

## FEATURE ARTICLE

# The World's Largest Construction Site

Saudi Arabia's giga-project boom has made it the planet's busiest builder — and its private contractors the ones turning \$1.5 trillion of plans into concrete.

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Saudi Arabia's accelerated push toward industrialization has transformed the nation into a global epicenter of construction activity, positioning it as the world's largest construction site. Spearheaded by giga-projects such as NEOM, the Red Sea and the King Abdullah Financial District, construction is now the second-largest contributor to the non-oil economy, with an output value of \$141.5 billion.

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RASHID SAAD AL-RASHID · CHAIRMAN, RTCC

According to JLL, the nation now leads the world in construction with \$1.5 trillion of unawarded projects as of Q1 2024. "Vision 2030 is not just a destination, but an ambitious and ongoing journey," said Rashid Saad Al-Rashid, chairman of Al-Rashid Trading and Contracting Company (RTCC).

Building the construction capital of the world has rested on a long-standing focus on technology. Local players are turning to 3D printing, building information modeling, IoT, AI and robotics; the smart-construction segment is expected to reach \$14.8 billion by 2027. Entities like RTCC rely on networks of local and global partners, including Saudi Aramco.

"These collaborations — spanning natural gas to water and electrical substations — are avenues for technological and knowledge transfer," said Al-Rashid. Khalid Ibrahim AlRawaf, CEO of AlRawaf Contracting, points to cooperation on projects as the impetus for technological advancement.

A second facet is sustainability. Megaprojects such as KAHD now treat green building as a driver of further investment; as of Q3 2023 the country held 1,161 certified LEED projects, and in June 2024 the Jameel Square project in Jeddah received Saudi Arabia's first LEED gold certification for a commercial building.

# The World's Largest Construction Site

Saudi Arabia's accelerated push toward industrialization has transformed the nation into a global epicenter of construction activity, positioning it as the world's largest construction site and a key player in global infrastructure development. Spearheaded by its flagship giga-projects such as the NEOM smart city, Red Sea tourism projects and the capital's King Abdullah Financial District, the construction sector is now Saudi Arabia's second-largest contributor to the national economy in the non-oil segment, with an output value of \$141.5 billion. According to UK-based real estate and consultancy company JLL, the nation now leads the world in construction projects with \$1.5 trillion worth of unawarded construction projects as of Q1 2024. The industry is considered the driving force behind the Kingdom's physical transformation under its Vision 2030 program, with local private sector champions rallying to foster job creation, embrace new innovations and promote sustainability. "The construction sector is undergoing a significant and positive transformation that is expected to continue for the next seven to 10 years," said Rashid Saad Al-Rashid, chairman of Al-Rashid Trading and Contracting Company (RTCC), one of Saudi Arabia's construction frontrunners. "Vision 2030

collaborations — spanning from natural gas projects to water and electrical substations — are not just about executing large-scale projects, they are avenues for technological and knowledge transfer," said the company's chairman. Other private sector leaders such as Khalid Ibrahim AlRawaf, CEO of AlRawaf Contracting Company, also point to cooperation on projects as the impetus for technological advancements: "Regarding emerging technologies, our information technology management team collaborates with companies on projects, thereby benefiting us as contractors in our various project capacities."

A second facet of Saudi Arabia's construction boom is a concentration on sustainability and environmental conservation alongside the private sector's shift towards transparency and good governance, including the use of green building materials and a shift towards green energy, water conservation and advanced waste management. Megaprojects such as the King Abdullah Financial District are now seeing sustainability as not only a factor in the construction of new infrastructure but also as a key attractor for further investment and international participation in completed assets. "Businesses are seeking environmentally



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Paramount to building what is now considered the construction capital of the world has been a long-standing focus on building up technological capabilities. Local construction players are rapidly turning towards the following specific technologies: 3D printing, building information modeling software, the internet of things, artificial intelligence and robotics. By 2027, the local construction and smart city technology segment is expected to grow to a value of \$14.8 billion. Entities like RTCC are relying on their strong network of local and global partners, including national oil and gas giant Saudi Aramco, to digitize its operations and help build an ultramodern construction ecosystem. "These

responsible locations to make their operations more efficient and technologically advanced," said Gautam Sashittal, CEO of King Abdullah Financial District Development and Management Company, the 2.7-square-mile real estate project's coordinator. "Our commitment to sustainability and the environment is at the heart of KAFC." Following the capital's new financial district receiving the much-sought-after Leadership in Energy and Environmental Design (LEED) platinum environmental certification in January 2021, other local developers have quickly followed suit, with 1,161 certified LEED projects in the country as of Q3 2023. In June 2024, the Jameel Square project in Jeddah received Saudi Arabia's first LEED gold certification for a commercial building.

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