

# Qatar seen leading GCC infrastructure push to 2014

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**INFRASTRUCTURE FUNDING:** Qatar is seen leading the Gulf region in terms of infrastructure despite a 22 percent contraction in its construction industry in 2009.

**Qatar is on course to lead the region in terms of infrastructure projects in the short term despite a near-22 percent slump in its construction sector last year, a news report has said.**

Business Monitor International said in its Q3 Infrastructure Report that it remained optimistic that Qatar would outperform other countries in the region to 2014.

Despite new data which revealed a big drop in its construction industry in 2009 after three years of rapid growth, BMI analysts said Qatar was still one of its top markets in the Middle East.

The Gulf state's construction sector value fell to just above \$7bn in 2009, a real contraction of 21.8 percent, BMI's report said.

: despite these figures, BMI is still optimistic that Qatar will outperform other countries in the region – in the short term, the low base effects from 2009 will drive high growth in 2010 (forecast at 17 percent wear-on-wear).

"Over the next five years, growth is expected to average 9.9 percent between 2010 and 2014."

BMI said its optimism was backed by government investment plans in which 36.9 percent of the 2010/2011 fiscal budget (\$11/9bn) has been allocated for major capital projects, with infrastructure set to count for the majority of this (\$9.7bn).

"The country's comfortable fiscal position will enable it to continue to allocate large sums to the infrastructure sector," the report added.

BMI added that large infrastructure projects include the \$9bn New Doha International Airport, the \$7bn New Doha Port Projects, the \$13bn Qatar-Bahrain Causeway, the \$17bn development of a national rail network and a handful of power and water plants, including the largest power and water plant in the region.

It also said the positive attitude of construction industry players to the Qatar market was further reason for optimism.

Saudi Binladin Group set up a joint venture with Qatari Diar Real Este Investment Company in March to target Qatari construction project while the UAE's Al Habtoor Leighton and Drake & Scull International have also been eying Qatar for growth.

"Strong project finance and infrastructure business environment ratings means the country will continue to attract private investors to its infrastructure sector," BMI added.

Government support for infrastructure projects is probably the biggest fundamental driver of growth in the sector, BMI said.