Shurairah permanent bridge at The Red Sea Development Company's project in Tabuk. In the same month, the Beijing-headquartered China Railway Construction Corporation was selected to deliver the adits and portals for infrastructure serving The Line at Neom.

Further road construction awards are likely as RCRC evaluates bids for a 60km package covering the Derab, Jeddah and King Fahd roads as part of the Green Riyadh project. Prices were submitted [in May](#) for the tender.

Saudi Arabia also plans to award by October the contract to construct 600km of roads for the King Salman Energy Park (Spark) project in the Eastern Province. China Construction Communications Company is among the frontrunners to win the contract to build the network, as [MEED reported last month](#).

## **Port and rail projects**

Spark is also set to receive a dry port in the future, with contractors pricing an infrastructure and a maintenance building tender each for the planned project this June. The local Al-Rashid Trading and Contracting, Shibh al-Jazira Contracting and Thabatco, and at least three Chinese companies, are understood to have been among [the bidders](#).

Future maritime work will likely emerge in the medium term as Saudi Ports Authority and the National Centre for Privatisation and PPP

(NCP) look to [privatise commercial and industrial ports](#) in cities such as Jazan, Jubail, Ras al-Khair and Yanbu. Investors have until 11 August to express interest for the priority concessions.

While movement in the airports sector has dimmed this year compared to 2020 – when awards were confirmed for work at the Red Sea project’s and Amaala’s airports – rail projects have noted progress.

SAUDI ARABIA TRANSPORT CONTRACT AWARDS IN 2021			
Project	Client	Value (\$m)	Completion
King Salman Park infrastructure works	RCRC	373	2025
The Red Sea Project: phase 1 - Shurairah Permanent Bridge	The Red Sea Development Company	160	2024
Neom: Sindalah Island roads & infrastructure works - package 1	Neom	160	2026
Construction & refurbishment of quay walls & livestock terminal	Mawani	100	2025
Railroad flood prevention facility in Al-Jouf	Saudi Railway Company	64	2023

Source: MEED Projects; as of 3 August 2021

A contractor was confirmed [in February](#) for a package linked to the North-South Railway line, and in the [same month](#), Saudi Railway Company completed its merger with Saudi Railways Organisation, which was abolished in line with a cabinet decision from 2019.

Crown Prince Mohammed bin Salman also [confirmed](#) plans for the flagship 1,300km Saudi Landbridge, a long-awaited project that will have a capacity of more than 3 million passengers and 50 million tonnes of cargo a year.

MEED reported last year that Saudi China Landbridge Consortium,

the team developing the planned \$10.6bn rail scheme, had presented the findings of a [feasibility study](#) it conducted on the project to the Transport General Authority in October, and according to MEED Projects, the main contract tender could be issued by the end of 2021.

## **Legislative support**

The crown prince reaffirmed plans for Saudi Landbridge as he launched the National Transport and Logistics strategy in June, when the transport ministry was also renamed as Transport and Logistics Services Ministry.

The \$147bn strategy's goals include increasing the future length of railways to an estimated 8,080km; raising the number of international destinations served by the country to more than 250; and doubling cargo capacity to 4.5 million tonnes.

The crown prince said the strategy will help to advance "technical capabilities and human capital in the transport and logistics sectors, and [reiterate Saudi Arabia's] strategic position at the heart of three continents [...] by creating advanced logistical industries, ensuring high quality services and applying competitive business models".

As a [wide-ranging programme](#) that will support both planned gigaprojects and existing masterplans such as King Abdullah Financial District, it is hoped the strategy will catalyse investor interest in Saudi transport projects.

Paul Arnold, managing director of Sovereign Saudi Arabia – a part of Gibraltar-based corporate services company Sovereign Group – says investors are keen to participate in such infrastructure-building activities.

"We are already supporting clients from three continents with their market-entry and delivery plans for key Saudi sectors, including aviation, maritime and rail transportation," Arnold tells MEED.

"Considering the rate of enquiries and feedback received from new and existing clients to date, the desire for businesses to be involved in the kingdom's major transportation projects is measurable."

Sovereign is part of the Sovereign AEI partnership, which includes local consulting firm Arabian Enterprise Incubators. Arnold says the team finds there are now more international companies keen to help Saudi Arabia solve critical transportation problems and participate in collaboration opportunities such as those offered by NCP.

The priority for Saudi construction now will be to upskill its talent pool, he adds: "Whilst international businesses continue to hire expatriate engineers from both within and outside the kingdom, they must continue to provide fair employment opportunities to nationals as they are mandated to."

*Lead image: Jad el-Mourad / Pexels*