

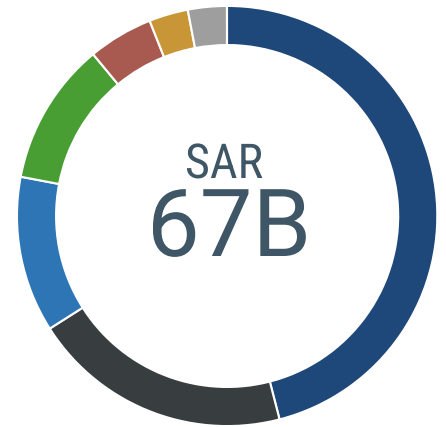
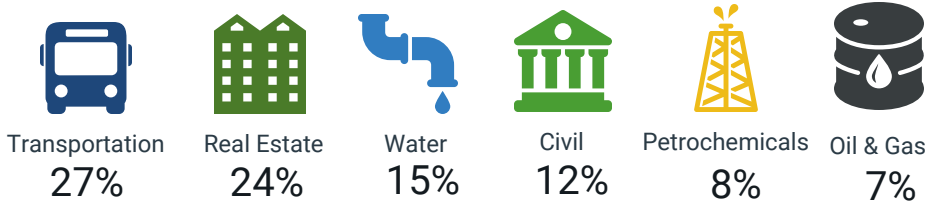
USSBC Contract Awards Index: First Quarter of 2023 Review of Construction Contract Awards in Saudi Arabia



U.S.-Saudi Business Council
مجلس الأعمال السعودي الأمريكي

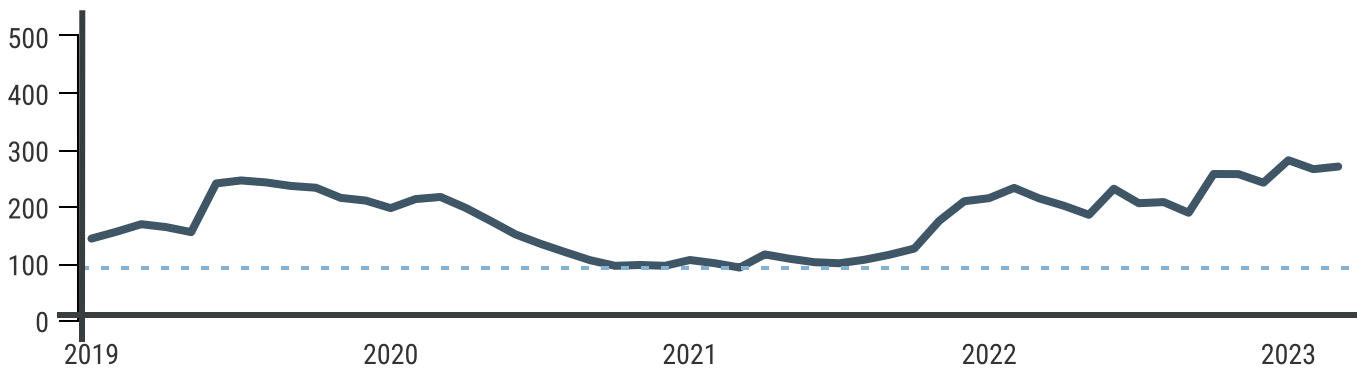
The USSBC Contract Awards Index (CAI) is an original report created by the U.S.-Saudi Business Council's economist. This report provides a sense of direction on construction activities that will transfer to the execution phase over the next 6 to 18 months. It encompasses construction related contract awards across all sectors within Saudi Arabia. The USSBC CAI is intended to be used as a forward looking indicator to gauge the health of construction activities. The CAI is calculated using a 12-month exponential moving average. This calculation allows for data smoothing while reducing the effects of outliers within the observation period. In general, a CAI reading of 100 points and above indicates an expansion while a sub-100 point reading indicates a possible contraction. Highlights from our initial Q2 2022 report are shown below. Updates are published on a quarterly basis.

Contracts Awarded by Sector



Transportation contributed the largest share of the value of awarded contracts in Q1 with 27 percent. Real Estate constituted 24 percent of the total value, followed by water at 15 percent, civil at 12 percent, petrochemicals at 8 percent, and oil & gas at 7 percent. Other categories accounted for the remaining 7 percent of the Q1 total.

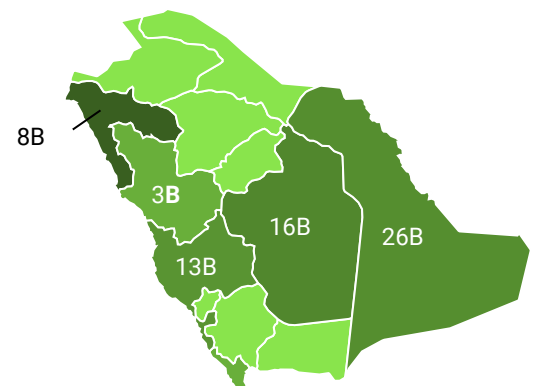
Contract Awards Index Over Time



The USSBC Contract Awards Index climbed to 270.15 points as the sector witnesses a resurgence in construction activity and elevating the CAI above the 200-point mark in two consecutive quarters.

Contract Awards By Province

The Eastern Province saw the highest value of contracts in Q1 2023, accounting for 39 percent of the total. Major transportation, petrochemicals, and real estate contracts were the primary drivers of the total. Riyadh was second with 24 percent of the total. Riyadh projects include the Riyadh Sport Boulevard development. Makkah followed with 20 percent of the Q1 total. Projects in Makkah included several real estate and transportation projects. Tabuk was the fourth largest source of contracts and constituted 12 percent of the total, including major contracts awarded by Neom with several local and international contractors. Red Sea Global awarded infrastructure and hospitality projects for the development of Amaala.



*All monetary values are in Saudi Arabian Riyals. \$1 = SAR3.75