By Simon West

PROJECTS DRIVING THE MIDDLE EAST FORWARD

In the second in our series on Middle East projects, we examine the region's continued appeal to international investors and spotlight some of the latest developments driving opportunities for breakbulk and project cargo. Opening the section, MEED's Colin Foreman assesses the GCC's resilient market while highlighting the growing challenges of project delivery.



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Petrofac clean fuels project, Kuwait.
Credit:Petrofac

GULF PROJECTS KEEP MOVING AMID REGIONAL CONFLICT

By Colin Foreman



Al Faris handles a massive stripper vessel at an industrial project in the UAE.
Credit: Al Faris

The GCC construction market has proved more resilient in 2026 than many expected. When hostilities broke out on Feb. 28, there were fears that projects would stall. Instead, almost all projects have continued as planned, and clients have kept awarding contracts.

The UAE awarded US$85.9 billion of contracts in the first nine months of the year, ahead of its pace in 2025, according to regional projects tracker MEED Projects. Saudi Arabia awarded US$68.8 billion. That is 13% lower than in the same period last year, although the kingdom's monthly awards have exceeded 2025 levels in all but two months since the conflict began.

Delivering those projects has been harder. The effective closure of the Strait of Hormuz severely disrupted supply chains into the Gulf, and contractors responded by bringing materials in through ports outside the strait.

In the UAE, cargo has been landed at Fujairah and Khor Fakkan on the east coast, and at Omani ports including Sohar and Duqm on the Arabian Sea. Saudi Arabia has used its Red Sea coastline, importing through Jeddah and the Port of Neom in the northwest of the kingdom. Security risks around the Bab el-Mandeb strait have since added a further complication, although projects are so far progressing as planned.



Colin Foreman, MEED

The outlook for 2027 is mixed. Private developers have delayed real estate launches and are likely to remain cautious. Governments have responded by accelerating infrastructure spending. Abu Dhabi is committing to rail projects, Dubai is pressing ahead with Al-Maktoum International Airport (see opposite page) and its Gold Line and Airport Express metro schemes, and Saudi Arabia is advancing King Salman International Airport and new railways.

That pipeline will be supplemented by investment to strengthen the region's logistics networks and reduce its reliance on Hormuz. MEED estimates that new rail, water and port connectivity alone could require US$30 billion to US$50 billion, alongside spending on roads and oil and gas export pipelines.

Colin Foreman is editor and a construction specialist at the Middle East Economic Digest (MEED), a business intelligence service providing companies with the latest news, data and analysis from across the Middle East and Africa.


A mock-up of the new Al Maktoum International Airport.
Credit: Mitsubishi Heavy Industries

Project: Al Maktoum International Airport Expansion
Location: Dubai, UAE
Developer/Implementing authority: Dubai Aviation City Corporation / Dubai Aviation Engineering Projects (DAEP)
Total investment: AED128 billion (about US$34.9 billion) for the new passenger terminal and associated development program.
Recent awards: More than US$3.5 billion of contracts are currently under execution. Recent awards include the Phase 1 automated people mover (APM) system to a consortium of ***Larsen & Toubro (L&T)*** and ***Mitsubishi Heavy Industries***. A roughly US$272 million contract for construction of the airport's second runway was previously awarded to Binladin Contracting Group, while enabling works were awarded to Tristar E&C.

Latest news: Construction of the first phase of the Al Maktoum International Airport expansion is progressing and is on course to begin operations in 2032. Work underway includes enabling works, runway infrastructure, more than 17,000 concrete piles, excavation of more than 45 million cubic meters and the initial structural foundations for passenger terminals and aircraft gates.

In August 2026, L&T and Mitsubishi Heavy Industries confirmed the award of a design-and-build contract for the Phase 1 APM system. The turnkey scope covers the APM system and associated infrastructure, including guideways, traction power, signaling and telecommunications, platform screen doors and depot equipment. The system will connect the airport's terminals and concourses. The overall airport plan provides for 14 APM stations.

"With challenging execution milestones, advanced technologies and multiple system interfaces including guideway, power supply, state-of-the-art telecom, platform screen doors and depot equipment, this project exemplifies the scale and complexity of integrated APM rail systems that L&T is uniquely positioned to deliver," said Ramkumar S, EVP and head of transportation infrastructure at L&T.

DAEP is preparing further major packages for award by the end of 2026, with a combined value exceeding US$15 billion. These include substructure works for the Western Passenger Terminal, the fourth aircraft concourse, baggage-handling systems, superstructure works for the Western Passenger Terminal and the first three aircraft concourses, long-span structural frameworks, southern airfield infrastructure, power generation and district cooling plants. Facade and roofing packages are also planned for award during 2026.

Project: Uthmaniyah Gas Compression Plant
Location: Uthmaniyah, Eastern Province, Saudi Arabia
Client/Owner: **Saudi Aramco**
Total investment: Undisclosed
Awards: Main EPC package awarded to SNSH, a 50:50 JV between **Saipem** and Nasser Saeed Al-Hajri Contracting Company. Saipem's share of the contract is about US$1 billion; MEED has reported the overall SNSH award at an estimated US$1.24 billion.

Latest news: The Uthmaniyah Gas Compression Plant is a major natural gas infrastructure project located at the Uthmaniyah non-associated gas field in eastern Saudi Arabia. SNSH formally began EPC work at the site in August 2026, following the award in June. The contract is scheduled to run for about 42 months.


The Wasit natural gas processing plant in Al-Jubail.
Credit: Saudi Aramco

The facility will serve the Uthmaniyah non-associated gas field, extending its productive life and supporting Saudi Arabia's growing energy requirements. It is designed to handle 882 million standard cubic feet of gas per day.

The plant forms part of a wider Saudi Aramco program to increase gas compression and processing capacity in the kingdom's Eastern Province. Aramco has also awarded the program's early site-preparation package to Al-Shalawi International Company Trading and Contracting, MEED said. As of the latest reporting available, the separate Uthmaniyah gas pipeline package had not yet been awarded.



Masdar is involved in the development of the Mohammed bin Rashid Al Maktoum Solar Park in Dubai.
Credit: Masdar

Project: Round-the-Clock (RTC) Renewable Energy Project
Location: Abu Dhabi, UAE
Developers: Masdar, Emirates Water and Electricity Company (EWEC)
Total investment: US$6.1 billion (US$1 billion Masdar equity and US$5.1 billion financing).
EPC awards: **Larsen & Toubro** and PowerChina

Latest news: The RTC Renewable Energy Project is billed as the world's first giga-scale 24/7 clean energy facility, combining a 5.2-gigawatt (GW) solar photovoltaic (PV) plant with a 19-gigawatt-hour (GWh) battery energy storage system to deliver a continuous 1.0 GW of baseload power. Operations at the landmark facility are slated to begin in 2027.

According to Mohamed Al Muharrami, associate director of project delivery at Masdar, the US$5.1 billion financing package is backed by 13 leading international and local banks, demonstrating the strong confidence in the project's commercial fundamentals and Masdar's execution capabilities. Financial close was achieved in July 2026.

Masdar announced in January 2025 that Larsen & Toubro (L&T) and PowerChina were preferred EPC contractors, with letters of award signed for both. Earlier this year, PowerChina disclosed a US$1.9 billion EPC contract for its portion of the project; the value of L&T's contract has not been disclosed.

"Integrating a 5.2-GW solar PV plant with a 19-GWh battery energy storage system, RTC is the largest and most technologically advanced system of its kind in the world," he said. "Financial close demonstrates that large-scale renewable energy projects capable of delivering round-the-clock power have evolved from technical ambition to commercially bankable infrastructure."

The project, which broke ground in October 2025, will integrate utility-scale solar generation with battery storage capable of shifting and supplying electricity when solar power is unavailable. This configuration is intended to support rising electricity demand from data centers, AI, advanced manufacturing and wider economic growth.

Project: Al-Muwaqqar Industrial City Natural Gas Supply Project
Location: Al-Muwaqqar, south of Amman, Jordan
Client: Jordan Ministry of Energy and Mineral Resources
Financing: Abu Dhabi Fund for Development (ADFD), as part of a US$70 million program supporting natural gas supply projects for the Al-Muwaqqar and Al-Rawdah industrial cities. The US$70 million applies to the two projects combined, not solely to Al-Muwaqqar.

EPC award: Contract awarded to a consortium comprising Egypt's Petrojet and Jordanian contractor Ahmad Yousef Al-Tarawneh and Partners.

Latest news: Petrojet has signed a US$22.7 million contract to connect Jordan's Al-Muwaqqar Industrial City, south of Amman, to the country's natural gas network. The contract was signed in August 2026. Petrojet will execute the work in a consortium with Jordan's Ahmad Yousef Al-Tarawneh and Partners.

The project covers the design, procurement, construction and installation of a 22-kilometer natural gas pipeline linking Al-Muwaqqar to the Arab Gas Pipeline. The scope also includes gas pressure reduction and metering stations, and sending and receiving facilities for pipeline inspection equipment. Construction is scheduled to be completed within 18 months.

The Al-Muwaqqar project forms part of a wider US$70 million program, supported and financed by the ADFD, to supply natural gas to two Jordanian industrial cities. The second project will supply Al-Rawdah in the Ma'an Development Zone and has been awarded separately to TAQA Arabia Group.

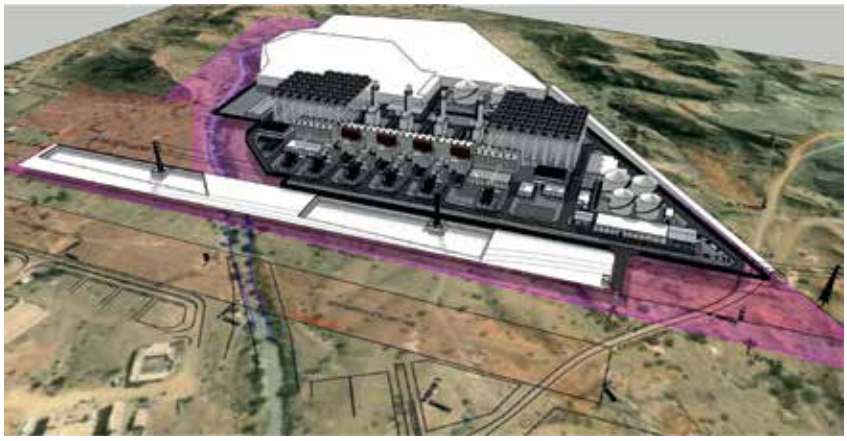
Jordan's energy ministry said the two projects are aimed at providing industrial users with an alternative energy source, reducing energy costs and strengthening the competitiveness of the country's industrial sector.



Credit: Aleksandarlittlewolf Magnific

Project: Misfah CCGT Power Plant
Location: Misfah, Muscat Governorate, Oman
Owners/Developers: Consortium formed by Nebras Power (Qatar), Emirates Utilities Development Company (UAE) and Bahwan Infrastructure Services (Oman)
Total investment: The Misfah project forms part of a joint investment program for the Misfah and Duqm CCGT plants with a combined estimated investment of about US$2.6 billion. The investment figure for Misfah alone has not been disclosed.
EPC award: JV between China's SEPCOIII and South Korea's Doosan Enerbility. **Siemens Energy** is supplying the gas turbines and long-term services.

Latest news: SEPCOIII and Doosan announced the signing of the turnkey EPC contract for the 1.7-GW Misfah combined-cycle gas turbine (CCGT) power generation plant in Oman in August 2026. The total contract amount is roughly US$693 million, according to Doosan.



A mock-up of the Misfah CCGT project in Oman. Credit: SEPCOIII

The plant will be located some 20 kilometers west of Oman's capital city Muscat, with operations scheduled to begin in April 2029. Once completed, the project will provide 1.7 GW of new gas-fired generation capacity to support electricity demand and strengthen the security and reliability of Oman's power supply.

"Our successful project execution and differentiated strategy in neighboring Middle Eastern countries such as Saudi Arabia and Qatar have led to this contract award," said Hyeonho Lee, CEO of Doosan Enerbility's Plant EPC Business Group. "We will work with our partners to build a world-class power plant and contribute to stabilizing electricity supply in Oman."



SABIC awarded the EPC contract in September to Samsung E&A. Credit: SABIC

Project: SAN-7 Fertilizer Project
Location: Jubail Industrial City, eastern Saudi Arabia
Client/Developer: SABIC Agri-Nutrients
EPC award: **Samsung E&A**
Total investment: Approximately US$3.5 billion EPC contract

Latest news: Samsung E&A signed the EPC contract for the SAN-7 project in September 2026, with completion scheduled for 2030. The facility will produce 3,500 metric tons of ammonia and 7,700 metric tons of urea per day, with all urea production destined for export. The project will incorporate a post-combustion carbon-capture system to use CO2 generated during ammonia production in the urea synthesis process.

The SAN-7 project will significantly expand SABIC Agri-Nutrients' fertilizer production capacity in Jubail and is expected to strengthen Saudi Arabia's position in the global agricultural-nutrients export market. The project represents a major expansion of conventional ammonia and urea production, while incorporating carbon-capture technology to reduce emissions intensity.

"Through this expansion project, we aim to secure reliable and sustainable supplies for our customers, maximize value for our shareholders, contribute to realizing the goals of Saudi Vision 2030, and support global food security," said Fahad Al-Battar, CEO of SABIC AN.

***Breakbulk Global Shipper Program participant**