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 26th 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

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Cases</th>
<th>Total Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>3,662,691</td>
<td>257K</td>
</tr>
<tr>
<td>Europe</td>
<td>1,465,059</td>
<td>144K</td>
</tr>
<tr>
<td>North America</td>
<td>1,267,566</td>
<td>75K</td>
</tr>
<tr>
<td>Middle East</td>
<td>331,875</td>
<td>11K</td>
</tr>
<tr>
<td>Asia</td>
<td>261,643</td>
<td>10K</td>
</tr>
<tr>
<td>Africa</td>
<td>41,802</td>
<td>1.4K</td>
</tr>
<tr>
<td>RoW²</td>
<td>294,746</td>
<td>15K</td>
</tr>
</tbody>
</table>

- 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** = New confirmed cases / Total confirmed cases

**Case fatality ratio** = Total deaths / Total confirmed cases

**Key Government interventions**

- **Travel restrictions**
- **Business closures**
- **Social distancing**

**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 26th April

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

- **New Confirmed Cases**
- **Cumulative Confirmed cases**
- **Daily new deaths**
- **Case Fatality Ratio (CFR)**

**KSA**

- **14th March**: Suspended all incoming, outgoing and transit passenger flights
- **20th March**: Domestic flights suspended across the country
- **18th March**: All public sectors closed, work from home enforced
- **26th March**: Residents prohibited from leaving country
  - Citizens prohibited to enter or leave Riyadh, Makkah, Madinah
  - Curfew imposed from 3pm until 6am
- **02nd April**: Curfew in Mecca and Madinah increased to 24 hours
- **04th April**: 7 neighborhoods in Jeddah under lockdown
- **06th April**: 24 hr curfew placed on several cities including Riyadh, Jeddah, Tabouk, Dammam
- **10th April**: 6 Neighborhoods in Madinah locked down
- **11th April**: Nation-wide curfews extended until further notice
- **15th April**: Al Atheer district in Dammam placed on lockdown
- **18th April**: Al-Faisaliah and Al-Fadhliah districts in Al-Ihsa governorate placed on lockdown
- **22nd 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
- **30th April**: Entry and exit restrictions on Qatif governorate lifted
- **03rd May**: Restrictions lifted on Al Atheer district (Dammam)
  - Entry & exit restrictions in the 2nd Industrial District of Dammam
  - Vital factories allowed to open at 30% in 2nd Industrial District
- **15th March**: Shut down of commercial complexes and malls
  - Restaurants not allowed to receive customers (takeaway only)
  - Barbers, beauty centers and gyms closure
- **26th April**: Reopened wholesale & retail trade stores, shopping malls (select stores), construction companies, factories
- **29th 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

**Source:** Johns Hopkins CSSE, Official Government Sources, Press Release, Kearney
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.

Not having peaked yet, estimation is less reliable and model scenarios have a wide range – We will continuously update and refresh the projections to improve accuracy over time.

Source: Johns Hopkins University; Gulf news; Kearney
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
The challenges for Saudi contractors
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

<table>
<thead>
<tr>
<th>Forecast as of January 2020</th>
<th>Forecast April 2020 Optimistic (3m lockdown)</th>
<th>Forecast April 2020 Pessimistic (6m lockdown)</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>18</td>
<td>6</td>
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</table>

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

4.6%

1.4%

-0.8%

Forecasted in Q4 2019
Revised in March 2020
Revised in May 2020

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

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

Source: Castlereagh Associates, GlobalData Ventures Onsite, Kearney
Worker accommodations suffered from the pandemic disproportionally. 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

<table>
<thead>
<tr>
<th></th>
<th>Nationals</th>
<th>Foreigners</th>
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</thead>
<tbody>
<tr>
<td>61%</td>
<td>39%</td>
<td>25%</td>
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</table>

Population, 2019  COVID-19 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

<table>
<thead>
<tr>
<th>Challenges of the Saudi contracting market, by type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulatory</strong></td>
</tr>
<tr>
<td>Complex navigation through ecosystem</td>
</tr>
<tr>
<td>Ineffective qualification &amp; enforcement process</td>
</tr>
<tr>
<td>Slow dispute resolution</td>
</tr>
<tr>
<td>Ongoing regulation modifications</td>
</tr>
<tr>
<td>Lack of standardized contracts</td>
</tr>
</tbody>
</table>

Source: SCA survey
The pandemic has also added new challenges for the contracting sector.

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)

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

90% Impact on cash flow
86% Project delay or stoppage
70% Supply chain disruptions
86% Don’t have a plan of action

“Disbursement of payments is delayed in light of the current financial situation”
“Most projects were canceled due to lack of necessary funds or postponement”
“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”
“It is difficult to follow up on projects due to the ban and we are unable to collect payments from clients”
“Labor is sitting without work”
“Disbursement of payments is delayed in light of the current financial situation”
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“We have difficulties supplying materials from other regions”
“It is difficult to follow up on projects due to the ban and we are unable to collect payments from clients”
“Labor is sitting without work”

Source: SCA survey
Saudi government has announced a number of measures to soften the impact of the crisis.

### 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.

### 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

**Non-Exhaustive**

HRDF = Human Resource Development Fund  
GTPL = Government Tenders and Procurement Law  
Source: MEED, Lexology, Gulf Business, KPMG, Kearney
Almost half of the contractors surveyed by SCA have been able to benefit from government initiatives so far.

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)

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

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”

56% No

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 w ith 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”

Source: SCA survey
Building resilience through the crisis
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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

Non-Exhaustive
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**
- Initially, there will be pressure to complete a large number of projects as soon as possible, creating potential shortfalls in skilled labor.
- This would be followed by a drop as current projects are completed while new projects fail to materialize.

**Difficult 2021-2022**
- Globally, a 20% budget cut in KSA could 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, the decline in business travel and tourism depresses demand for hotels and other tourist facilities.
- In Saudi Arabia, the national tourism strategy may 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.

**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.

**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

**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

Non-Exhaustive

PPE = **P**ersonal Protective **E**quipment
Source: NY Engineers, Constructing Global, Kearney
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

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

Risk management framework

Increasing proximity & maturity of threat

1. Prevent

- Preventive travel restrictions
- Efforts to spread awareness

Stop pandemics from materializing

Ongoing

2. Prepare

Minimize the likelihood or impact of pandemics

3. Respond

Stabilize the impact and restore services in response to a pandemic

- Business lockdown and travel restrictions
- Ramp-up of personal protective equipment manufacturing and vaccine development
- Training to prepare for, detect and deny spread of a pandemic

4. Recover

- Rehabilitation of affected people
- Sector reopening plans & policies
- Economic support measures

1-3 months

3-12 months

Example actions

Stage objective

Risk mgmt. stage

Illustrative

Source: Kearney.
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 sanitation
    - 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

HRDF = Human Resource Development Fund
GTPL = Government Tenders and Procurement Law
Source: Kearney, COVID-19: Impact on Engineering and construction
Beyond immediate response, downtime should be used to build resilience and prepare for recovery.

**Train the workforce**
- 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

**Optimize receivables**
- 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.

**Ramp up the use of technology**
- 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

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

Source: Kearney, COVID-19: Impact on Engineering and construction
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 as conditions for obtaining support and ways of spending

**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

Kearney COVID-19 portal
For insights on other industries and regions, in English 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 13th May 2020