

Construction activity picks up pace

• Total value of building in the UAE valued at \$805 billion this year, an increase of 3.2 per cent from last year

By M. SEN
Special to GN Focus

The UAE's construction market has had a remarkable year, according to reports released ahead of the Big 5 show this week. Building activity has picked up substantially, with a 16 per cent increase in the number of active projects over 2016. Factors contributing to this growth include work ahead of the Expo 2020 Dubai and the smart city project, as well as wide-scale infrastructure.

According to data from the SNC Network, the UAE had 10,002 active construction projects valued \$776.9 billion (Dh2.85 trillion) in September 2016. One year later, this number is 11,636, or a total value of \$805 billion – a jump of 3.62 per cent.

The data chimes with a wider uptick in the GCC's construction sector, which has risen 30 per cent in 2017 to date, according to a new study by Mena Research Partners. Overall, the GCC's active projects total \$2.5 trillion – or 160 per cent of the region's GDP.

The sector spells opportunities for players from all over the world. BNC estimates that construction materials and products imported into the UAE totalled \$13 billion in 2016, with China, Germany, the US and Italy being the top four markets. China alone had 30 per cent

of market share, or \$3.9 billion. The demand comes largely from mega projects and the race to build smart cities.

Dubai, for example, wants to be a leading smart city by 2021, with \$8 billion going into infrastructure to support smart initiatives and services.

Ahead of Expo 2020, transport remains a major priority. The sector is driving an estimated \$14.9 billion worth in projects at the initial stages of construction – or 47 per cent of all active transport project values in the city, BNC says. Dubai has 20 active rail projects across metro and subway lines, monorails, railways and tram systems, while 20 marine projects constitute 13 per cent of all transport investments. Meanwhile, nine aviation projects and 136 road projects are together valued at \$3.9 billion.

In terms of market breakup, hospitality, retail and leisure are major diversification routes for the GCC. Governments are launching hospitality and leisure projects and mega developments such as the Hospitality District in Dubai's Mall of the World. The GCC has some 2,000 hospitality and leisure projects, valued at \$200 billion.

The UAE also sits atop the pyramid for commercial and retail projects, dominating the top ten projects in the GCC in both estimated value and number of projects.



4,332

Number of projects currently active in Dubai, the majority of which are concentrated in the urban construction sector. They comprise various types such as residential and commercial buildings, hospitals and hotels.

CONSTRUCTION IN THE UAE HOSPITALITY AND LEISURE MARKET



800

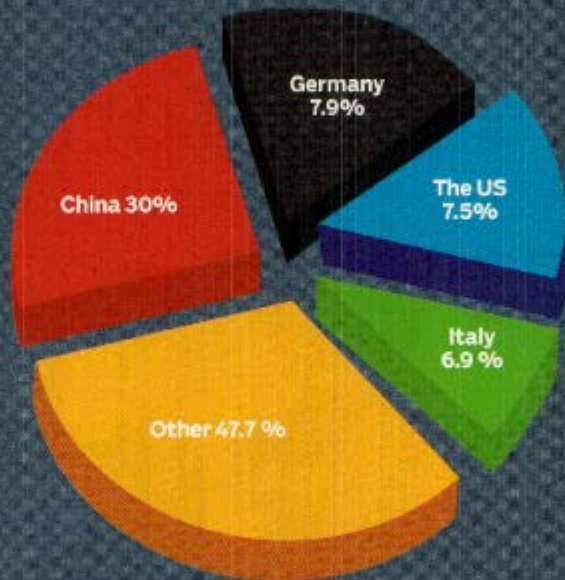
Hospitality and leisure projects that the UAE have a combined estimated value of nearly \$100 billion.



\$100m

The worth of a total of 180 hospitality and leisure projects, which are scheduled for completion in the next five years. Of the 180 active projects, around 31% are expected to finish in 2018 and 40% in 2019.

CONSTRUCTION IMPORTS BY COUNTRY



ACTIVE PROJECTS IN THE UAE



10,002

Number of active projects as of September 2016.



\$776.9 billion

Value of active projects in September 2016.



11,636

Number of active projects in September 2017.



\$805 billion

Value of active projects in September 2017.



UAE'S TOP 10 BILLION-DOLLAR PROJECTS

- The Villages**
Dubai South (\$6.8 billion)
- Firdous Sobha**
Umm Al Quwain (\$6.8 billion)
- Aljada**
Residential City
University City
Sharjah (\$6.5 billion)
- Jebel Ali Gardens**
Dubai (\$2 billion)
- Deira Islands Mall**
Deira Island (\$1.8 billion)
- Dubai Eiffel Tower**
Falcon City of Wonders (\$1.5 billion)
- Royal Atlantis: Resort and Residences**
Dubai (\$1.4 billion)
- Mina Al Arab**
Ras Al Khaimah (\$1.3 billion)
- Middle East Museum of Modern Art**
Cultural Village (\$1.3 billion)
- Entisar Tower**
Dubai (\$1.1 billion)

Italy brings its Expo expertise to Big 5

Over 300 firms are exhibiting at the show

Some of Italy's biggest companies will be at The Big 5 in Dubai this week. Over 300 exhibitors at the show represent the spectrum of products and services associated with the construction value chain – from hardware tools, pumps and valves, windows, doors and facades, floor materials, HVAC systems, sanitary equipment, handles and pipes to plumbing accessories, interior decoration, construction equipment, building materials and accessories.

"The best examples of Italian high-quality sources of supply for which the European nation enjoys relevant comparative advantages in the international marketplace are available at this year's show," says Gianpaolo Bruno, Italian Trade Commissioner to the UAE, Oman and Pakistan. "Italian companies would like to take part in the economic development and diversification process the UAE and other Gulf states are undertaking, driven by infrastructure and construction works. They would like to be considered strategic partners of any business endeavours focused on excellence, quality and innovation," he adds.

Companies from Italy are busy on several major UAE projects, Bruno says. "A major Italian contractor, Salini Impregilo, recently signed a \$435-million (Dh1.59 billion) contract with Meydan Group to build the Meydan One Mall in Dubai. The project is part of the UAE and Dubai's showcase to visitors in preparation for Expo 2020.

"Besides this project, Italian companies are eager to



Gianpaolo Bruno
Italian Trade Commissioner to the UAE,
Oman and Pakistan

participate in other opportunities linked to construction works for Expo 2020 as they have a long-standing experience for these major events, having contributed, among others, to Expo 2015 in Milan and Expo 2017 in Astana."

The companies can be found around the different halls of The Big 5, grouped by specialisation. "The easiest thing to do for any visitor is to come to the Italian Trade Agency's Stand number 60271 in Hall 6 and our staff will be more than happy to usher them to their stands and to organise business meetings with their representatives."

As the specialised promotional agency of the Italian government, Italian Trade Agency provides information on business opportunities in the market, identifies and selects appropriate business partners to deal with, while organising business meetings or seminars in order to introduce new companies to the region's markets. "We also coordinate the participation of Italian firms in major promotional platforms and we deploy promotional campaigns to affirm the quality and excellence of Made in Italy products and services," he adds. ■

2,500+ exhibitors to take part in The Big 5

il Industries, NAFFCO, Kludi Rak, Danube, Gulf Extrusion, Emirates Steel, Hassan Abul, Finpower, SABIC and Arabian Extrusions Factory.

Besides, key decision-makers will also share their outlook for the industry in the UAE and the region through the Big 5 Talks, a series of conferences and talk shows hosting key industry spokespersons and consultants (see box for more on conferences at the show).

COUNTRIES ON SHOW

The US

Gearing up to host 51 American companies, the sectors most represented at the US pavilion include building envelope and special construction, building interiors and finishes and mechanical electrical and plumbing MEP services.

France

The French contingent this year features 26 firms. Hosted by Business France, the agency supporting the development of the economy, the firms will be organised under three pavilions.

Brazil

The Arab Brazilian Chamber of Commerce hosts a stand featuring five companies: Sanitaryware maker Deca, ceramics maker Angelgress, gates manufacturer PPA, pipes and fittings maker Tigre and construction equipment manufacturer Scanmetal.

— S.P.

What's new?

Constant expansion to include new trends has been a show highlight at The Big 5 in past editions and the same holds true for this year.

The new HVAC-R Hall addresses the rising demand for innovations in the heating, ventilation and air conditioning sector – spend on HVAC applications in Dubai was worth around \$1.5 billion in 2016 and growing, reports the BNC Network – with government initiatives such as the UAE Vision 2021, Dubai's 2021 Smart City Plan, and new green building specifications and energy-efficient cooling tech helping the sector to gather pace. The HVAC-R Hall will host global sector players while the MEP Talks will focus an entire day on HVAC-related topics on November 28, covering everything from the present and future of regional cooling and air-conditioning solutions to providing insight into the world's most efficient HVAC systems, and case studies on Net Zero and Near Net Zero Energy Buildings.

The show also hosts its first Innovation in Precast Summit, on November 26 and 27 (see Conferences box).

Spotlight on sustainability

According to a report published by consultants BMI Research earlier this year, solar power would account for up to 8 per cent of the total energy needs of the UAE by 2026. And with 20 per cent of visitors at The Big 5 2016 expressing an interest in solar technology, the current edition will for the first time be co-located with The Big 5 Solar,

providing a platform for industry professionals to network and do business in the Middle East, while highlighting the escalating green demands in the GCC market by showcasing solar technologies from local and international exhibitors.

The event features 12 Solar Talks on case studies, new technologies, innovation, finance models and trends in the solar industry, and the third edition of the Global Solar Leader's Summit, opened by Undersecretary of the Ministry of Energy, Dr Matar Al Neyadi. Other keynote speakers include Dr Rashid Al Leem, Chairman of Sharjah Electricity and Water Authority, Dr Nasser Saidi,

Chairman of the Clean Energy Business Council, Dr Khaled Aldestawy is a First Undersecretary of Minister's Office Affairs Sector at Ministry of Electricity and Renewable Energy (Egypt), Ali Mohammad Al Jassim, CEO of Etihad ESCO, and Browning Rockwell, Founding and Executive Director of SA SIA & Solar GCC Alliance.

Events such as The Big 5 highlight the nation's commitment towards a sustainable future across sectors. "The upcoming edition of the event will mark a turning point in the construction industry, setting the way to build better, more efficiently, and develop smart, sustainable cities," says Heijmans. ■

THE CONFERENCES

A host of conferences and talk shows will anchor the four-day event with the Excellence in Construction Summit setting the tone as Bilal G. Gresta, Chairman and Co-founder of Hyperloop Transportation Technologies, unveils the future of Hyperloop on November 26. "It's coming and it's real. We are working on eight projects around

the world including the one in the UAE," confirms Gresta. Other speakers include Dr Ahmad Bin Hassan Al Shalikh, Chairman of Ducab HV, and Ahmad Al Khatib, Vice-President of Real Estate for Expo 2020 Dubai. The Big 5 also features its first Innovation in Precast Summit on November 26 and 27.

— S.P.



Hyperloop will cut down commuting times drastically