



الهيئة السعودية للمقاولين  
Saudi Contractors Authority

# COVID-19 impact on the contracting sector in Saudi Arabia

## Building resilience in a turbulent environment

May 15, 2020



# Executive summary

**Regardless of recovery speed, COVID-19 is taking a toll on Saudi economy.**

**The growth in COVID-19 cases is slowing down** but remains in double digits: 22% → 17% weekly growth in Middle East as of May 5.

**Saudi Arabia has started easing restrictions** from April 26<sup>th</sup> as cases stabilize and ahead of Ramadan.

**Preliminary projections** for KSA indicate that daily cases may peak by end of May.

**Regardless, this outbreak has major economic toll**

- Saudi GDP for the year is expected to drop by 2.3%
- Oil prices plummeted from \$60 to \$30/bbl
- Construction industry is contracting

**Saudi contracting sector faces new challenges on top of existing ones.**

**KSA is experiencing a fiscal deficit of 22% GDP** at \$30/bbl oil price and mandated a 20% cut in government spending

**20-40% reduction in 2020** project awards is expected, driven by length of lockdown

**70-80% of infection cases** are among foreign workers, to crowded living conditions

**SCA survey of 600+ Saudi contractors** revealed the most common challenges:

- **90%:** impact on cash flow
- **86%:** project delay/stoppage
- **70%:** supply chain disruption

**Saudi government** has launched multiple programs to support the contracting sector, especially SMEs

**Almost half of contractors surveyed by SCA** have been able to benefit from government support so far

**It is time to act fast and to prepare for recovery beyond the pandemic.**

**Contractors in US and China** have hit by COVID-19 acted to ensure worker safety and prepare for uncertain future.

**After pandemic,** contractors will see unstable demand with a different mix of buildings and new building requirements

**Technology adoption** is likely to accelerate – including wider use of prefabrication, drones and digital tools like BIM

**Changing requirements** will drive industry consolidation.

**Contractors must take immediate action to:**

- Protect the workforce,
- Manage cash & liquidity
- Risk-proof supply chains
- Revise contracts

**Beyond “firefighting” response,** downtime should be used to build resilience and prepare for recovery.

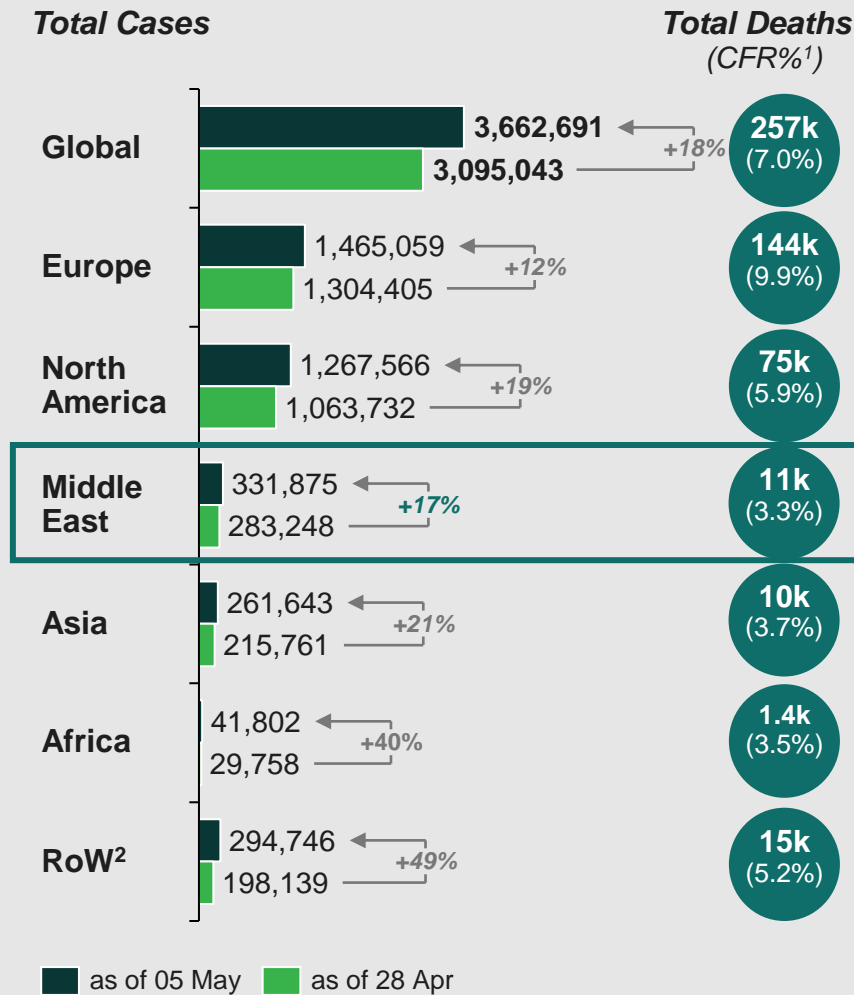
- 1. COVID-19 facts and economic impact**
- 2. The challenges for Saudi contractors**
- 3. Building resilience through the crisis**

# COVID-19 facts and economic impact

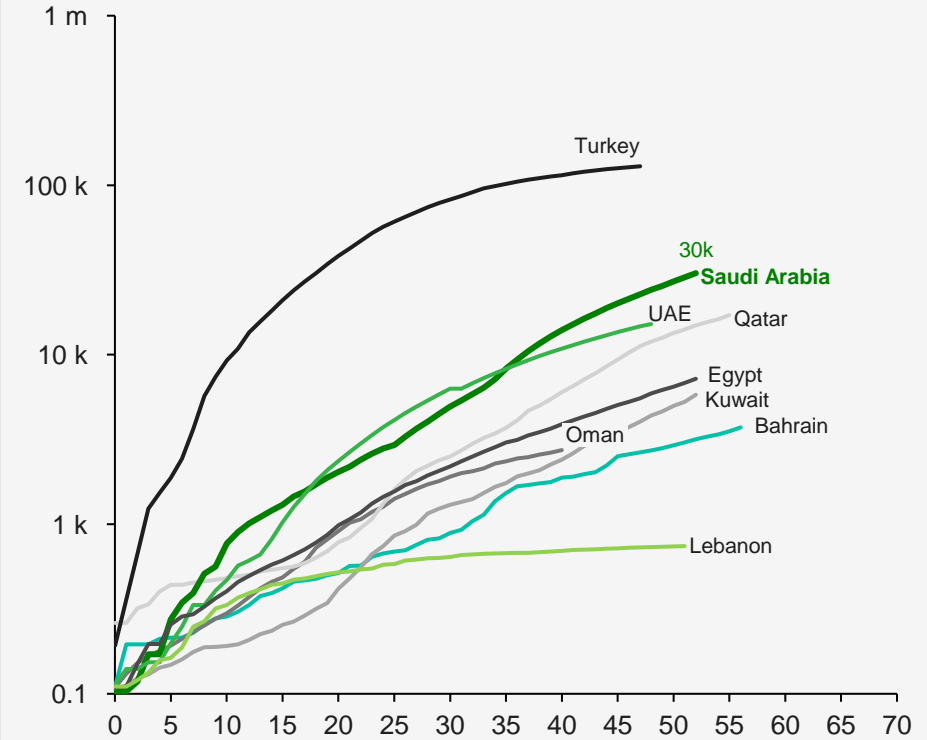


# The global growth in COVID-19 cases continues, slowing down in most regions, including the Middle East.

## Weekly global cases and deaths as of May 5, 2020







## Confirmed case trajectory Log scale of confirmed cases as of May 5, 2020



- **Global** growth in cases continued slowing down (+18% vs +21% the previous week)
- **Middle East** region has seen a slowdown in growth rate (+17% vs +22%)
- **In Saudi Arabia**, the number of cases exceeded 30,000 and started to flatten

# Saudi Arabia has started easing restriction as cases stabilize and ahead of Ramadan.

-  New Confirmed Cases
-  Cumulative Confirmed cases
-  New Deaths
-  Case Fatality Ratio (CFR)

**Confirmed case growth rate** =  $\frac{\text{New confirmed cases}}{\text{Total confirmed cases}}$

**Case fatality ratio** =  $\frac{\text{Total deaths}}{\text{Total confirmed cases}}$

## Key Government interventions



Social distancing

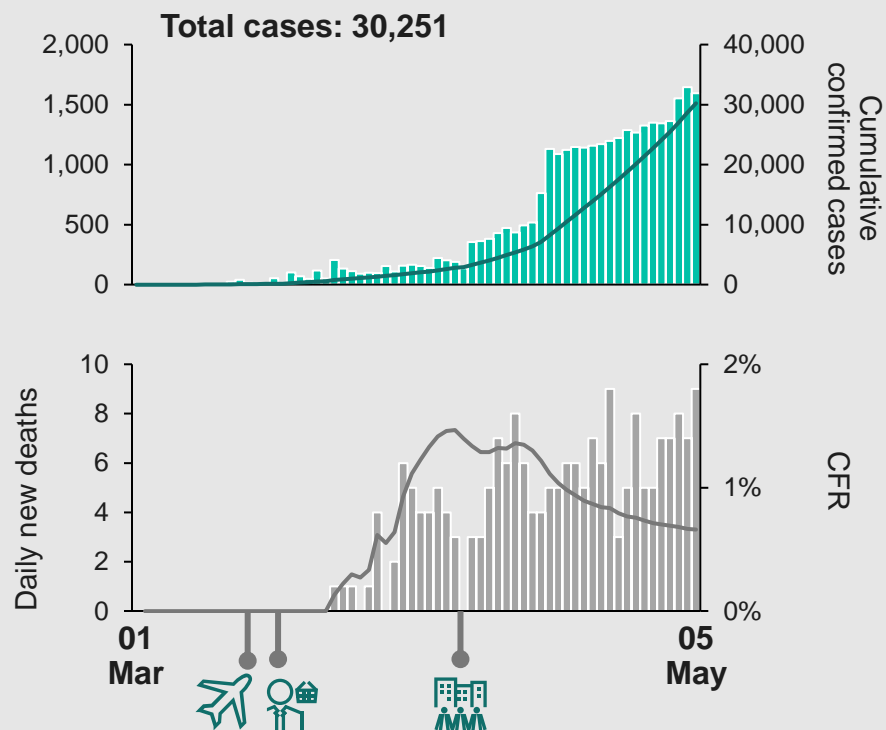


Travel restrictions



Business closures

## Saudi Arabia Covid-19 Confirmed cases and deaths trend



## Key takeaways

- KSA experienced an uptick in new cases** in the first week of May which could be a result of easing restriction measures and continued focus on testing
- KSA has announced a reduction in curfew hours** and re-opening of malls, trade stores, factories and construction work on 26<sup>th</sup> April

## KSA



**14<sup>th</sup> March:** Suspended all incoming, outgoing and transit passenger flights

**20<sup>th</sup> March:** Domestic flights suspended across the country



**18<sup>th</sup> March:** All public sectors closed, work from home enforced

**26<sup>th</sup> March:** Residents prohibited from leaving country

- Citizens prohibited to enter or leave Riyadh, Makkah, Madinah  
- Curfew imposed from 3pm until 6am

**02<sup>nd</sup> April:** Curfew in Mecca and Madinah increased to 24 hours

**04<sup>th</sup> April:** 7 neighborhoods in Jeddah under lockdown

**06<sup>th</sup> April:** 24 hr curfew placed on several cities including Riyadh, Jeddah, Tabouk, Dammam

**10<sup>th</sup> April:** 6 Neighborhoods in Madinah locked down

**11<sup>th</sup> April:** Nation-wide curfews extended until further notice

**15<sup>th</sup> April:** Al Atheer district in Dammam placed on lockdown

**18<sup>th</sup> April:** Al-Faisaliah and Al-Fadhliyah districts in Al-Ihsa governorate placed on lockdown

**22<sup>nd</sup> April:** Curfew restrictions changed for month of Ramadan, to 5pm until 9am. This also applies to cities that were under 24 hr curfew. However, neighborhoods under lockdown will remain under lockdown until further notice

**30<sup>th</sup> April:** Entry and exit restrictions on Qatif governorate lifted

**03<sup>rd</sup> May:** Restrictions lifted on Al Atheer district (Dammam)

- Entry & exit restrictions in the 2<sup>nd</sup> Industrial District of Dammam  
- Vital factories allowed to open at 30% in 2<sup>nd</sup> Industrial District



**15<sup>th</sup> March:** Shut down of commercial complexes and malls

- Restaurants not allowed to receive customers (takeaway only)  
- Barbers, beauty centers and gyms closure

**26<sup>th</sup> April:** Reopened wholesale & retail trade stores, shopping malls (select stores), construction companies, factories

**29<sup>th</sup> April:** Construction companies and factories allowed to resume activities – effective until 13 May 2020, after which it may be extended, or the curfew & restrictions may be reinstated

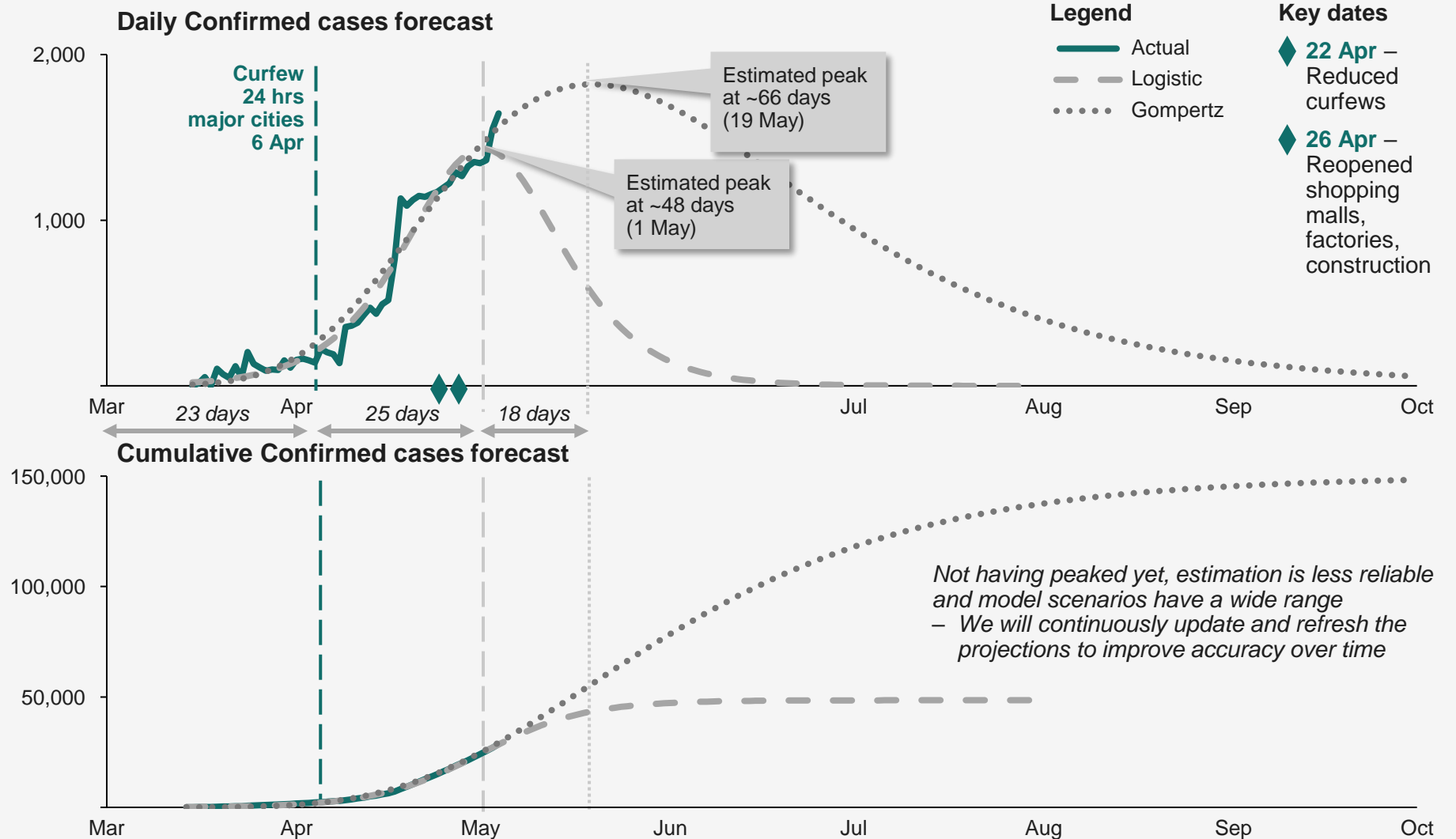
# Our preliminary projections for Saudi Arabia indicate that daily cases may peak by end of May

**Model 1:** The logistic model predicts that **KSA has reached its peak** in cases, and the spread will be fully contained by **end of June**, which is a optimistic given that the daily growth rate is still increasing

**Model 2:** The Gompertz model predicts that **the peak will be reached in mid-May** and cases will be fully contained by **end October**



## KSA Covid-19 Confirmed cases forecast

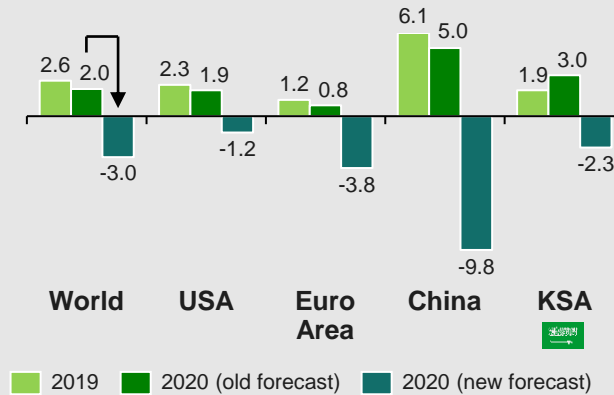


Regardless of recovery speed, this outbreak has significant toll on global economy with expected drop in GDP for the year.

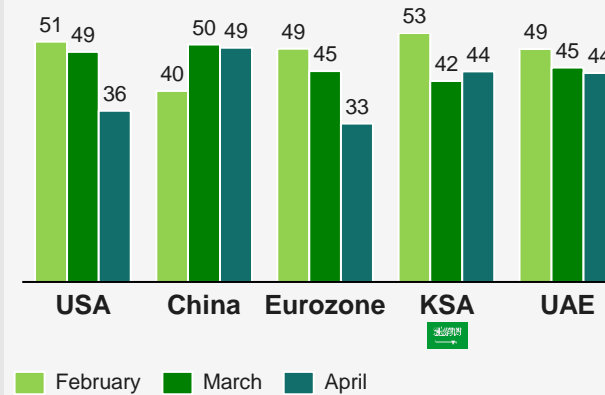
Manufacturing and construction are slowing down, oil price is affected and stock markets are declining.

Numbers as of 07.05.2020

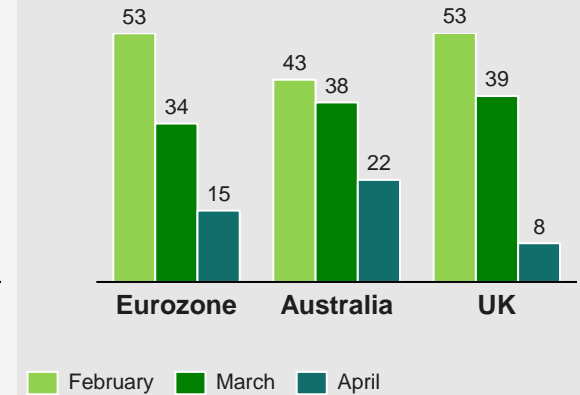
**Global economic contraction**  
GDP growth projections have been downgraded for almost all countries



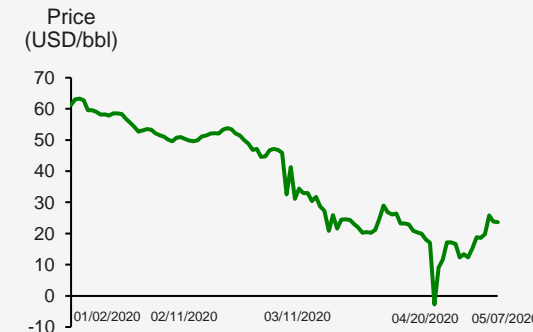
**Manufacturing activity slowdown**  
Manufacturing PMI reading is going below 50, which indicates contraction



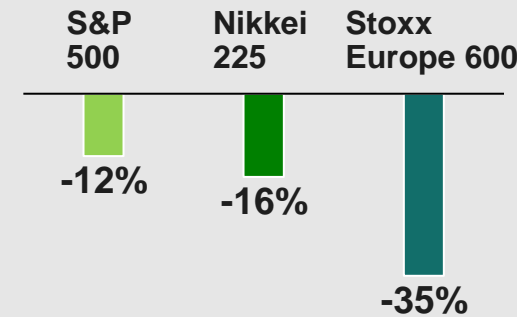
**Construction contraction**  
Construction PMI reading is going below 50, which indicates contraction



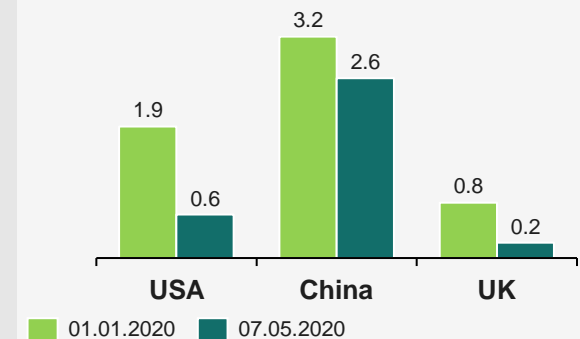
**Declining oil prices**  
Oil prices plummeted due to reduced demand and OPEC/Russia conflict



**Stock market rout**  
Major stock indices decline in the year-to-date view



**Lowering government bond yields**  
10-year government bond yields of major economies declined (%)



PMI = Purchasing Managers Index  
Source: IMF, CEIC Data, Yahoo Finance, Impact of COVID-19 on economy, Statista, Trading economics



# The challenges for Saudi contractors



# Saudi contracting market has been slowing down, both due to COVID and lower oil price.

## Government spending cut Saudi Arabia

**22% of GDP fiscal deficit** expected with oil at \$30/bbl.

Covering this deficit requires extensive borrowing, difficult under global liquidity crunch. The kingdom will have to reallocate spending,

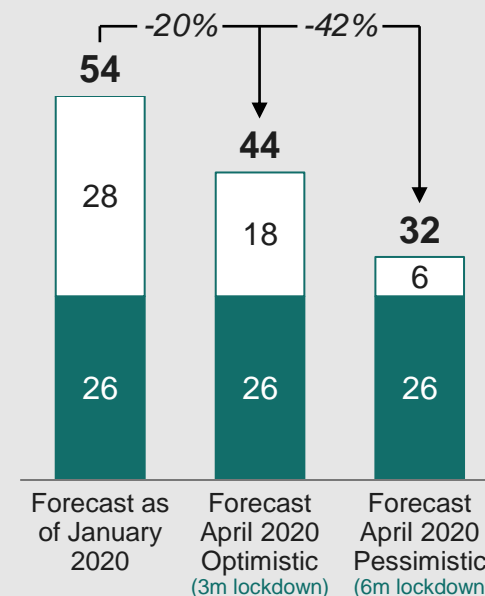
**20% spending cut** mandated by government due to the collapse in oil prices triggered by the coronavirus pandemic.

The cuts are most likely to affect capital expenditure and new projects rather than current spending on salaries

**New large-scale infrastructure** projects are thought to be under threat, with severe consequences for the construction industry.

## New awards 2020 US\$ Bn, Saudi Arabia

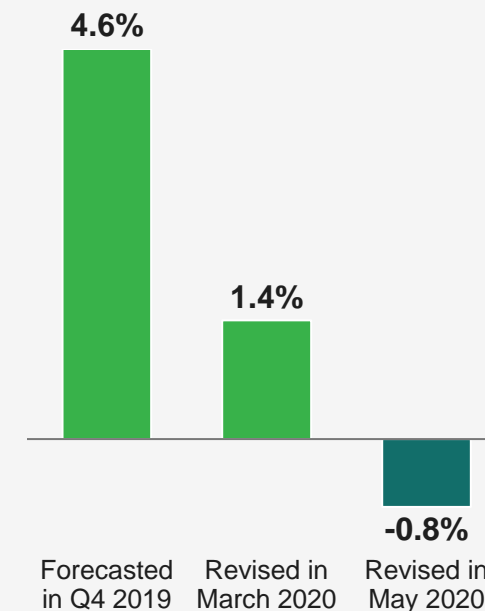
   To be awarded in Apr-Dec  
   Awarded in Jan-Mar



**48%** of previous forecast for 2020 has already been awarded by March

**20-40%** reduction in 2020 awards is expected, driven by length of lockdown

## Construction output 2020 % growth vs. 2019, MENA



**Lower decrease** in output that in awards due to ongoing projects

**The impact** of 2020 is to be felt in 2021/2022 as ongoing projects are completed

## Worker accommodations suffered from the pandemic disproportionately. Saudi government issues new worker housing rules.

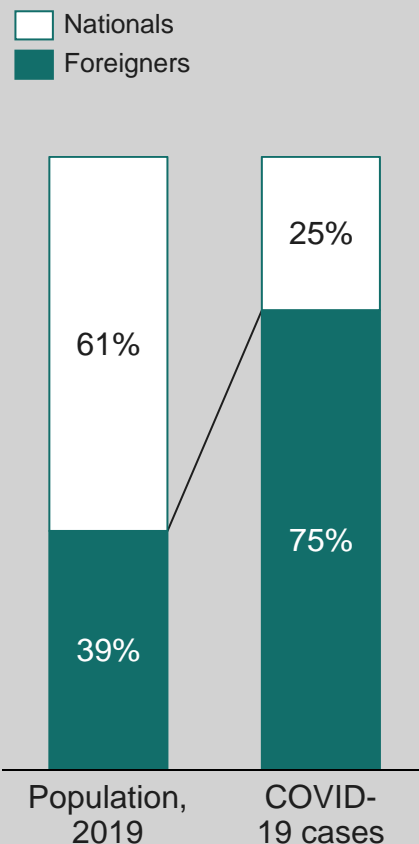
For more details, refer to SCA's guide below. Click the screenshot to access (in Arabic).

### Guide for quarantining contracting sector facilities



The guide for necessary precautions and procedures for setting up isolation rooms for the two-week quarantine of individuals suspected of being infected.

### Higher share of cases



**70% to 80% of new cases** are among foreigners despite their ~40% share in population

**×5-6 times** higher infection rate among workers due to crowded accommodation

### Control measures

The government issued strict company guidelines to control further spread of the virus, including:

- **Checkpoints** to inspect workers' temperatures and respiratory health
- **Isolation rooms** for those suspected of being infected
- **Disinfection** of surfaces twice a day

**Fines for employers** who violate new worker housing rules were introduced, with amounts multiplied for repeated violations.




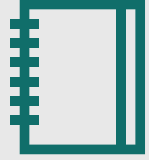









Source: The Economist, Bloomberg, Financial Times, Economic Times

# The COVID-19 pandemic has amplified several existing regulatory, financial and labor challenges for Saudi contractors.

Based on SCA survey of 365 contractors conducted in Q4 2019, including 184 complete responses split by category as follows:

- 59% Small national
- 21% Medium national
- 16% Large national
- 4% International, all sizes

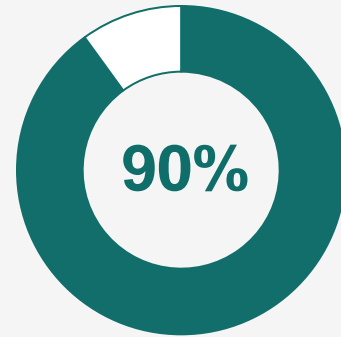
Challenges of the Saudi contracting market, by type

	 Regulatory	 Financial	 Labor	 Tendering	 Technology
High	Complex navigation through ecosystem 	Delayed payments 	Increased labor cost 	Difficult access to subcontractor tenders (for SMEs)	High reliance on traditional methods
	Ineffective qualification & enforcement process	Difficult funding from banks 	Low attraction for skilled manpower	Unbalanced assessment of proposals (price vs. quality)	Low awareness on benefits of technology tools and machinery
	Slow dispute resolution 	Poor understanding of accounting and finance	Limited interest of the local workforce in the sector	Unrealistic / unclear requirements in RFP	Low access to technology tools
	Ongoing regulation modifications 	Fluctuating cost of material supply 	High lead times for labor permits 	Overpromised results by contractors vs. capabilities / capacity	
Low	Lack of standardized contracts				

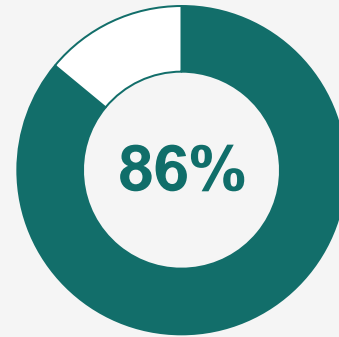
 Amplified by COVID-19

## The pandemic has also added new challenges for the contracting sector.

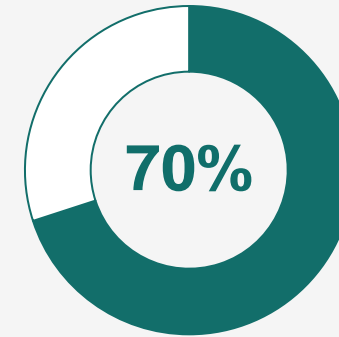
### COVID-19 impact on the Saudi contracting market Reported by surveyed contractors



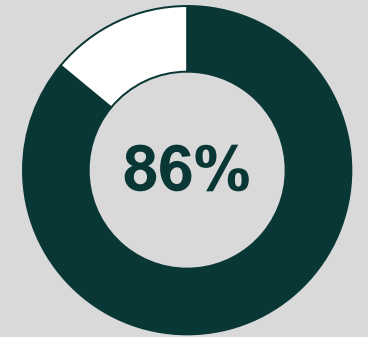
**Impact on cash flow**



**Project delay or stoppage**



**Supply chain disruptions**



**Don't have a plan of action**

Based on SCA survey of contractors conducted in Q4 2019, including 609 complete responses split by category as follows:

- 10% Very small (1-5)
- 33% Small (5-49)
- 44% Medium (50-499)
- 13% Large & very large (500+ employees)

*“Disbursement of payments is delayed in light of the current financial situation”*

*“It is difficult to follow up on projects due to the ban and we are unable to collect payments from clients”*

*“Most projects were canceled due to lack of necessary funds or postponement”*

*“Labor is sitting without work”*

*“Suppliers stopped working and closed the stores from which the materials needed for the business are purchased”*

*“We have difficulties supplying materials from other regions”*

# Saudi government has announced a number of measures to soften the impact of the crisis.

Non-Exhaustive

## Employment measures

### Labor protection:

- **60%** of private sector salaries to Saudis paid for three months, subject to unemployment insurance conditions
- **Up to 40%** wage reduction in line with actual work hours allowed, for six months, subject to mutual agreement
- **Free** renewal of residency permits expiring in March–June 2020 for three months for all expatriate employees

### Labor mobility:

- **SAR 5.3bn** allocated by HRDF to support private sector enterprises to hire and train Saudi nationals
- "**Ajeer**" portal services for off-labor-market expatriates available as an alternative to recruiting from abroad
- **Return** of expatriate employees home facilitated by Ministry of Human Resources and Social Development

## Cost relief

### Expat levy:

- **3-month** exemption without charge from the expat levy for all enterprises
- **3-year** exemption for 2-4 expatriates for SMEs that have up to 9 employees
- **25% reduction** of expat levy for operational factories until end of year

### Other fees:

- **30%** discount for two months on utility bills for commercial, industrial & agricultural sector.
- **Exemption** from penalties for project delays due to coronavirus under GTPL Article 74
- **Postponing** commercial registration fees for 116,000+ commercial records

## Financial support

### Increased inflows:


- **SAR 50 bn** allocated for timely payment of government dues to the private sector
- **SAR 6 bn** funding to exempt SMEs from loan guarantee fees (issuance, renewal, extension, and rescheduling)
- **SAR 13.2 bn** program of concessional financing for SMEs in order to support business continuity and growth

### Delayed outflows:

- **SAR 30 bn** program for financing six-month payment delays of SME obligations to beneficiaries
- **Postponing** and restructuring the payment of loans for factories, small and medical projects due in 2020.

## Almost half of the contractors surveyed by SCA have been able to benefit from government initiatives so far.

### Use of government programs Reported by surveyed contractors

 Have you used the government initiatives announced recently to mitigate the impact of the current situation?

 **44%**  
Yes

 **56%**  
No

#### Which ones?

*“Paying 60% of the salaries for Saudi employees”*

*“Extending the residence renewal period for 3 months”*

*“Canceling government fees, delaying the payment of state financial dues, such as financial compensation, zakat, and value added tax, in addition to postponing financial dues to banks and financial sectors”*

*“We are still in the process of applying and looking to benefit from a support program, such as support for Saudi employees, and postponing the payment of dues to financial companies”*

#### Why not?

*“Because the initiative was for companies with a workforce smaller than 9”*

*“Because initiatives do not suit the nature of our organization’s work”*

*“Because the conditions were inconsistent and impractical”*

*“Because of the condition that employees cannot be dismissed with in case any benefit is obtained. We cannot predict the future of the company and what might happen to it if the crisis continues in this way and worse”*

Based on SCA survey of contractors conducted in Q4 2019, including 609 complete responses split by category as follows:

- 10% Very small (1-5)
- 33% Small (5-49)
- 44% Medium (50-499)
- 13% Large & very large (500+ employees)

# Building resilience through the crisis





# Contractors in US and China hit by COVID-19 acted to ensure worker safety and prepare for uncertain future.

Non-Exhaustive

## Workforce protocols

### Labor mobility protocols:

- **Enforced staggered working shifts**, to reduce the number of employees arriving and leaving a worksite at one time
- **Assessed mobility policies** to encourage remote working, when necessary and possible
- **Conducted proactive assessment** of worker health codes (green/yellow/red), to maximize worker availability

### Health and safety policies:

- **Distributed sanitizers** and personal protective equipment to workers, such as masks
- **Decontaminated worker space** and conducted regular temperature screening, to avoid contagion and spread
- **Used physical distancing** seating arrangement to ensure minimal physical contact
- **Invested in educational campaigns** for front-line employees, to create symptom awareness and minimize spread of the disease

## Operational redesign

### Risk mitigation measures:

- **Evaluated use of automation** solutions, to reduce the number staff on sites e.g., autonomous forklifts and cranes and high-payload drones
- **Gathered necessary data on employees** (geography, visas, and more) and tracked movements during the crisis
- **Coordinated plans for worker and consumer safety** with municipal, state and federal governments, while keeping mission-critical projects running

### Agile supply chain:

- **Keener, real-time situational awareness** of the supply chains, especially for affecting critical materials & components
- **Prepared for supply chain pivots**, including identifying alternative suppliers
- **Considered “forward-paying” subcontractors** whose construction sites have been shut down due to COVID-19 containment efforts

## Financial restructuring

### Cost minimization:

- **Established workforce contingency planning** scenarios, to assess labor costs during a period of diminished demand and activity
- **Evaluated which functions may be outsourced**, to help trim operating costs
- **Reviewed capital and corporate cost budgets**, to help identify marginal investments and discretionary items that could be cut

### Liquidity maximization:

- **Refinanced debt to free up cash**, although access to capital is constrained
- **Divested non-core assets** and assessed mergers and acquisitions (M&A) prospects, as potential sources of cash

After the pandemic, the sector will meet unstable demand, with a different mix of building types and new building requirements.

## Unstable demand

### Short-term spikes

- **Immediately after reopening**, in some places there will be pressure to complete a large number of projects as soon as possible, creating potential shortage of skilled labor
- **This would be followed** by a drop as current projects are being completed but new projects fail to materialize

### Difficult 2021-2022

- **20% budget cuts in KSA** would affect projects that haven't started yet more than those already underway
- **Non-residential construction** typically lags overall economy by 12–18 months. As such, contractors could face even lower aggregate demand in 2021, driven by the 20-40% drop in new awards in 2020

## Different buildings

### Less hotels:

- **Globally**, decline in business travel and tourism depresses demand for hotels and other tourist facilities
- **In Saudi Arabia**, the national tourism strategy may still push the value of hotel awards up from 2020, even if not as far as expected before

### More warehouses:

- **Increased inventory levels** in companies that would want to make supply chains more reliable, creating demand for more warehouse space
- **E-commerce** that got a boost during the pandemic will require more fulfillment space too

### More manufacturing facilities:

- **Increased local production** capacity for companies that want to risk-proof their supply chains will create demand for manufacturing facilities

## Different requirements

### Focus on air quality:

- **Indoor air** is 2–5 times more polluted, while we spend 90% of our time indoors, even when not under pandemic lockdown
- **More clients** will pay attention to air quality, making construction companies focus on:
  - Eliminating and minimizing sources of air pollution
  - Using ventilation to keep air pollutants at safe levels
  - Removing air pollutants with filtering and air purification

### Sustainability

- **Long-term** sustainability trend will get a boost. Governments may stimulate the economy by encouraging measures to meet energy efficiency targets with a combination of policy changes and direct public investments

### WELL certification

- **More developers** will focus on getting the WELL certification guaranteeing healthy living conditions in their buildings

# The pandemic is likely accelerate the adoption of technology in contracting.



## Prefabrication

- **The move of construction** activity from building sites to production plant is likely to accelerate after COVID:
  - Prefabrication benefits were seen when field hospitals were deployed within days
  - It saves time and materials, reduces construction waste and the need for labor on site
  - Social distancing and PPE are easier to enforce in a factory environment
- **The main challenge** is to adapt the design process for modular components

## Drone surveys

- **Drones** can do a variety of work at construction sites:
  - **Aerial site surveys** with multispectral cameras generating 2D/3D maps, fast
  - **Construction monitoring** and surveillance around the clock, in real time, with video
  - **Site inspection** from angles inaccessible by foot, faster, and without safety hazards
- **COVID-19** highlighted drone's benefits in enabling and monitoring social distancing
- **The main challenges** are the initial investment and training supervisors to use drones

## Digital tools

- **The pandemic** accelerates adoption of digital modeling and collaboration tools & processes:
  - **BIM** (building information modeling) is used even more, and for smaller projects
  - **VDC** (Virtual design and construction) gains traction among large-scale projects
  - **Digital twinning** from project concept to commissioning sees accelerated adoption
- **Work from home** becomes more common for architects, engineers and project managers
- **The main challenge** is to train the entire workforce in use of new tools and procedures

Non-Exhaustive

# Changing market and technology requirements will drive industry consolidation.

## Scale matters

### Small contractors

- Small contractors will be hit the hardest, and many will be forced out of the market
  - SMEs typically have less diverse project portfolios and less reserves to tap into
  - It is harder for SMEs to adopt to more technology-driven contracting sector
  - Sub-contractors, as smaller businesses, may fail faster than general contractors

### Large contractors

- Large contractors can weather the storm better but still need to evolve to stay in business
  - Contractors will need to rebalance their portfolio of projects to stay afloat
  - Need Cont. evaluation to benefit from the M&A between companies
  - Companies with high level of debt and low cash reserves may face a liquidity crisis
  - Internationalization will roll back with more restrictions on foreign companies

## Industry consolidation

### Horizontal consolidation

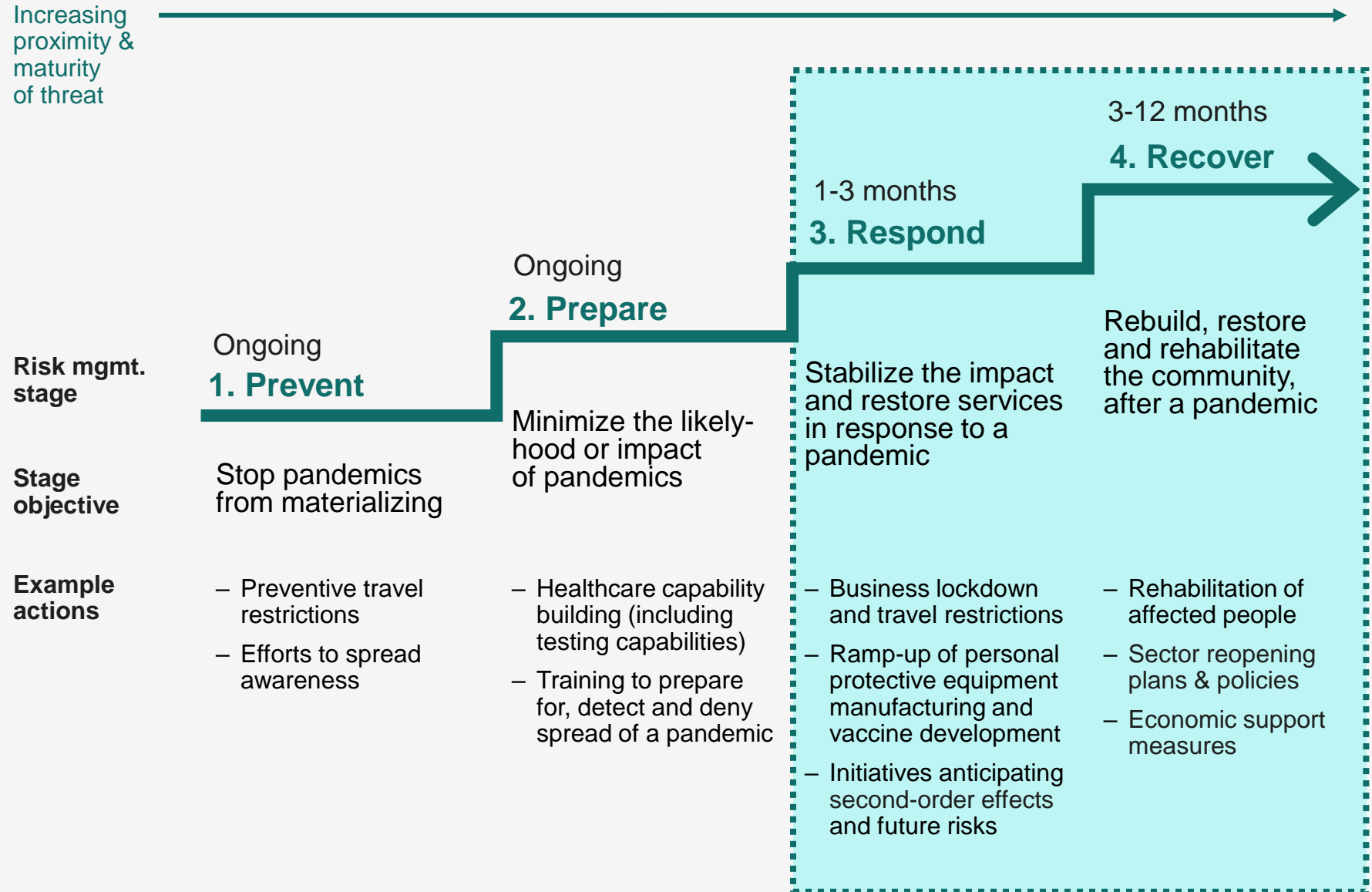
- **Bankruptcies** of financially weaker contractors will leave less players in the industry
- **Consolidation** will become higher on investors and CEO's agenda, due to the need for:
  - **Scale** to invest in technology, high-skilled talent and R&D
  - **Resilience** in balance sheets and diversity in projects

### Vertical integration

- **In addition to consolidation**, contracting will become more vertically integrated in pursuit of higher control and efficiency, including measures such as:
  - Direct labor replacing selected subcontractors
  - Returning manufacturing of materials closer to home
  - Moving from building to assembly for industrial plants

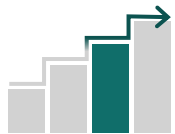
For the current stage of COVID-19, mitigation actions must go beyond “firefighting”, and include preparation for market recovery.

## Risk management framework



Illustrative

# Contractors must take immediate actions in four areas to sustain the business through the pandemic.



## Protect the workforce

**Enforce new health and safety protocols & training for workers:**

- Health checkpoints
- Surface disinfection
- Hand sanitization
- Masks and gloves
- Physical distancing

**Change working schedules** to reduce the risk of disease:

- Smaller teams
- Staggered shifts
- Flexible hours

**Make use of eligible government support programs** such as:

- 60% salary pay for Saudi employees
- 40% wage & working hours reduction

**Explore automation for certain tasks.** e.g.:

- Remote construction site monitoring
- Autonomous cranes and forklifts

## Manage cash and liquidity

**Assess cash flow risk exposure** and additional financing needs

**Stabilize cash flows** to ensure sufficient liquidity, e.g.:

- Review capital and corporate cost budgets to identify what can be cut
- Consider divesting assets or assessing M&A prospects as sources of cash

**Make use of eligible financial support programs** such as:

- Financing six-month payment delays of SME obligations
- Restructuring loans for small projects due in 2020.

## Risk-proof the supply chain

**Understand and map the supply chain** in order to pinpoint any potential points of weakness, especially those relating to critical material

**Identify alternative and dual supply options** to fall back to in case of disruption, even if at higher cost

**Risk-proof supply of critical materials:**

- Pre-book required transport capacity
- Consider increasing inventory levels

## Revise contracts

**Revise all contracts** and legally binding documents throughout the supply chain and with projects

**Understand your rights & obligations** for ongoing or stopped projects – such as exemption from penalties for project delays due to coronavirus under Article 74 of the GTPL

**Consider the potential** for using extension of time, Force Majeure, suspension and termination provisions

# Beyond immediate response, downtime should be used to build resilience and prepare for recovery.



**Use the free online resources** to boost the workforce skills (e.g. in financial planning, project management, supply chain management, negotiations, etc.)

**Develop workforce skills & credentials** online certification – such as online training from US Crane Inspection & Certification Bureau

**Consider replacing foreign employees** with nationals using the financial support from HRDF for hiring Saudi talent



**Actively follow up** on withheld payments in the current projects, and resolve any existing conflict

**Reach out to lenders** to avoid surprises and enable rescheduling of debt or alternative financing sources.



**Learn about the new technologies** used in construction industry and consider how to apply them in upcoming projects

**Try out digital collaboration** and task management platforms for internal meetings, files storage and progress tracking

**Attend meetings with clients remotely** through video-conferencing tools



**Make the best of the downtime** to prepare for upcoming projects with a refined and thorough proposals

**Enhance the proposal repository** used by the company for reference in future endeavors

**Look back at the lessons learned** from previous projects and proposals in order to bid more efficiently, in the future, e.g.:

- Analyze reasons for wins and losses
- Prioritize clients to concentrate efforts
- Compare pricing with competitors



To learn more about COVID-19 response, please refer to SCA's free resources.

Resources in Arabic. Click screenshots to access.

## Webinar recordings

### Article 41 of the Executive Regulations of the Labor Law



Content, scope and application of Article 41 as well follow-up method with the Ministry



### Dealing with the new coronavirus in the contracting sector



Methods of transmission and best preventative measures in the work environment



### Professional practices for remote working



An overview of the remote working program as well as guidelines and standards



### Ways to support salaries of Saudis in the private sector



Reasons and goals of the Royal Decree as well as conditions for obtaining support and ways of spending



### Construction contracts and force majeure



Emergency clauses and force majeure in the Kingdom's and Sharia law



### Remote working tools and techniques



Pros and cons, of tools required for remote working applicable in the contracting sector



## Publications

### Guide to health requirements for contracting enterprises



The guide to precautionary measures that should be applied in workers' houses, means of transportation and work placement as well as methods to raise awareness



### Guide for quarantining contracting sector facilities



The guide for necessary precautions and procedures for setting up isolation rooms for the two-week quarantine of individuals suspected of being infected.



### Legal study on the contracting sector during coronavirus



COVID-19's impact on contracts, legal adaptation requirements, rulings and the position of the Saudi judiciary in cases related to epidemics and emergency conditions.



### Crisis management and business continuity for contracting sector



Guide for contractors to ensure the continuity of work in the event of an outbreak of COVID-19 among workers or employees at headquarters.





For most recent insights please visit SCA's and Kearney's online COVID-19 portals.

**SCA COVID-19 portal**  
For latest information on Saudi contracting sector, in Arabic  
[covid19.sca.sa/ar](https://covid19.sca.sa/ar)

**Kearney COVID-19 portal**  
For insights on other industries and regions, in English  
[kearney.com/covid-19/](https://kearney.com/covid-19/)

## Legal context

The situation surrounding COVID-19 is dynamic and rapidly evolving, on a daily basis. Although we have taken great care prior to producing this document, it represents Kearney's and Saudi Contractor Authority's view at a given point in time.

This document is not intended to: (i) constitute medical or safety advice; nor (ii) be seen as a formal endorsement or recommendation of a particular response. As such you are advised to make your own assessment as to the appropriate course of action to take. Please carefully consider local laws and guidance in your area, particularly the most recent advice issued by your local (and national) health authorities, before making any decision.

Certain statements or information in this presentation may constitute “forward-looking-statements”. Such statements can generally be identified by their use of forward-looking words such as “plans”, “estimates”, “believes”, “expects”, “anticipates”, “may”, “will”, “should”, “expected”, “would be” or the negative or other variation of such terms or comparable terminology. These forward-looking statements reflect our current views of the COVID-19 with respect to future events and are not a guarantee of the possible occurrence of such future events. Many factors could cause the analysis reflected in this presentation, to be significantly different from any future results.

*This document was developed based on situation as of 13<sup>th</sup> May 2020*

# Thank you



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