

QATAR NEWS REPORT



Qatar: Concrete Evidence

The construction sector, having avoided the full impact of the global financial crisis, is continuing to build from a position of strength.

One of the key indicators that the Qatari construction sector is still vibrant, in contrast with others in the region, is the high demand for cement, with consumption at or around the same levels as it was last year.

Even though the emirate's main cement producer, the Qatar National Cement Company, has ramped up production from 3m tonnes a year in 2008 to the present level of 4.65m tones, it still cannot meet all of domestic requirements, estimated to be between 18,000 and 19,000 tonnes a day.

According to Mohamed Ali Al Sulaiti, the general manager of the Qatar National Cement Company, Qatar's daily requirements for cement mean that around 3000 tonnes of the material has to be imported daily, to complement the 15,500 tonnes of local production per day.

"There are reports that the construction industry in many places in the region and outside has been hit because of the economic slowdown. Despite the increase in production, there is still shortage for cement in our country, which is a clear sign of Qatar's economic stability and strength," Al Sulaiti said in an interview with the

Gulf Times on July 29.

Omar Yaji, the general manager of Gulf Holding Company (GHC), another of Qatar's cement producers, supported this view.

"It is true that the construction sector is badly hit around the world due to the financial crisis. But with Qatar, the situation is different. The crisis has had no major impact on Qatar," Yaji told local media on August 8.

With demand still high, GHC is also increasing its daily output to 5000 tonnes from the current 3500 via a new facility due to start production before the end of the year.

"There are several giant real estate projects on the list. With such projects, there would be no drop at all in the local demand for cement," Yaji said.

Of all the countries in the Gulf region, only the cement companies in Qatar and Oman increased their earnings in the second quarter of 2009, according to a report issued by Kuwait's Global Investment House (GIH) in mid-August. The report also said that it expected Qatar, along with Saudi Arabia, to top any growth trend as construction recovered in the region.

If the Qatari building sector needed a boost at all, it received one in late July with the news that construction work on a \$5.5bn project to redevelop the centre of the capital Doha will begin in the fourth quarter of this year. The Heart of Doha project, being carried out by Dohaland, a subsidiary of Qatar Foundation for Education, Science and Community Development, will see an area of 35 ha redeveloped so that architecture of downtown Doha better reflects the character of the city.

Due to be completed in 2016, the five-stage, mixed-usage project foresees the construction of 226 separate buildings, along with supporting infrastructure, and should provide work to many local companies.

There are potential downsides to the ongoing construction boom, though they are probably ones many in the sector have become used to. Increasing demand for both materials and skilled workers could push prices up as varying projects vie for the products needed to carry out developments and the professionals and labourers required to turn plans into reality. This price pressure will only increase as the building sectors in other Gulf countries start to pick up, as they are predicted to do in 2010, further adding to the demand for resources in the region.

As across much of the region, there has been a fall in housing prices in Qatar, which are around 30% down so far this year, a drop that has seen the slowing in the rate of new residential projects being launched. However, any resulting slack in the building sector is being taken up by a slew of infrastructure developments that are either under way or on which work is about to start. These include ongoing work the New Doha International Airport, Qatar's largest power and desalination plant being build at Ras Laffin and the soon-to-commence Qatar-Bahrain Causeway, one of the biggest construction projects ever undertaken in the Gulf. Overall, prospects for the Qatari construction sector look good, with plenty of work on the horizon and the money available to pay for it.

Source.: Oxford Business Group 01/09/2009

Doha seeks interest in railway station construction contract

“Doha plans to build several rail lines and other transport networks over the next decade”

Qatar is preparing to tender construction work on one of the five rail networks it plans to build over the next 10 years.

The New Doha International Airport Steering Committee has invited contractors to prequalify for a contract to build a train station at the \$1bn airport that is under construction close to Doha's existing airport.

UK-based Mace International is the project manager for the scheme, which is known as the Passenger Rail Station Box. The project involves building a railway station terminal for an express airport rail line that will connect to rail and metro stations in downtown Doha and other rail networks. Sources familiar with the project say the steering committee wants to finish the station in time for the opening of the first two phases of the airport in 2013.

Doha plans to build several rail lines and other public transport networks over the next decade.

Consultants say they expect the Trade & Business Ministry will invite them to submit proposals for a national railway system in 2010. Qatari Diar Tail Estate Investment Company in partnership with Germany's Deutsche Bahn, has already developed a conceptual design for a national railway system in Qatar.

The companies multi billion dollar conceptual design has five components. It includes an east coast rail link between Ras Laffan and Mesaieed, a high-speed link from Doha to Bahrain across the Qatar-Bahrain Causeway , a freight link connecting into the planned GCC rail network, a Doha metro network, and a light rail network serving residential developments.

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