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THE VOICE OF THE CONSTRUCTION INDUSTRY MARKET OUTLOOK

November 2020





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Introduction



The Voice of the Construction Industry Outlook is an ongoing research project launched by The Big 5 in partnership with GRS Research & Strategy.

First conducted in 2019, this latest data collection was conducted during the period 4 - 14 November 2020 to capture valuable information and insights from industry stakeholders on the current situation, expectations for the future, key trends, challenges and opportunities for 2021 and beyond.

3,000+ construction professionals from all over the world, and from every aspect of the industry, took part with 50% of respondents being business owners or C-suite executives.

The research offers a comprehensive view about how Covid-19 has affected different markets and business sectors, as well as trends against the pre-pandemic situation.

Key survey takeaways include:

- There has been a dramatic change in market performance as a result of Covid-19; it has had a global impact across all industries with no difference between regions.
- The No.1 critical challenge across all categories was unstable markets followed by budget and increased competition.
- The top two key industry trends were prefabrication and modular construction, and a focus on sustainability. Whilst Sustainability was a key focus for governments, interestingly it did not hold the same priority for private organisations.
- The No.1 technology that was expected to impact business over the next two years was Advanced Software, with Artificial Intelligence increasing from 2019 as a relevant technology that everyone is exploring. However, companies don't seem ready to implement this technology yet.
- 24% of respondents expect the market to be more sustainable for their business in six months, with the vast majority between 12 months or more.
- 45% of companies expect growth in key markets like the UAE, KSA and Egypt in 2021.



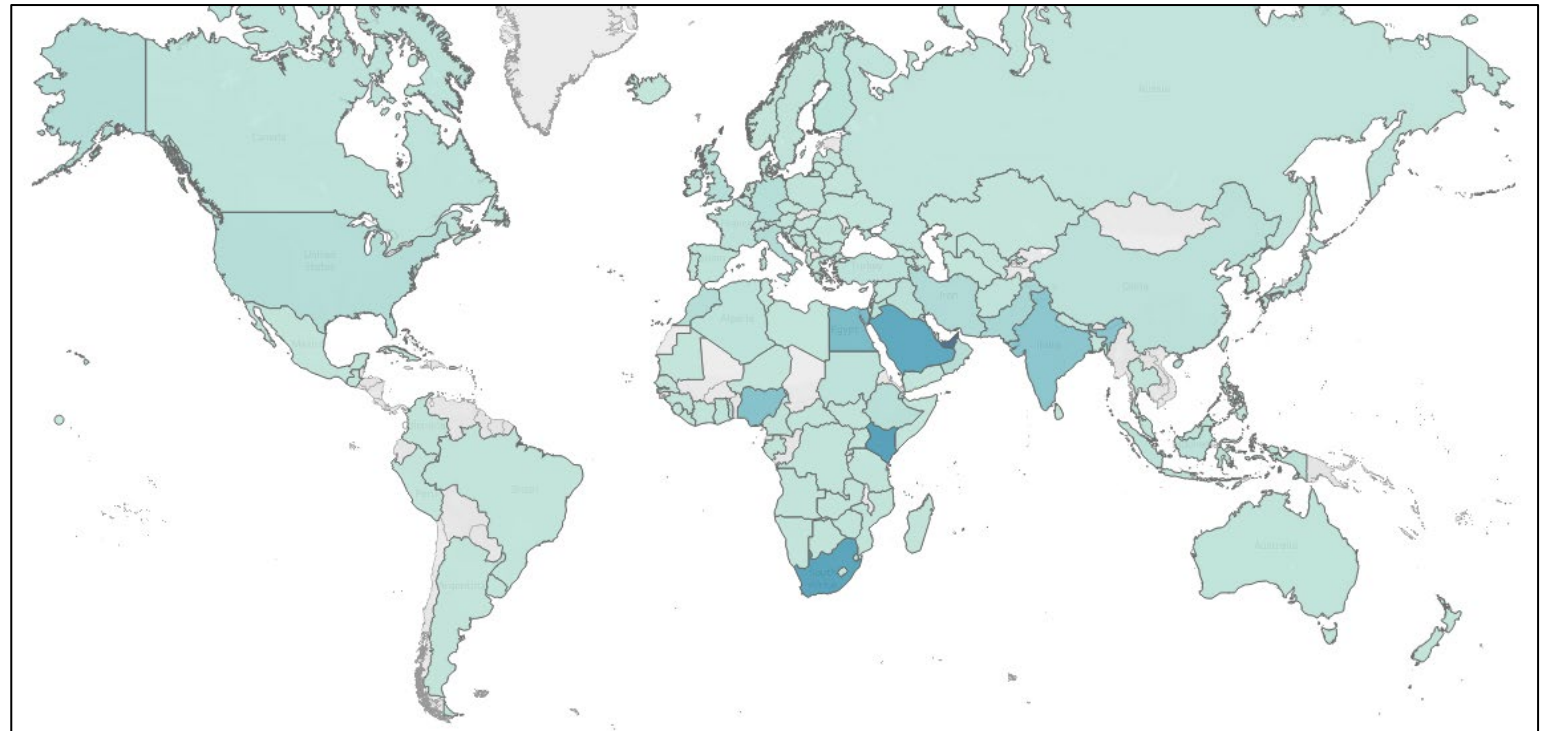
RESPONDENTS' PROFILE





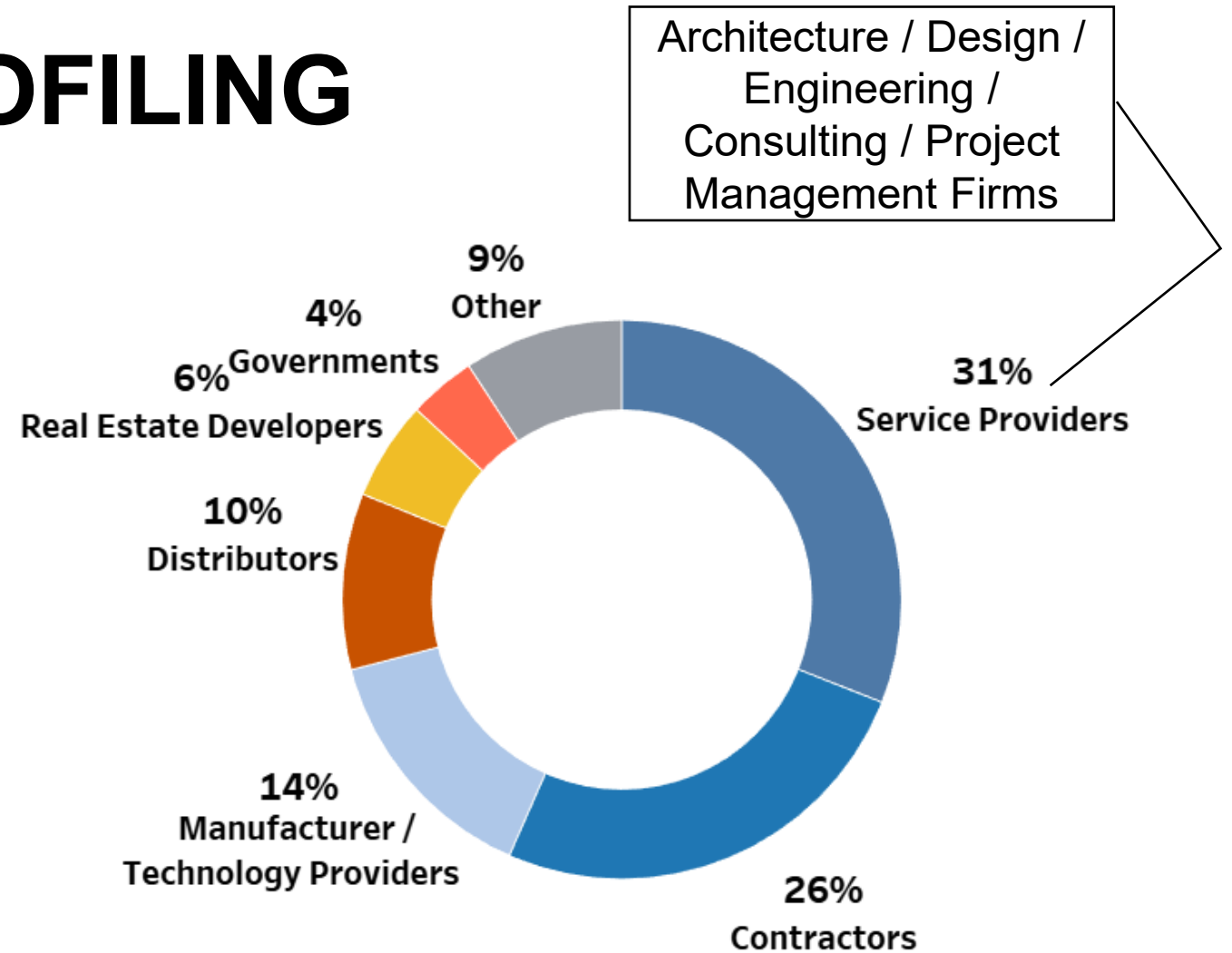
PROFILING

Respondents from 100+ countries



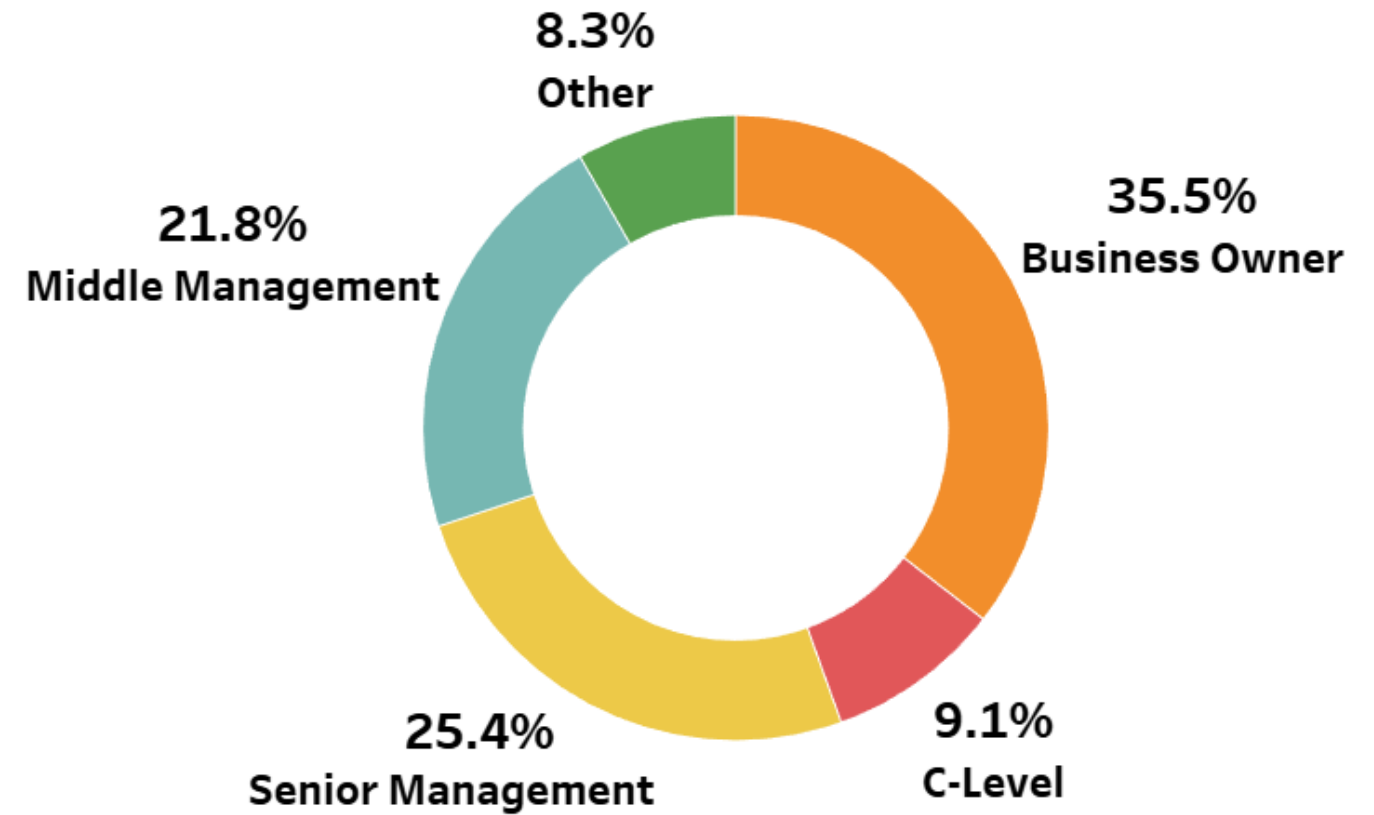


PROFILING



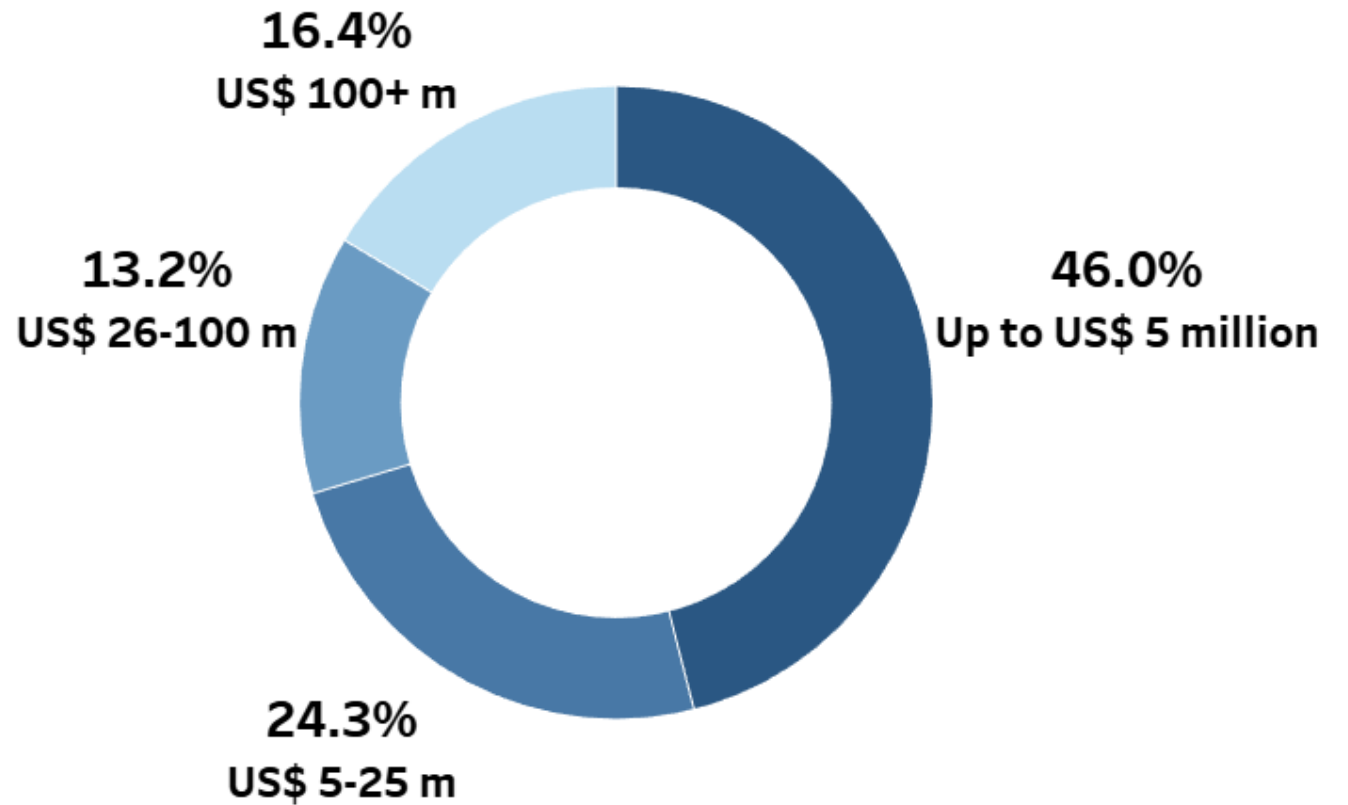


PROFILING





PROFILING

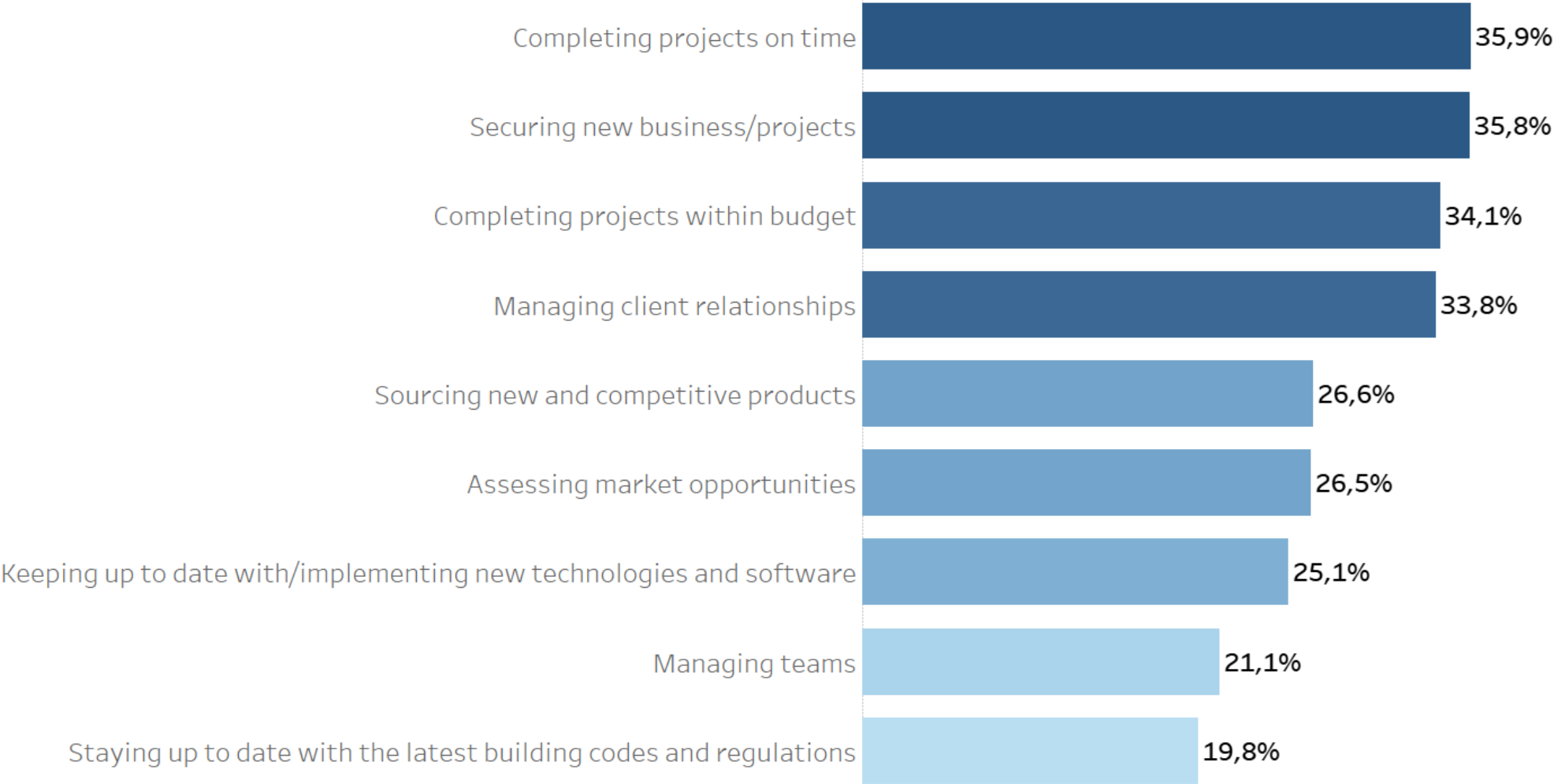




CURRENT SITUATION AND TRENDS FOR THE FUTURE



Current goals

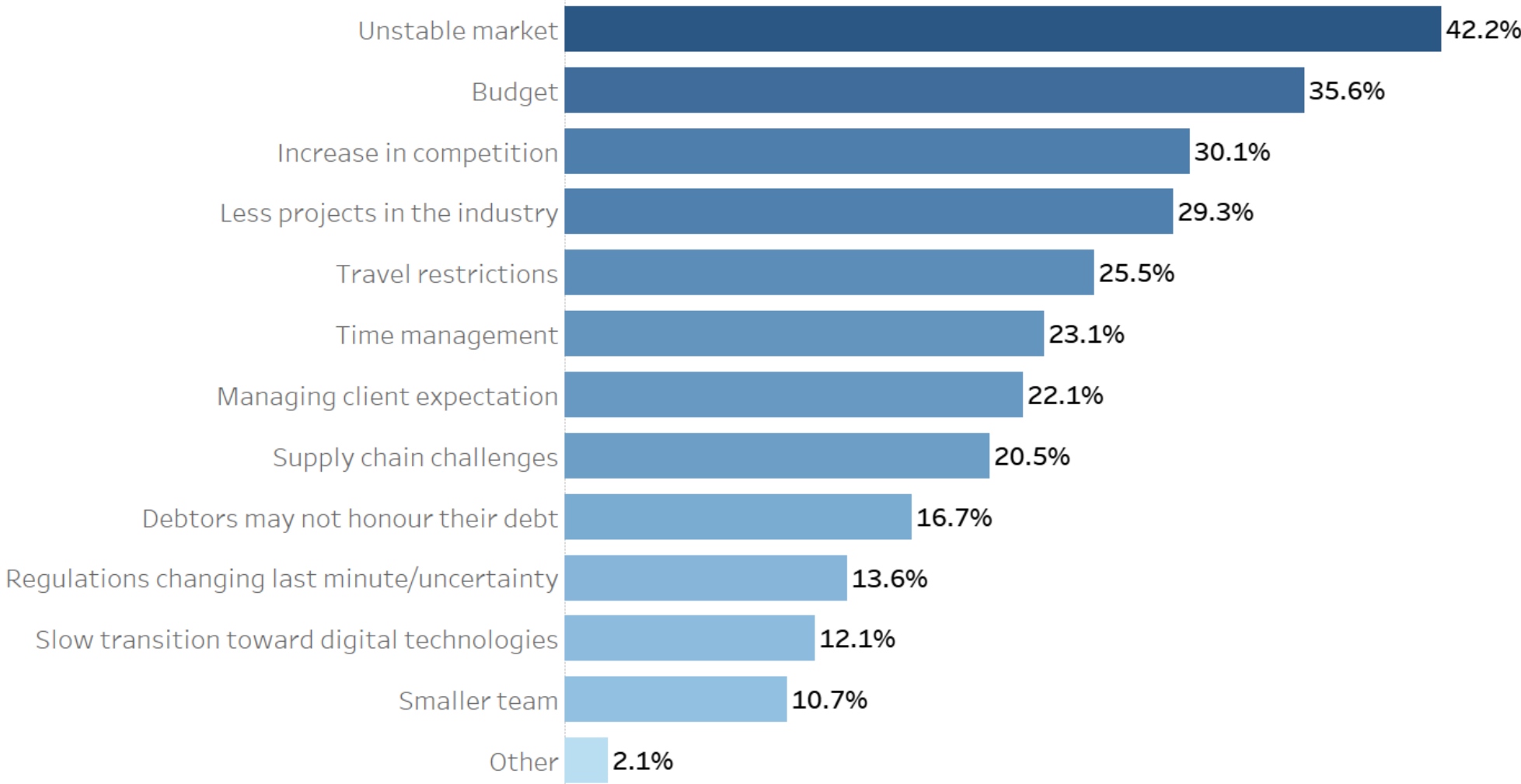


Current goals



	Service Providers	Contractors	Manufacturer / Technology Providers	Distributors	Real Estate Developers	Governments
Completing projects on time	39%	51%	19%	14%	38%	45%
Securing new business/projects	37%	34%	51%	38%	28%	15%
Completing projects within budget	38%	49%	17%	14%	41%	44%
Managing client relationships	32%	30%	44%	39%	28%	29%
Sourcing new and competitive products	22%	24%	28%	51%	24%	16%
Assessing market opportunities	23%	18%	41%	39%	25%	17%
Keeping up to date with/implementing new technologies and software	31%	23%	22%	14%	25%	29%
Managing teams	24%	20%	17%	16%	20%	35%
Staying up to date with the latest building codes and regulations	25%	20%	13%	12%	25%	31%

Main challenges

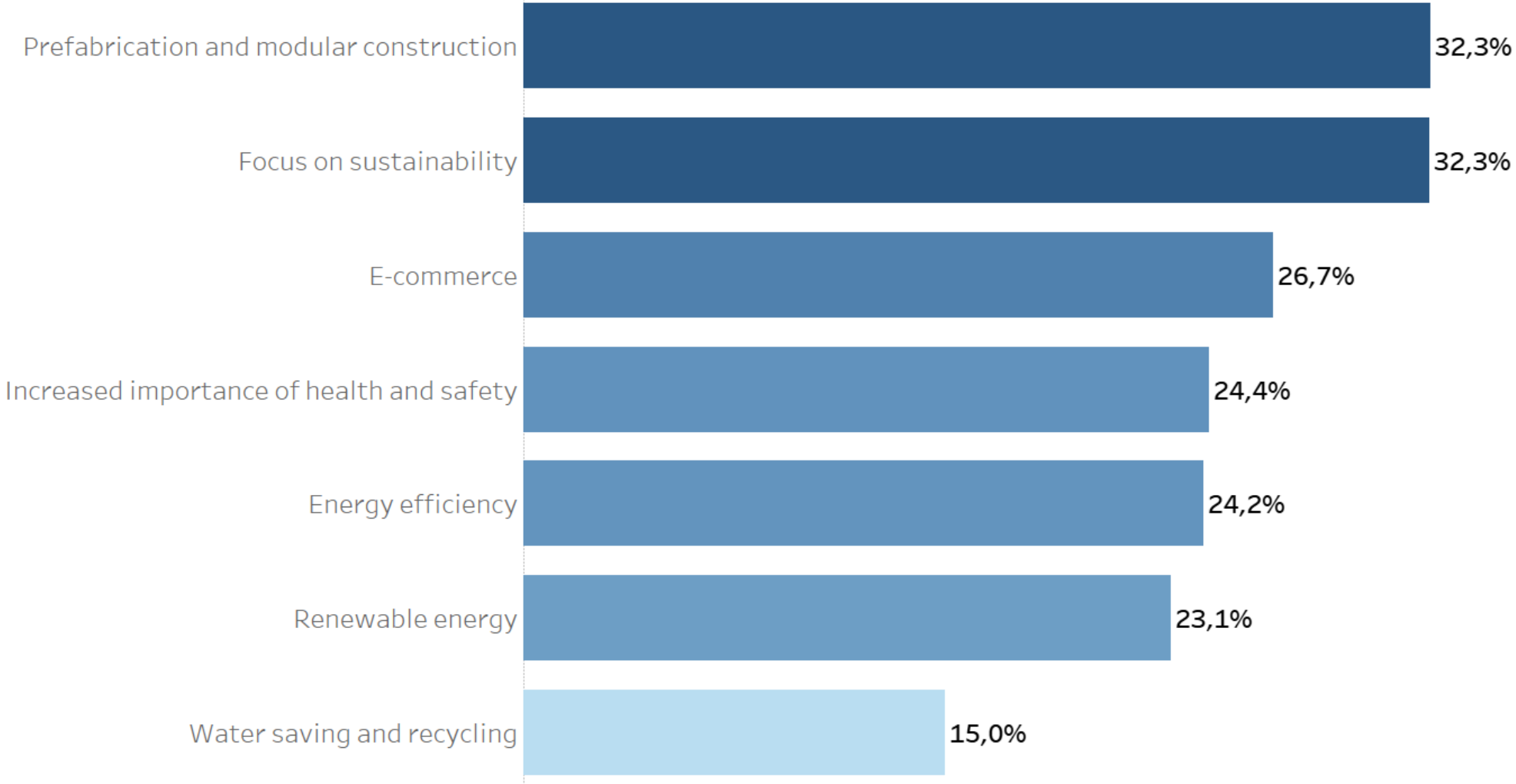


Main challenges



	Service Providers	Contractors	Manufacturer / Technology Providers	Distributors	Real Estate Developers	Governments
Unstable market	44%	43%	48%	42%	43%	25%
Budget	38%	41%	24%	26%	37%	47%
Increase in competition	27%	33%	33%	39%	24%	18%
Less projects in the industry	32%	36%	27%	25%	18%	16%
Travel restrictions	23%	20%	43%	33%	21%	28%
Time management	28%	24%	14%	14%	26%	38%
Managing client expectation	26%	23%	20%	14%	25%	23%
Supply chain challenges	17%	21%	24%	23%	28%	21%
Debtors may not honour their debt	17%	18%	18%	24%	11%	4%
Regulations changing last minute/uncertainty	15%	13%	13%	10%	15%	22%
Slow transition toward digital technologies	14%	11%	10%	8%	10%	20%
Smaller team	12%	10%	7%	8%	10%	19%

Industry trends

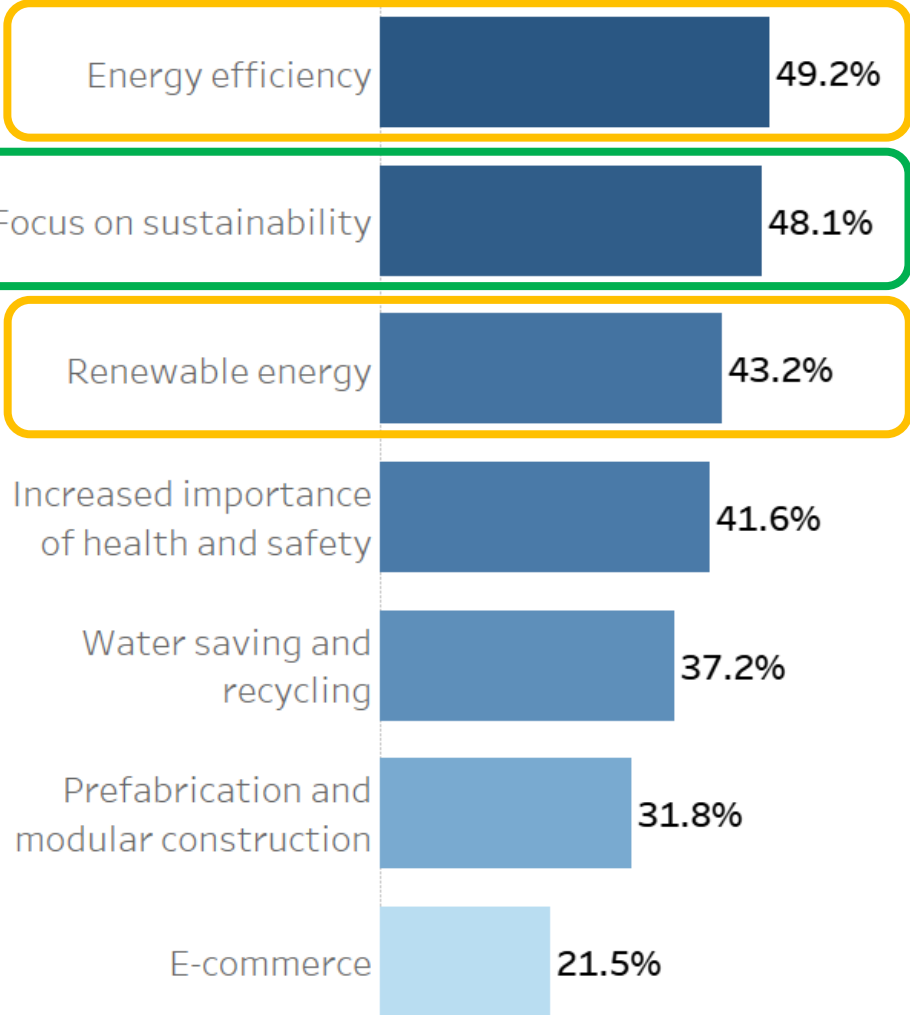
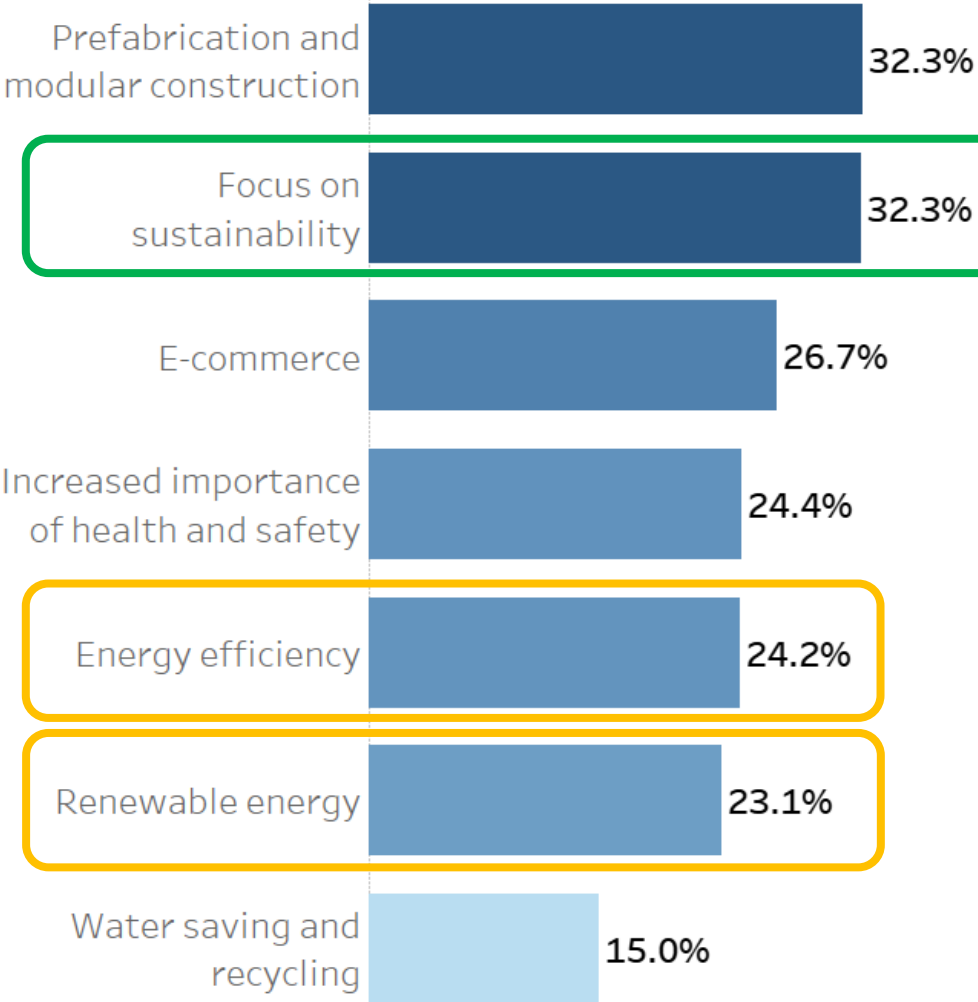


Industry trends

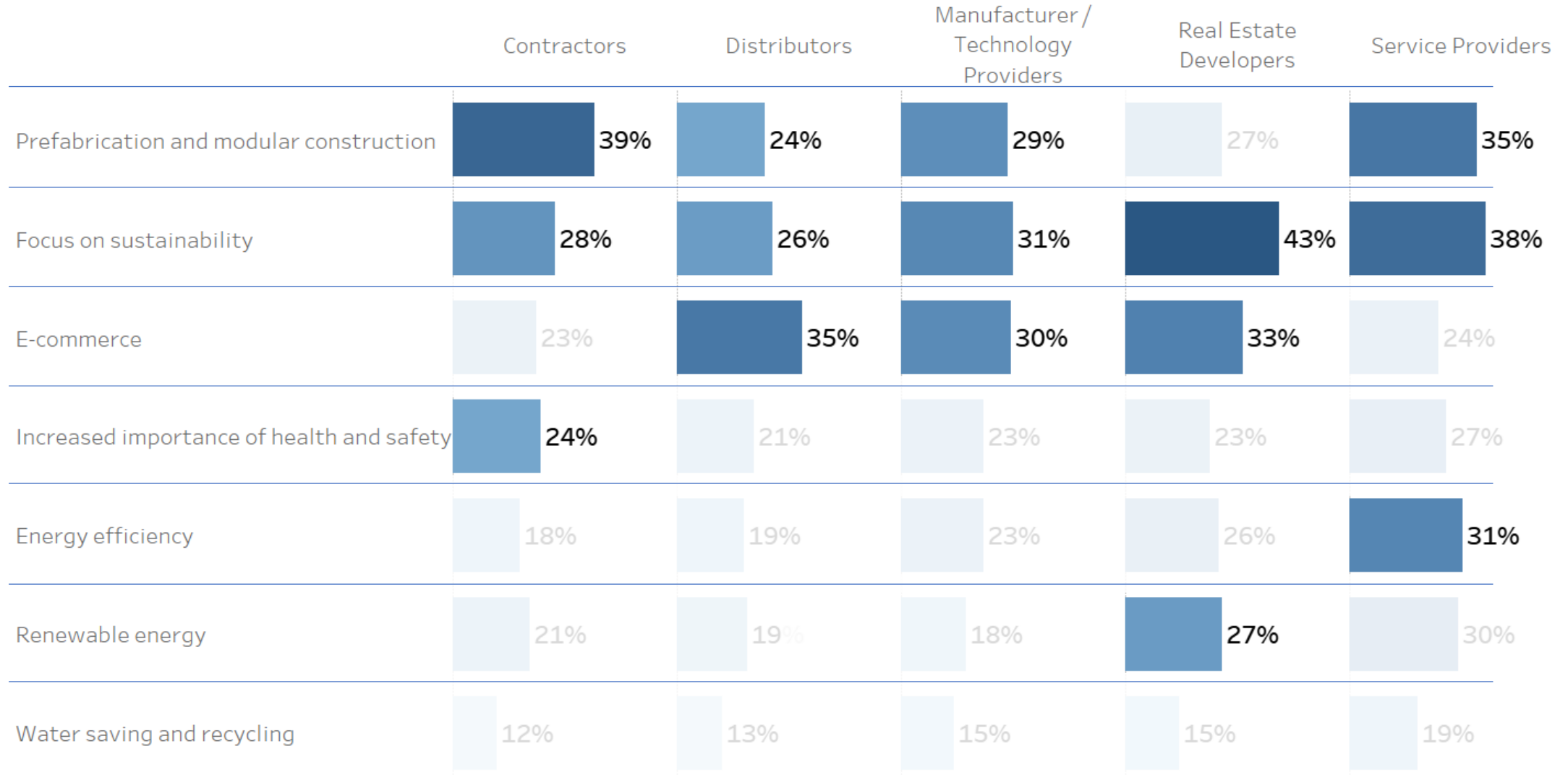


PRIVATE ORGANISATIONS

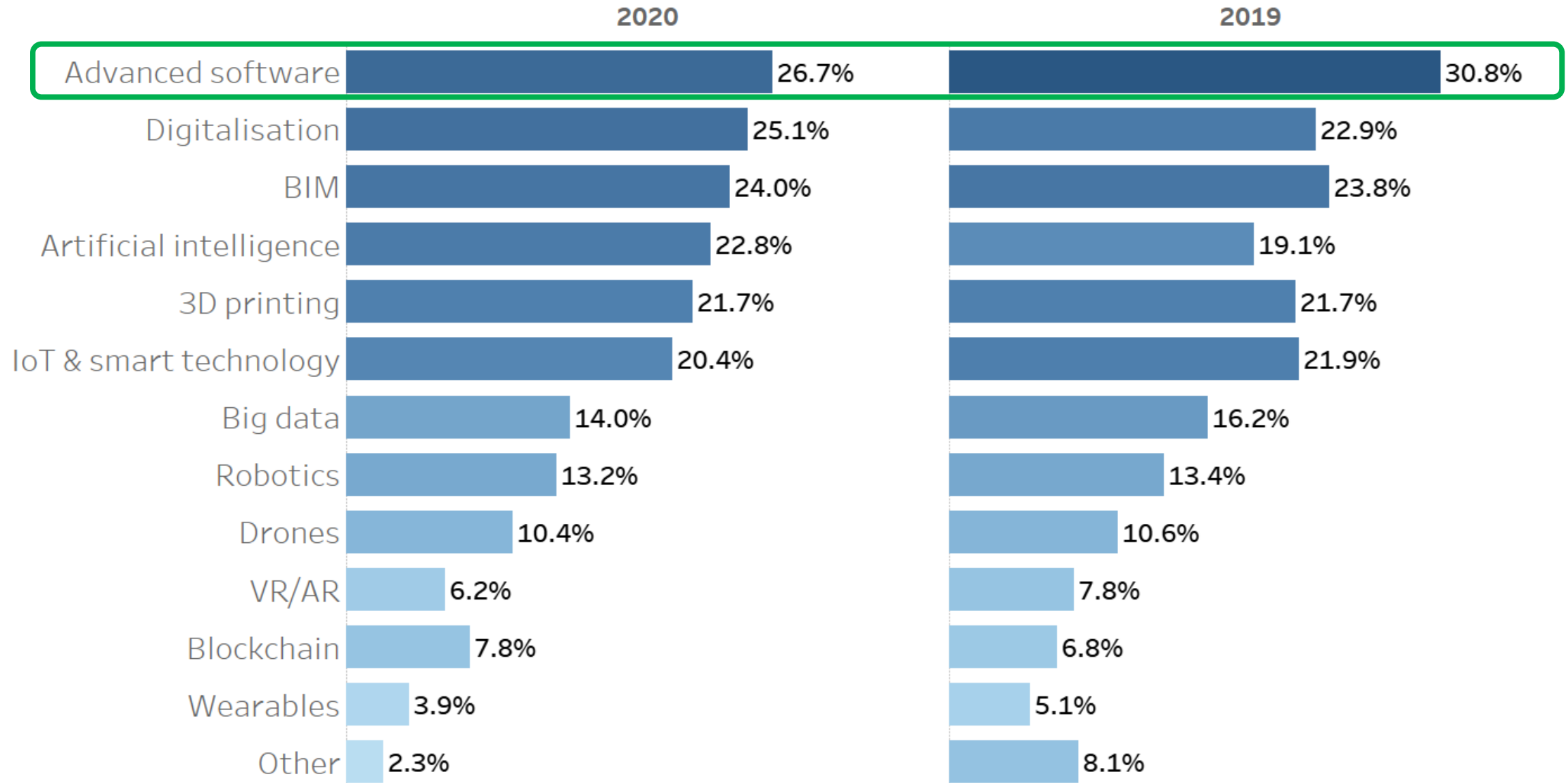
GOVERNMENT



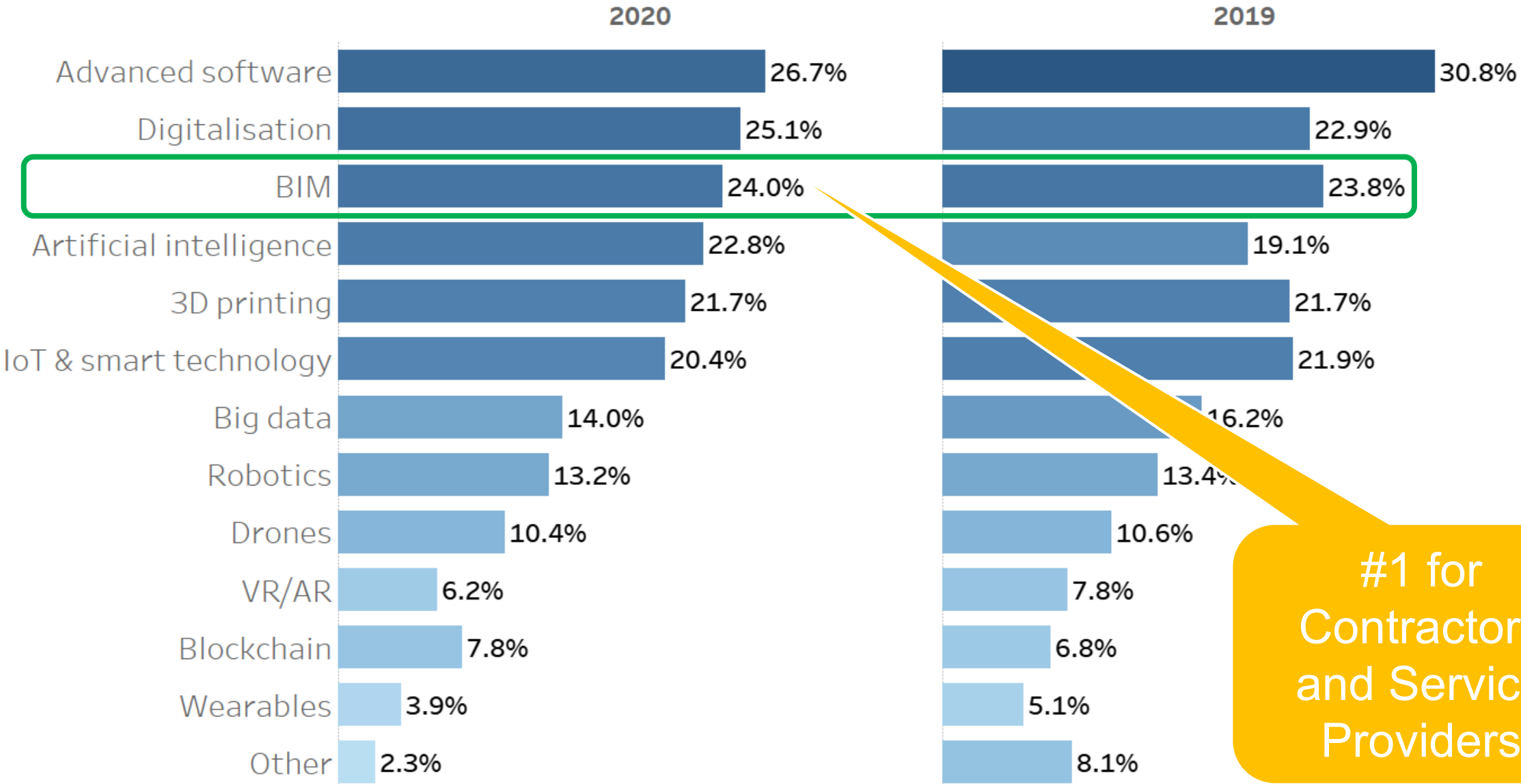
Industry trends



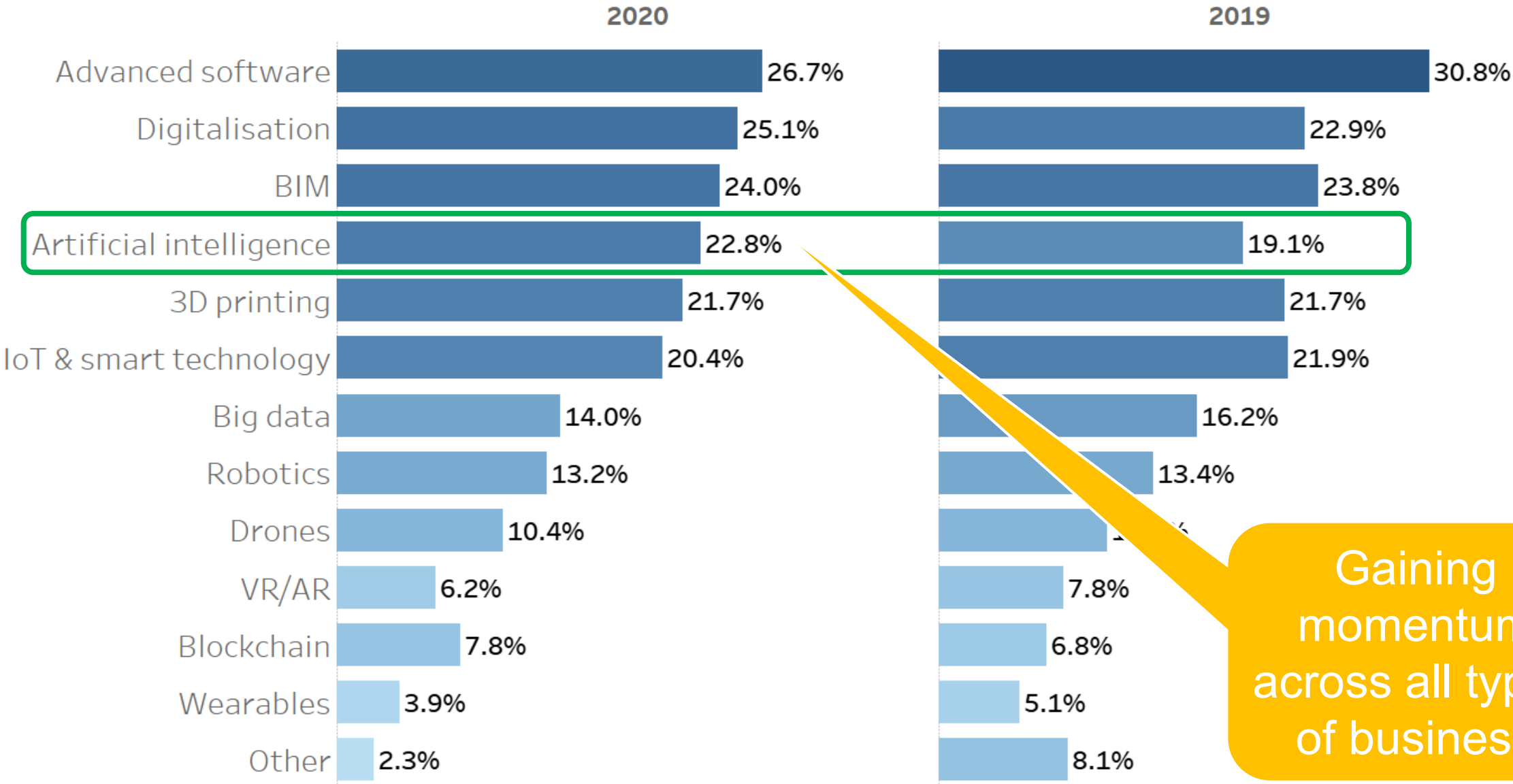
Technologies impacting the business in next 2 years



Technologies impacting the business in next 2 years

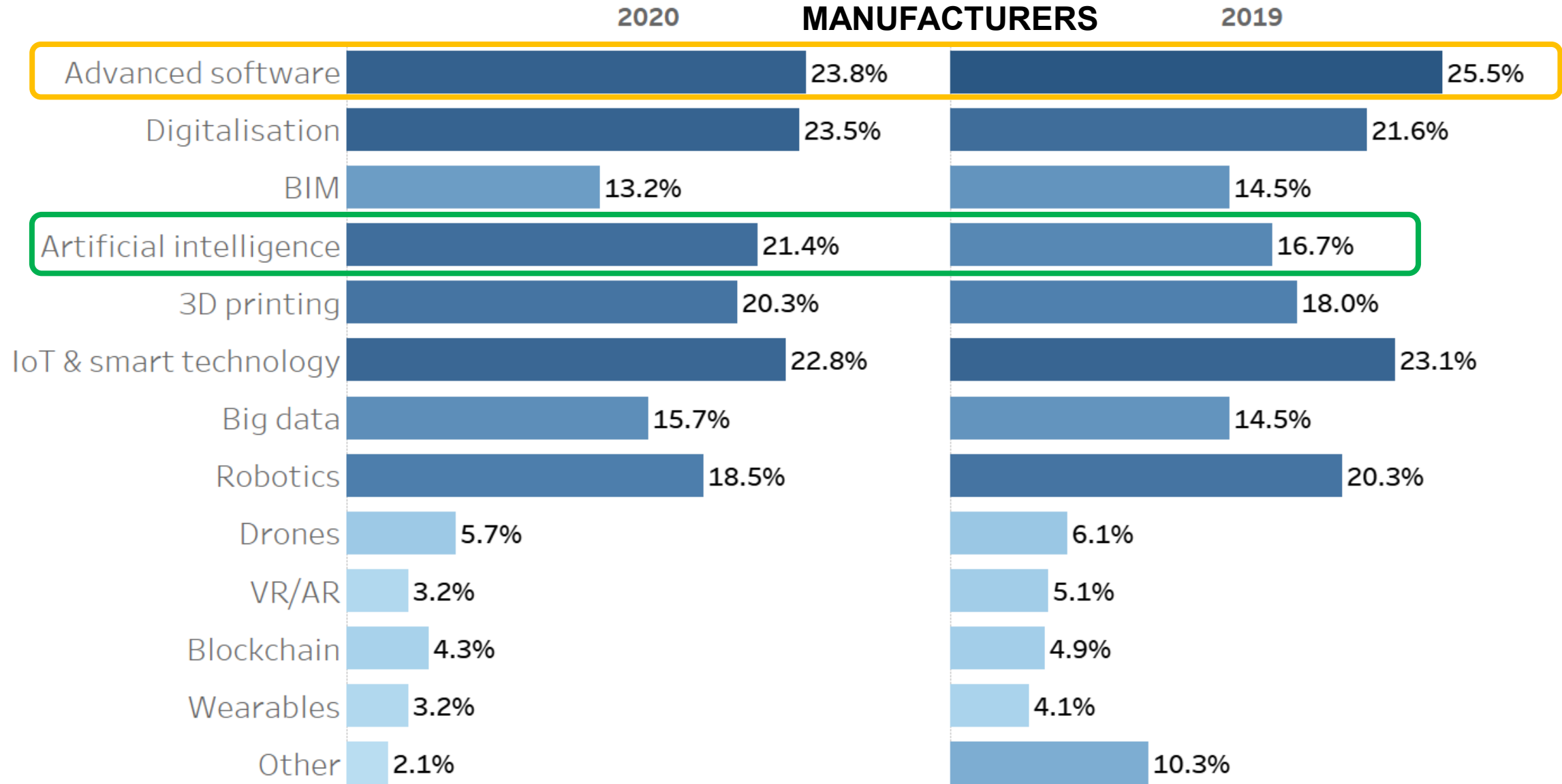


Technologies impacting the business in next 2 years

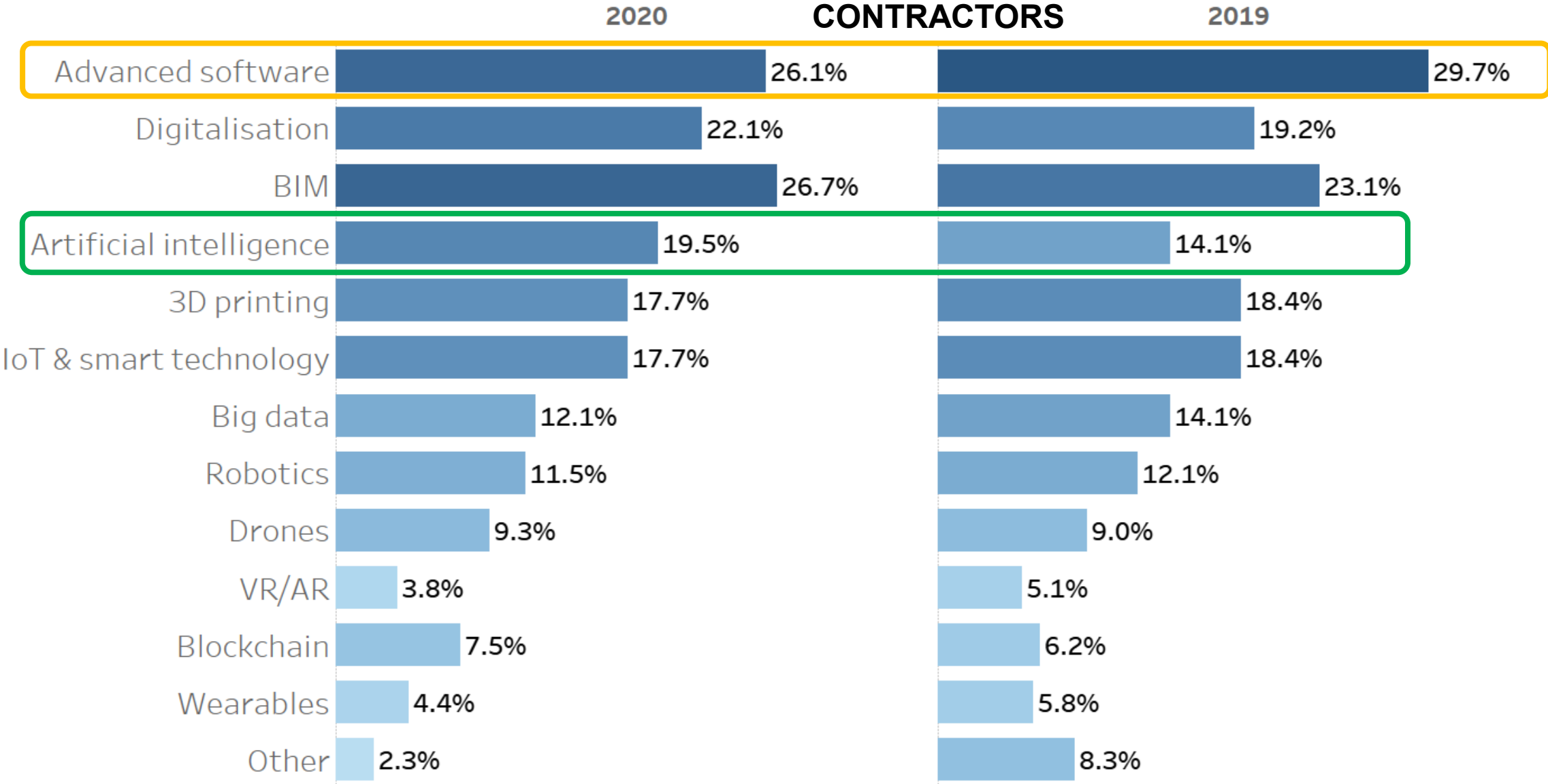


Gaining momentum across all types of business

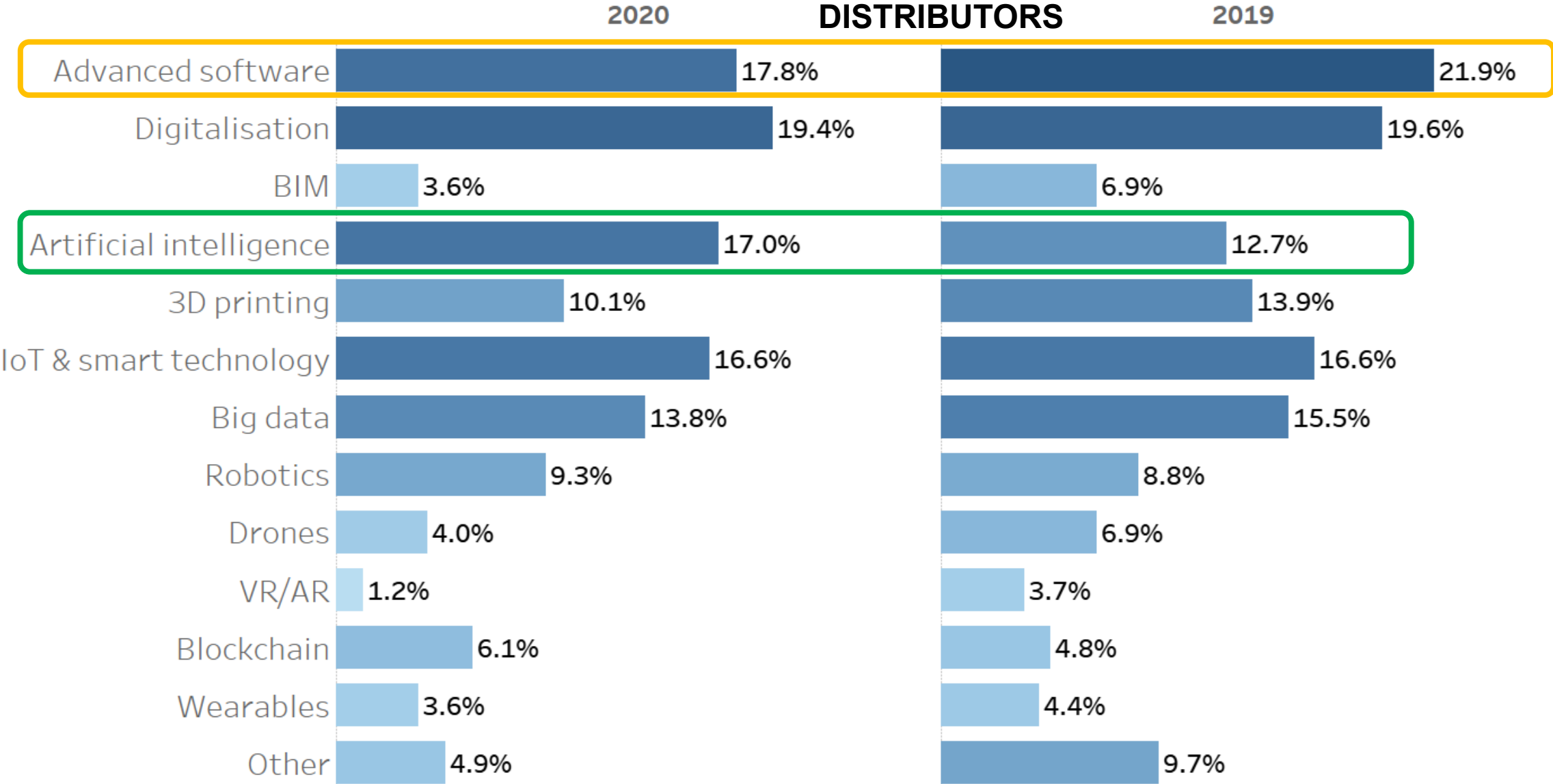
Technologies impacting the business in next 2 years



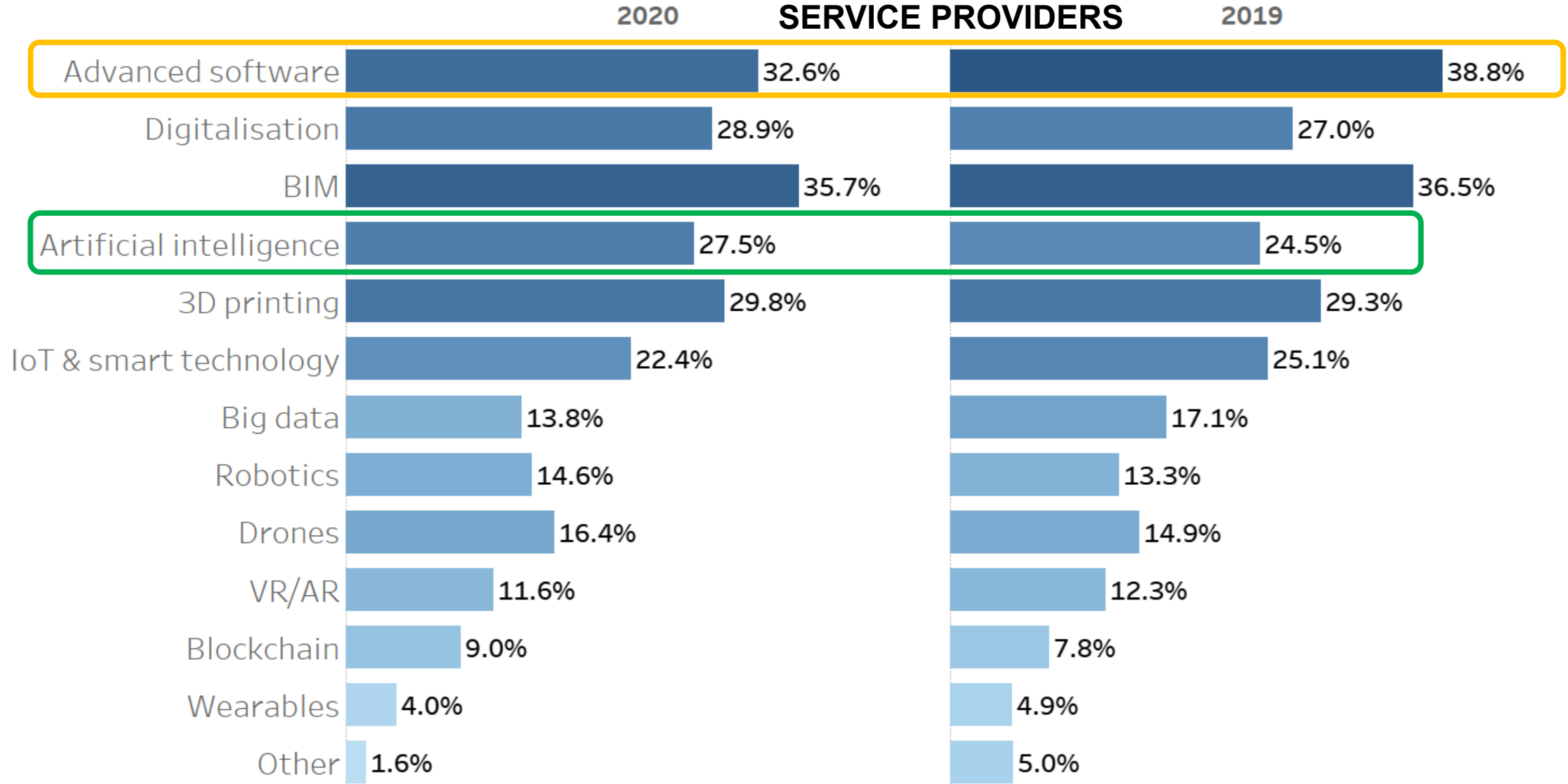
Technologies impacting the business in next 2 years



Technologies impacting the business in next 2 years



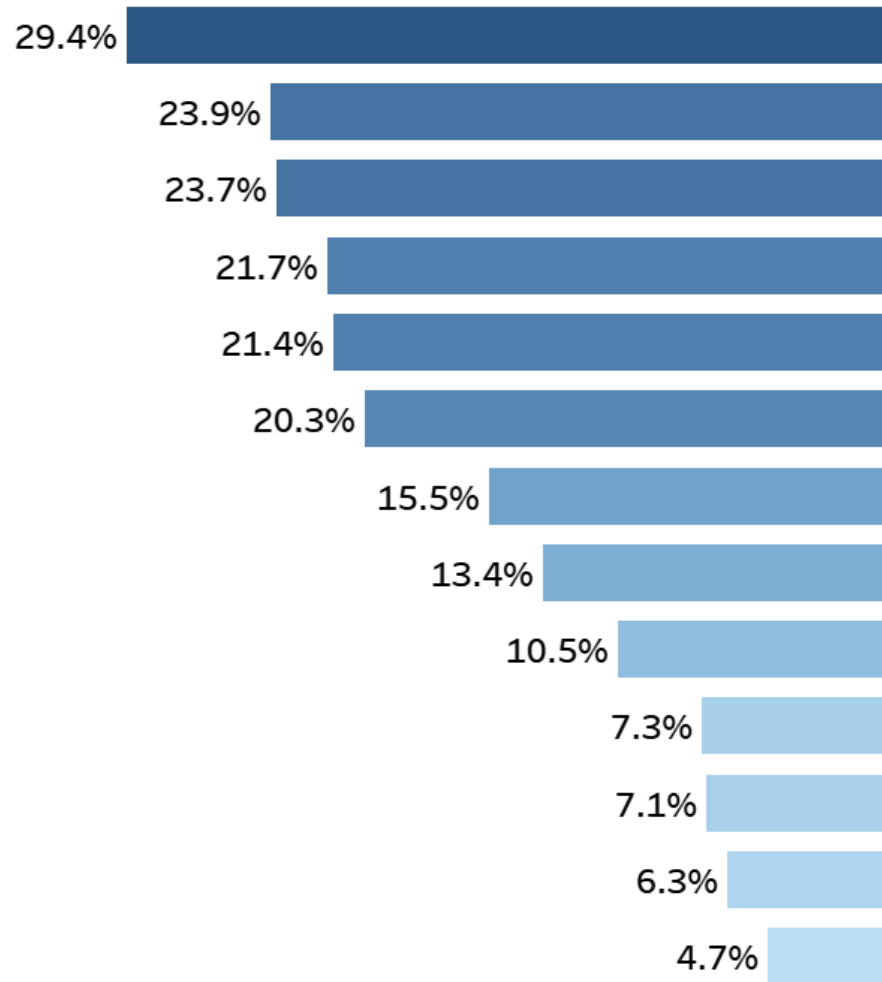
Technologies impacting the business in next 2 years



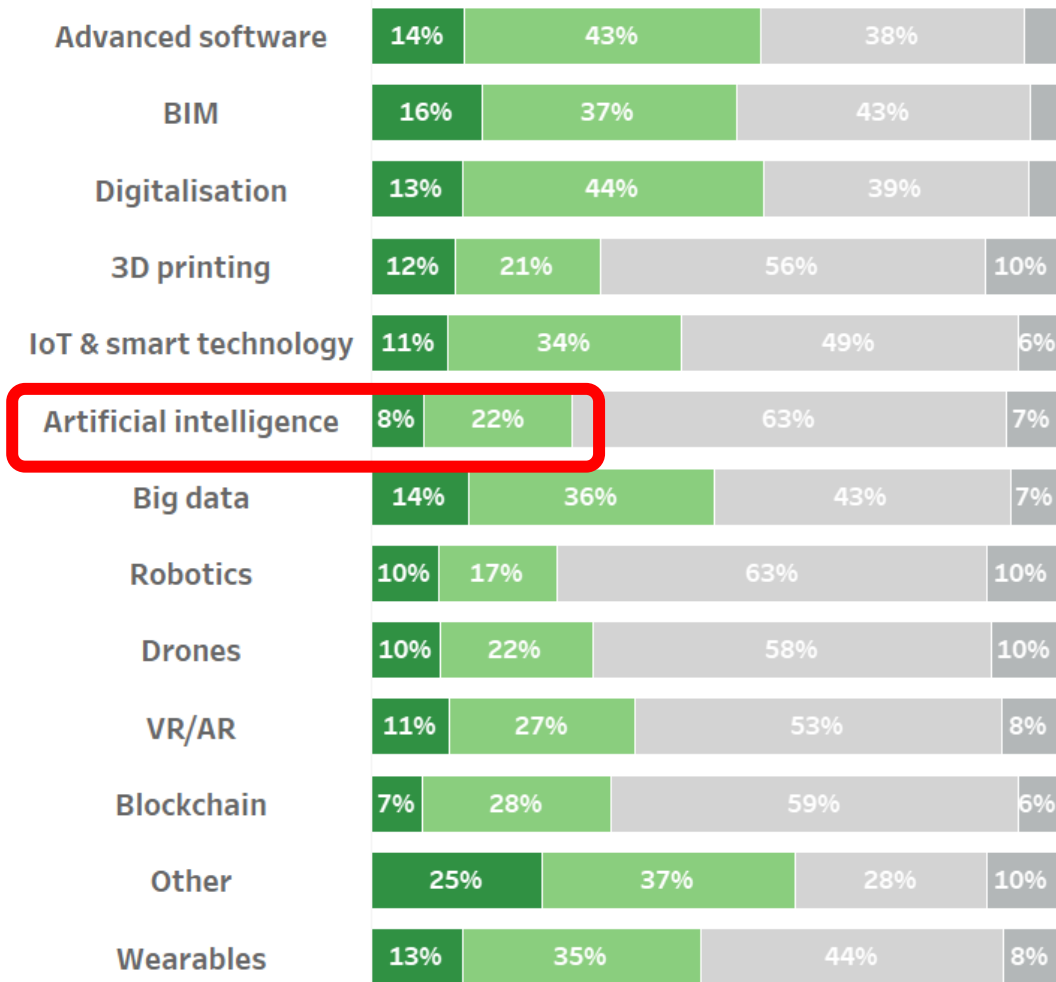
Readiness to adopt new technologies



Technologies impacting the business in the next 2 years



Preparation of employees on new technologies



Artificial intelligence

■ Fully trained
 ■ Sufficiently trained
 ■ Not yet trained
 ■ No training expected

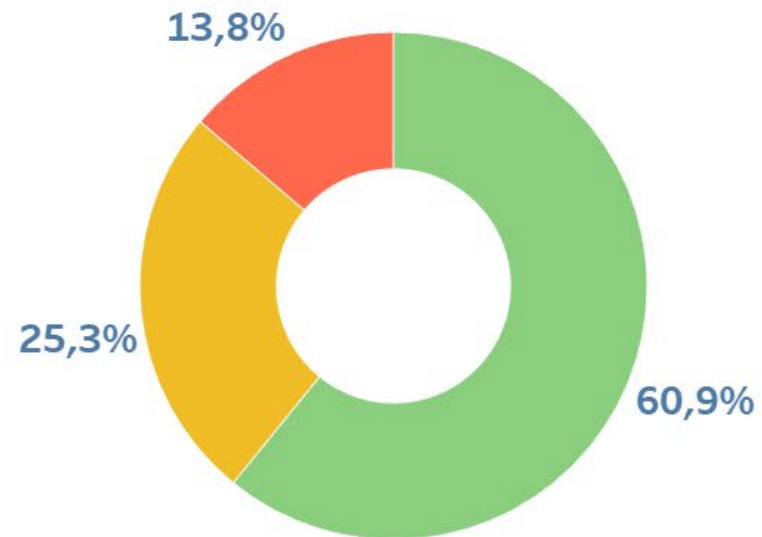


MARKET PERFORMANCE

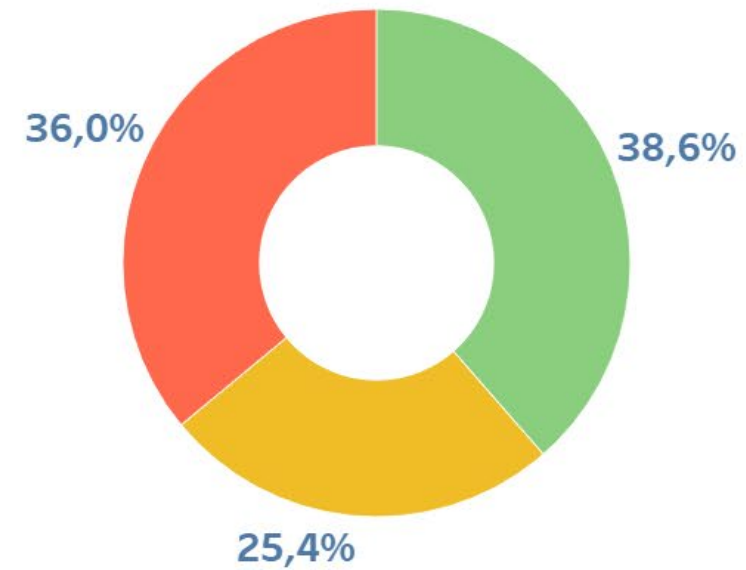


Turnover vs Previous year

2019
(2019 vs 2018)



2020
(2020 vs 2019)



■ It will decrease

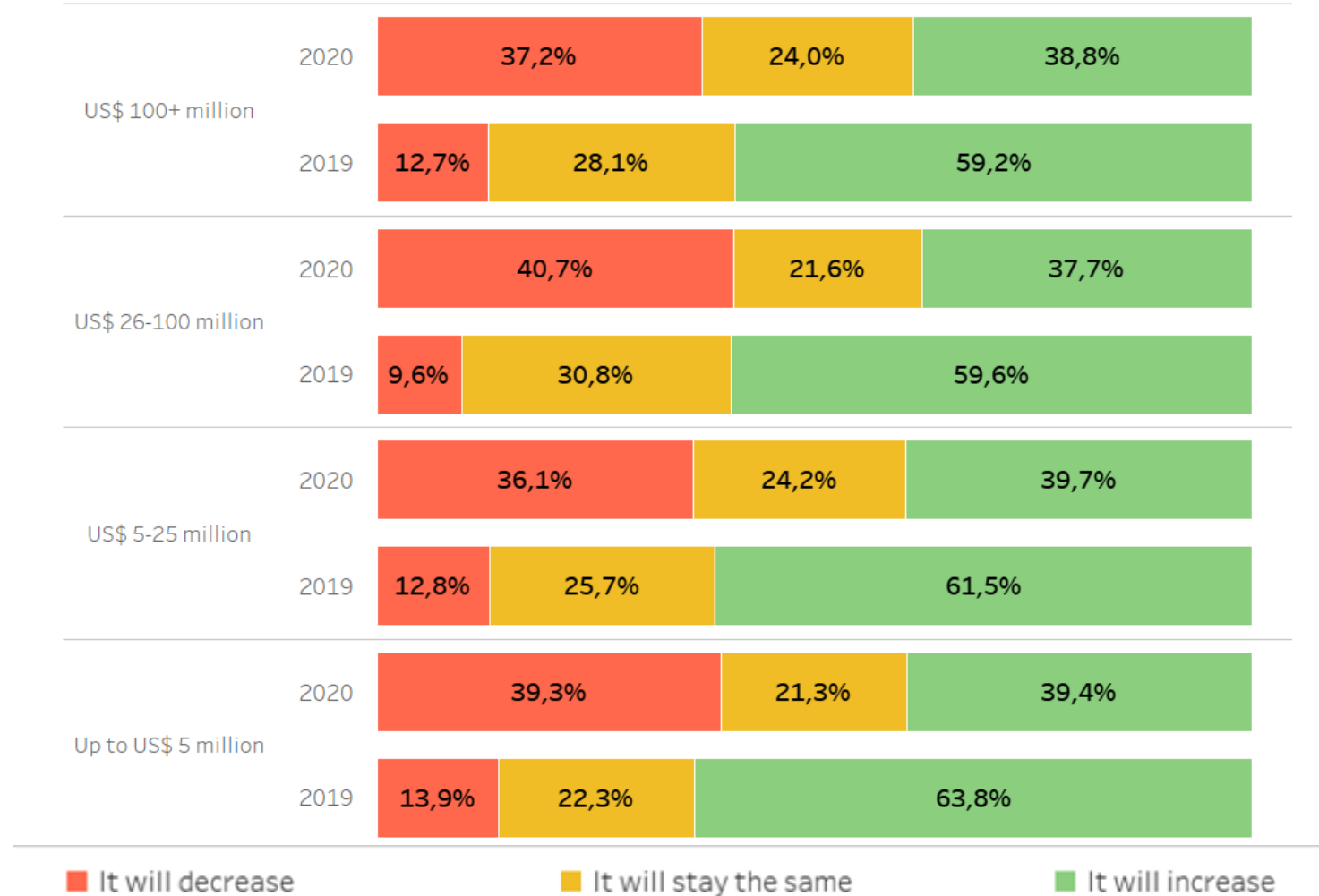
■ It will stay the same

■ It will increase

Turnover vs Previous year



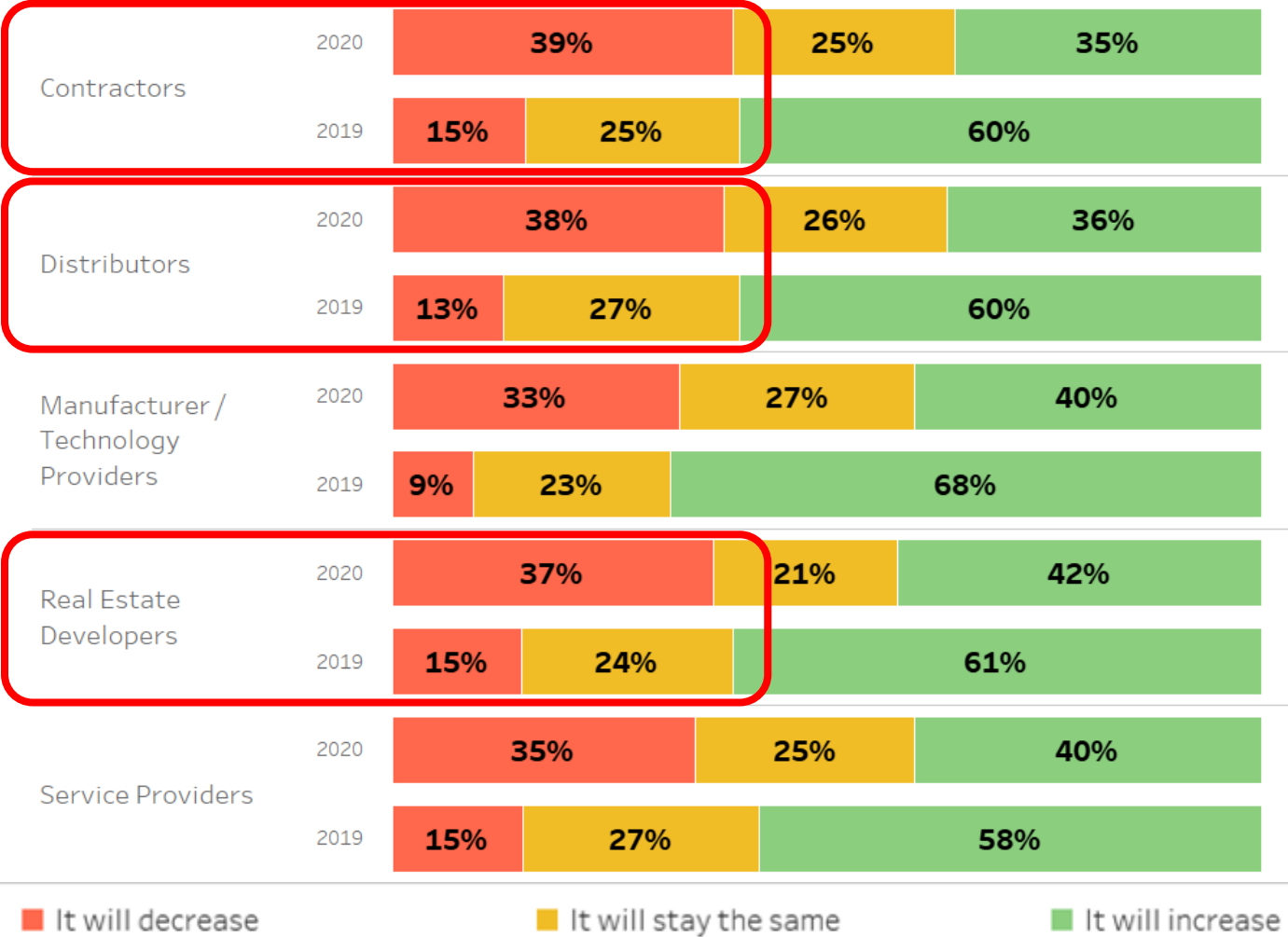
Turnover vs previous year (forecast)



Turnover vs Previous year



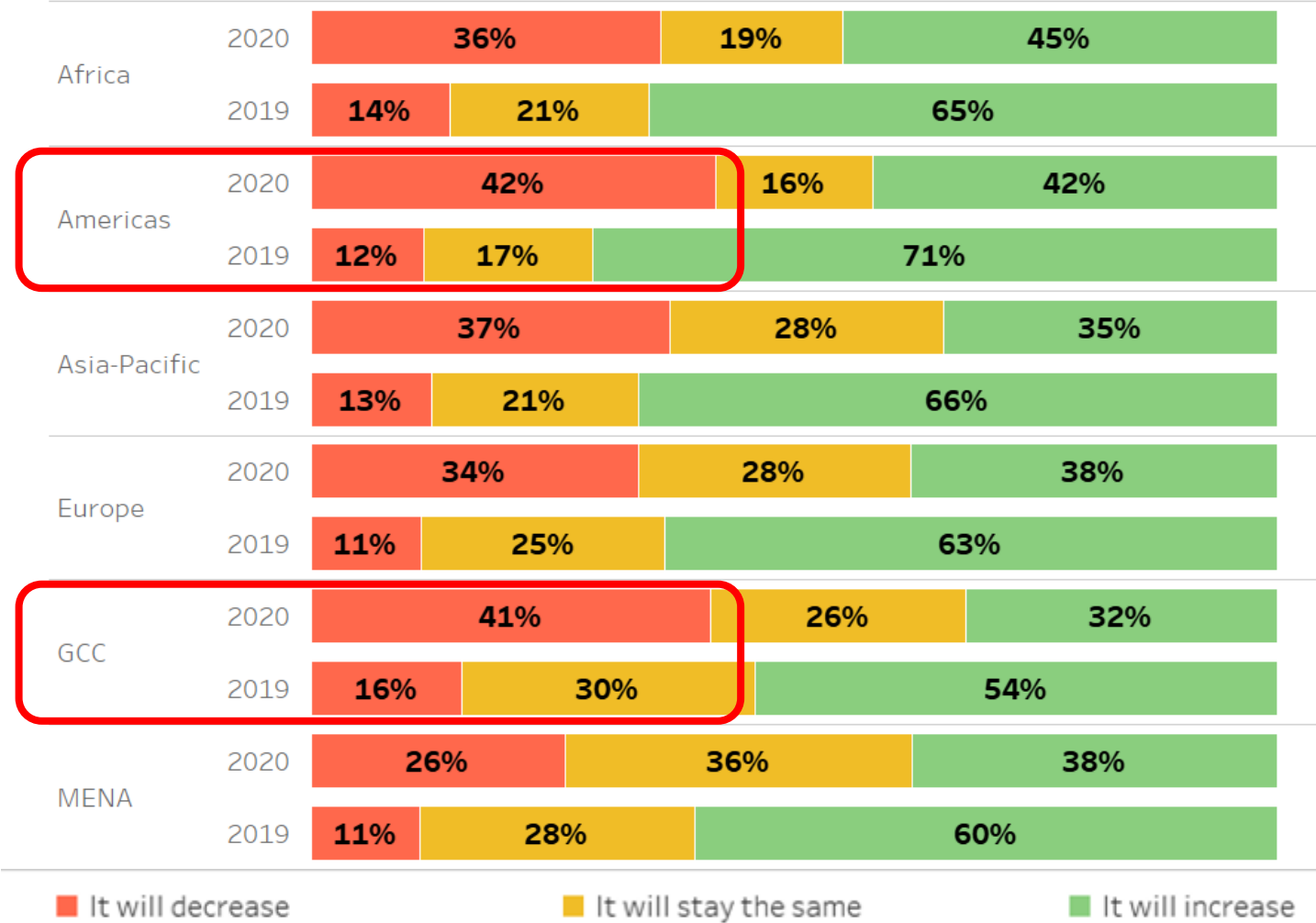
Turnover vs previous year (forecast)



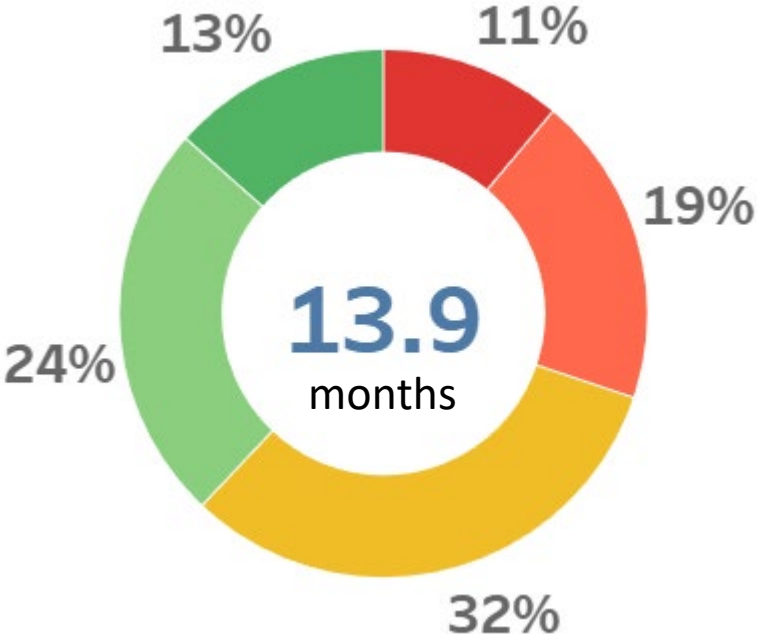
Turnover vs Previous year



Turnover vs previous year (forecast)



When will the market be sustainable



- More than 2 years
- 2 years
- 12 months
- 6 months
- It is already sustainable

Distributors



Manufacturer /
Technology Providers



Contractors



Real Estate Developers



Service Providers



Main challenges per market



Top 3 challenges

Country	# 1	# 2	# 3
Bahrain	Travel restrictions	Finding new projects	Cost-driven decision making
Kuwait	Travel restrictions	Finding new projects	Strong competition
Oman	Travel restrictions	Strong competition	Lack of financial funding
Saudi Arabia	Strong competition	Travel restrictions	Cost-driven decision making
UAE	Strong competition	Collecting payments	Finding new projects
Egypt	Strong competition	Cost-driven decision making	Lack of financial funding
Ethiopia	Lack of financial funding	Collecting payments	Cost-driven decision making
Kenya	Lack of financial funding	Strong competition	Finding new projects
Nigeria	Lack of financial funding	Finding new projects	Strong competition
South Africa	Lack of financial funding	Finding new projects	Travel restrictions



MARKET PERFORMANCE IN-DEPTH ANALYSIS



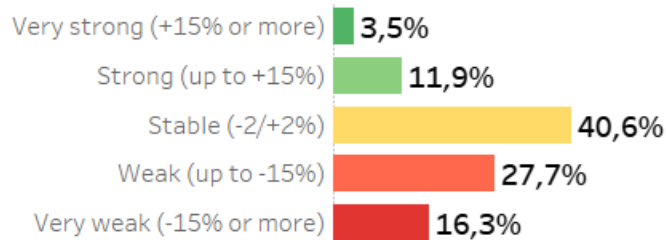
Focus per market: BAHRAIN



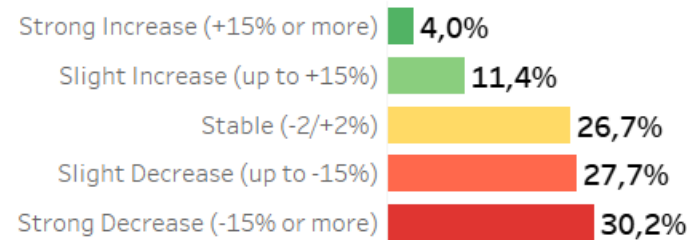
Market

Bahrain

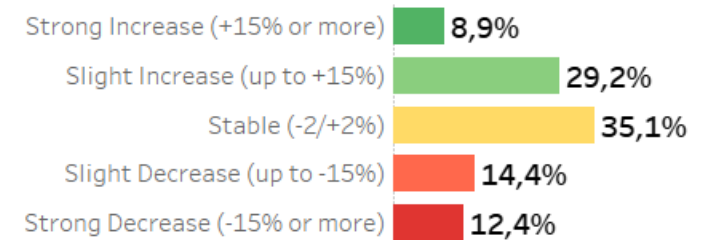
Current market outlook



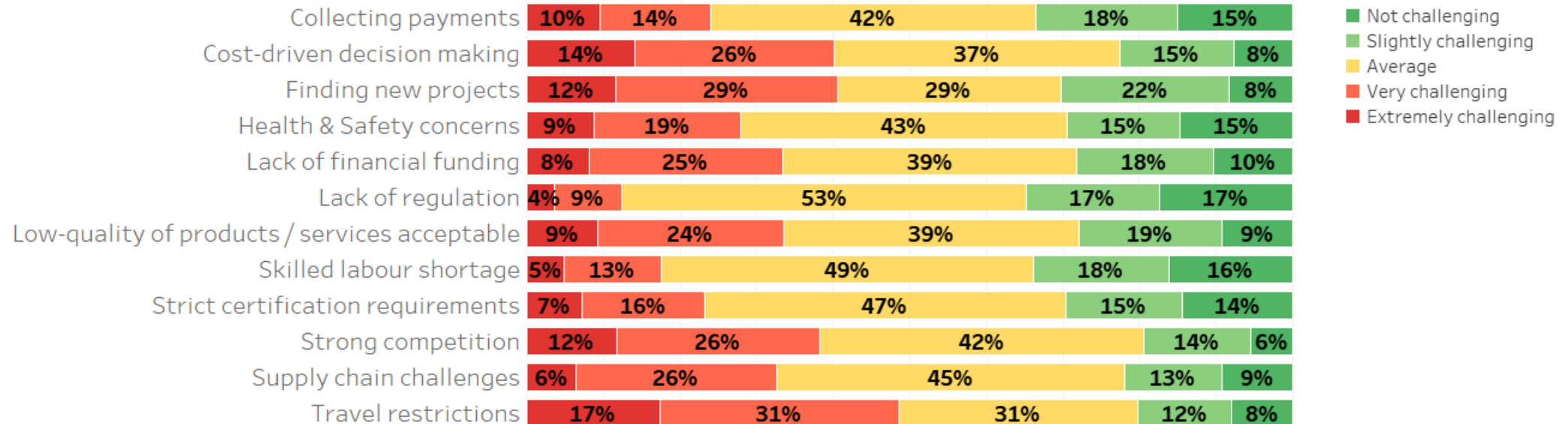
Performance 2020 vs 2019



Expectations for 2021 vs 2020



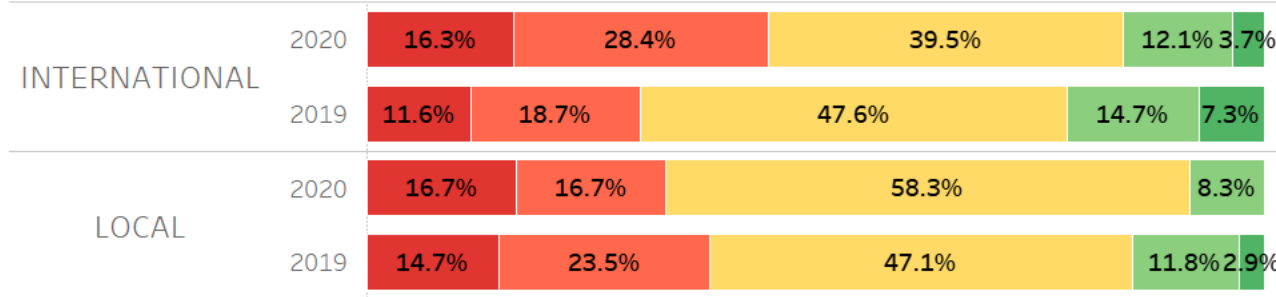
Challenges



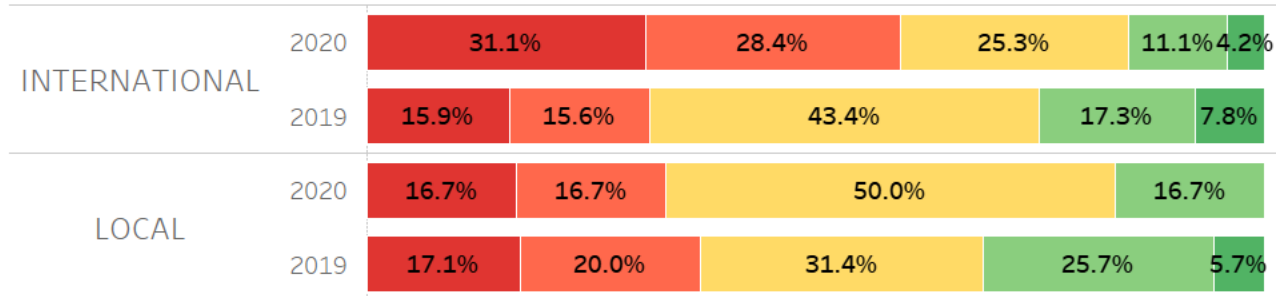
Focus per market: BAHRAIN



Current market outlook

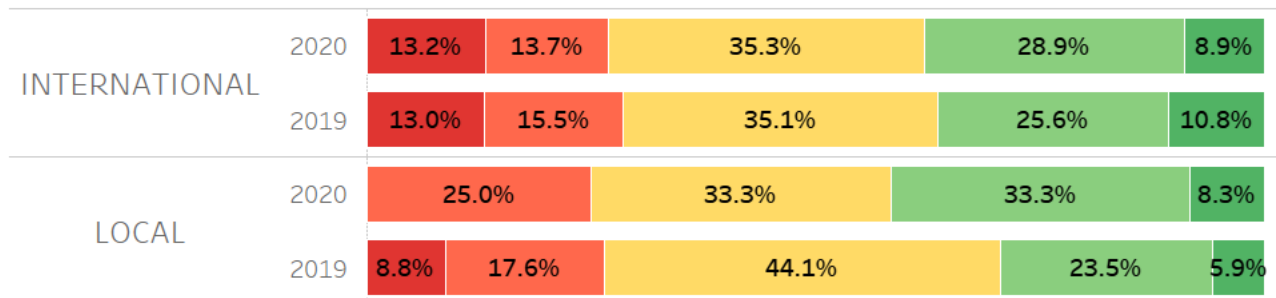


Performance 2020 vs 2019



- Strong Increase (+15% or more)
- Slight Increase (up to +15%)
- Stable (-2/+2%)
- Slight Decrease (up to -15%)
- Strong Decrease (-15% or more)

Expectations for 2021 vs 2020



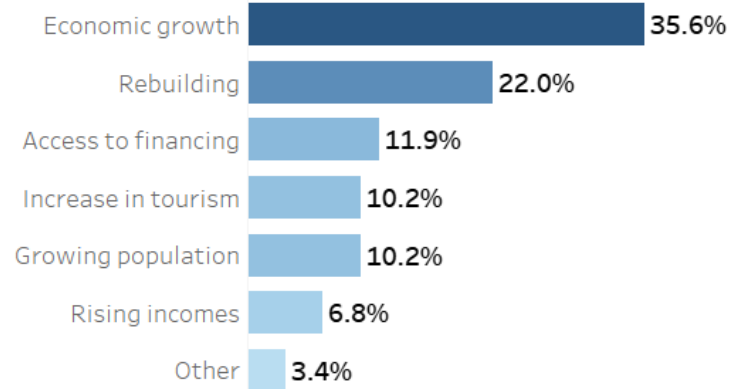
Focus per market: BAHRAIN



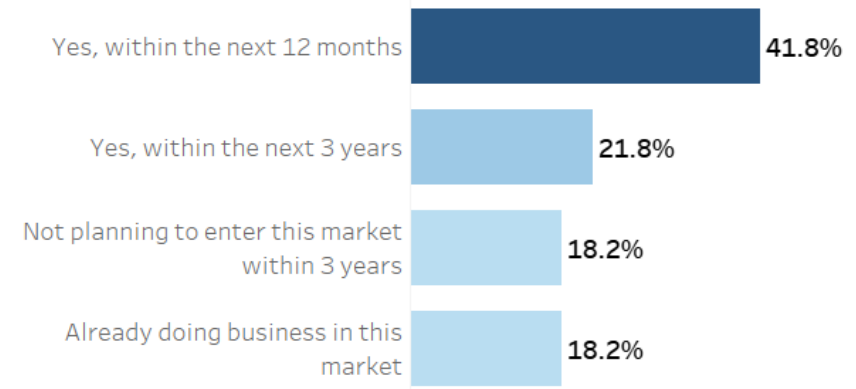
Markets with more opportunities

Bahrain

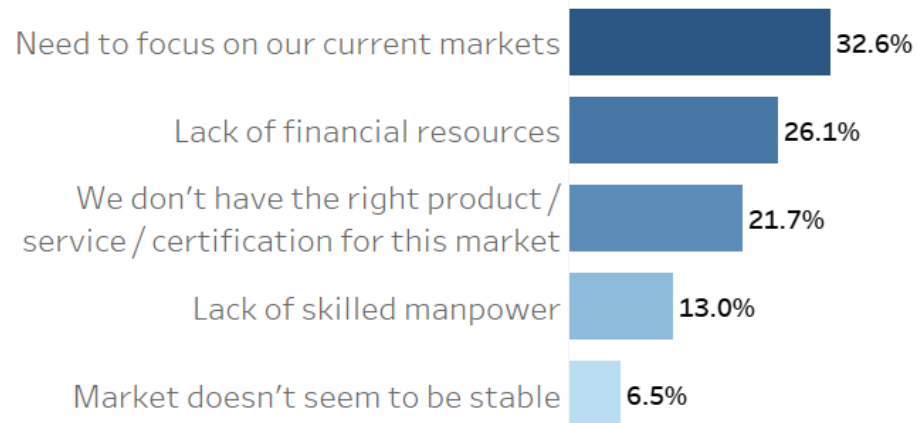
Key factors for business opportunities



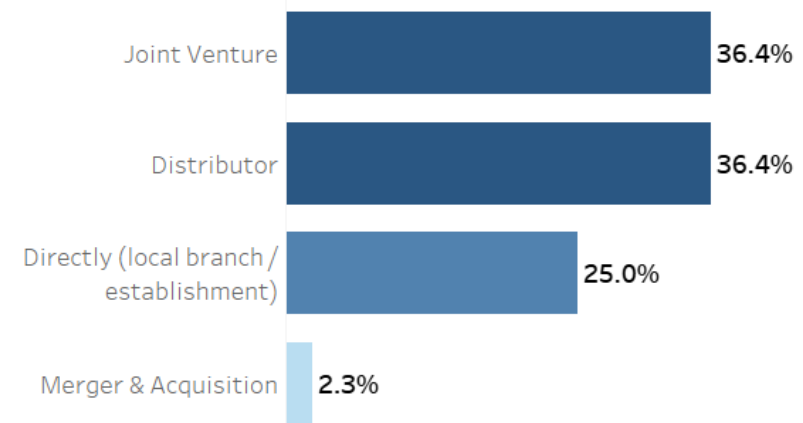
Planning to enter market



Biggest obstacle



How to enter market



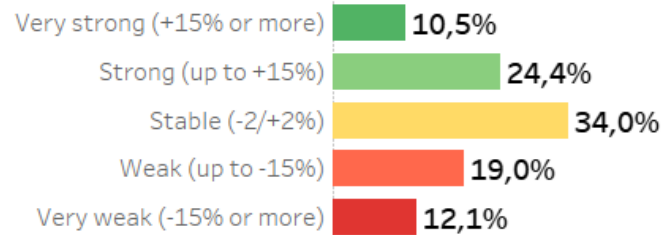
Focus per market: EGYPT



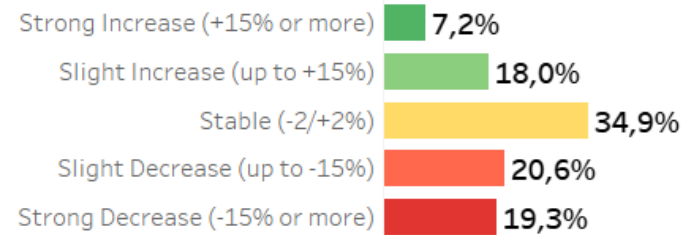
Market

Egypt

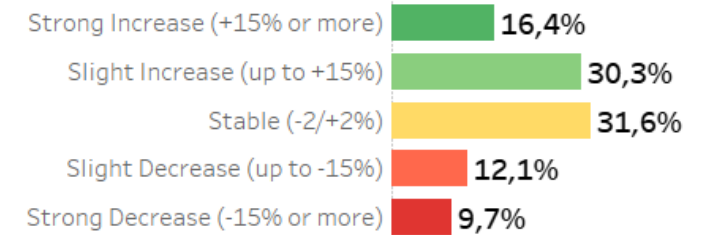
Current market outlook



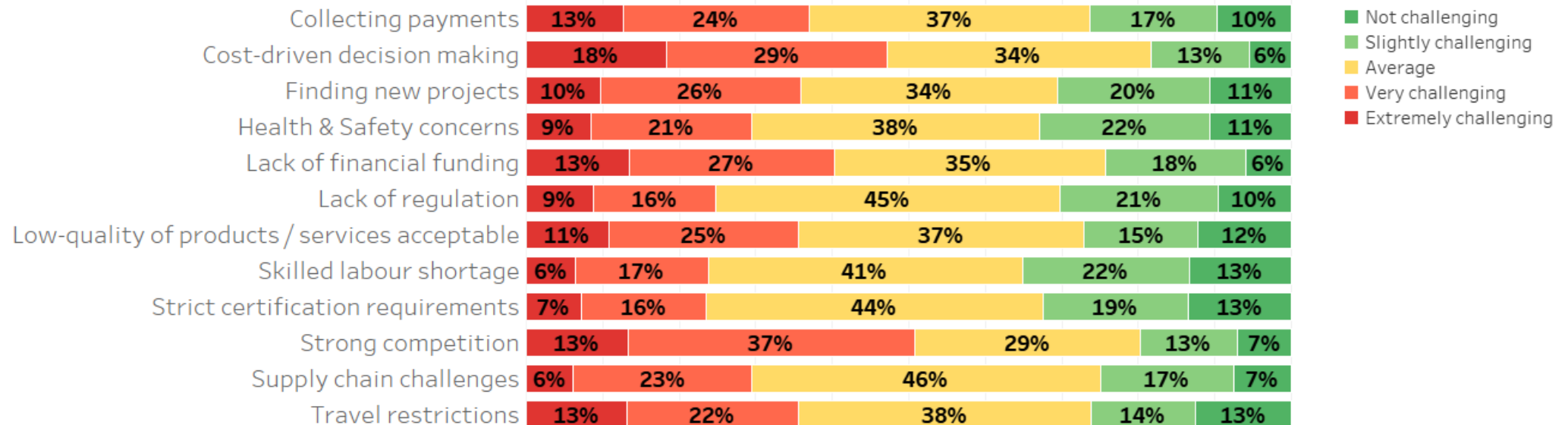
Performance 2020 vs 2019



Expectations for 2021 vs 2020



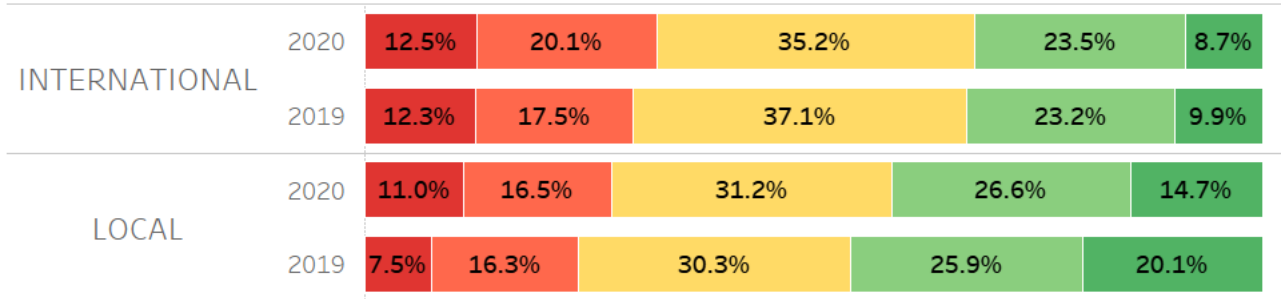
Challenges



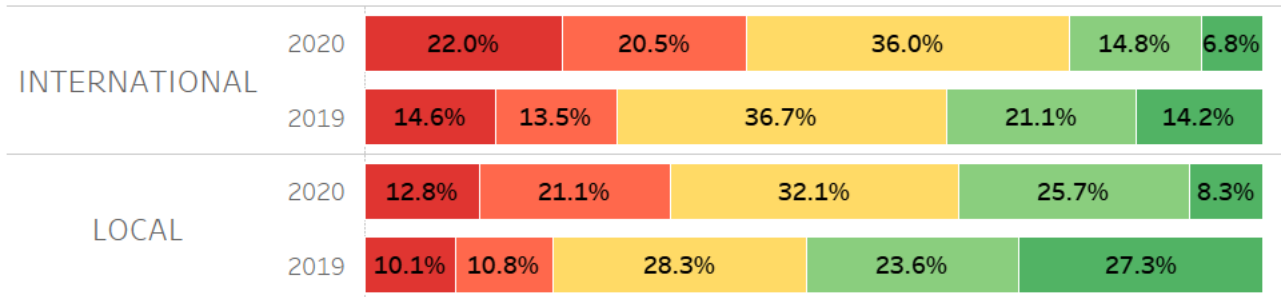
Focus per market: EGYPT



Current market outlook

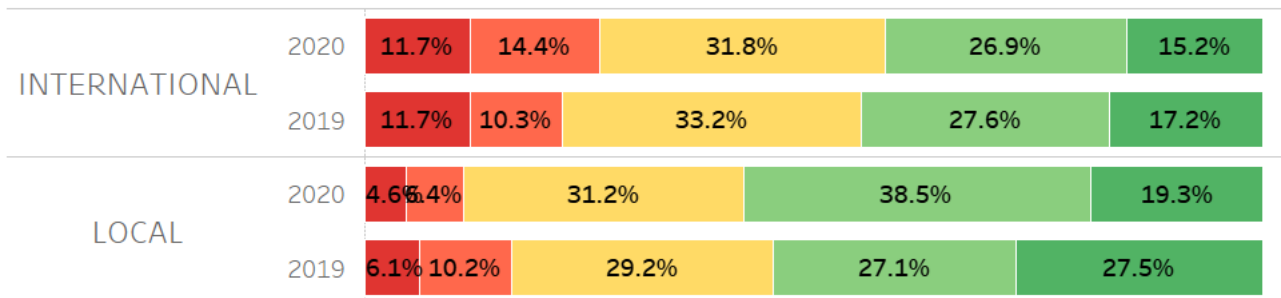


Performance 2020 vs 2019



- Strong Increase (+15% or more)
- Slight Increase (up to +15%)
- Stable (-2/+2%)
- Slight Decrease (up to -15%)
- Strong Decrease (-15% or more)

Expectations for 2021 vs 2020



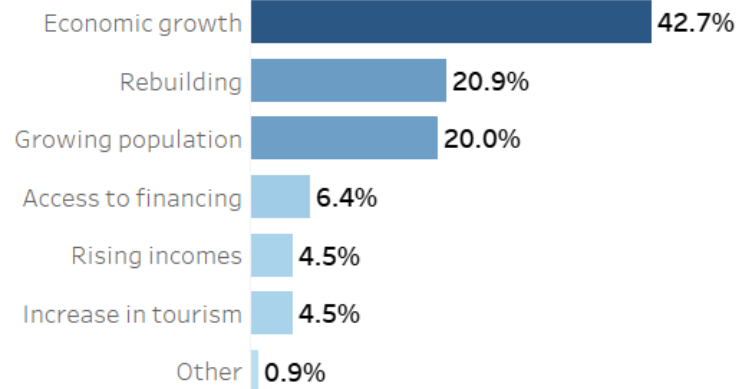
Focus per market: EGYPT



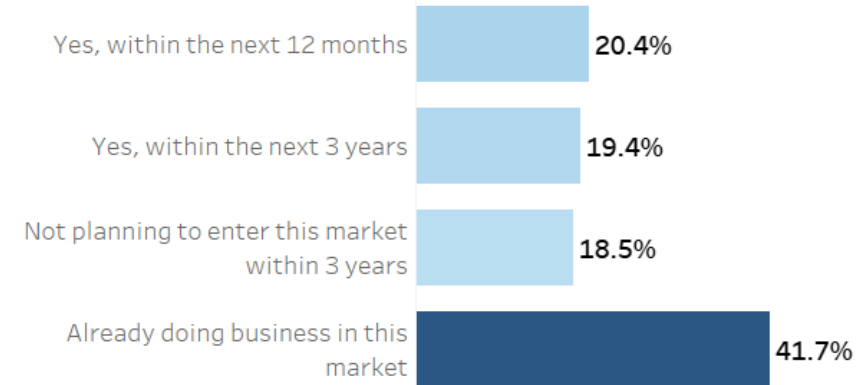
Markets with more opportunities

Egypt

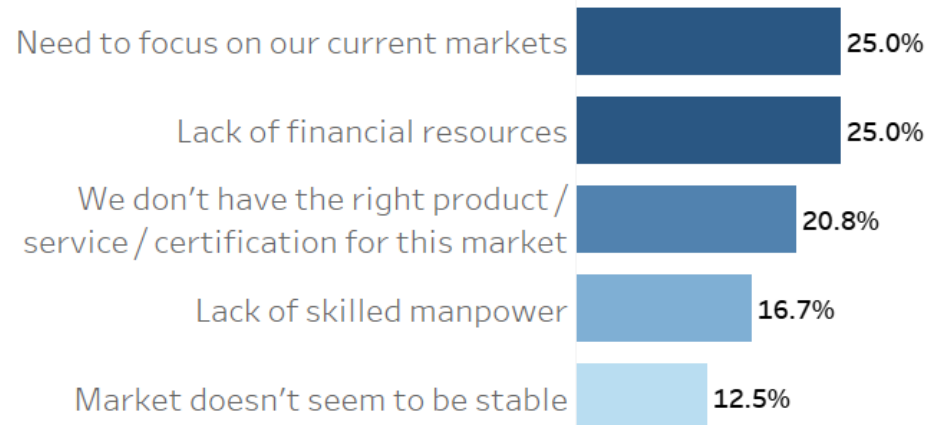
Key factors for business opportunities



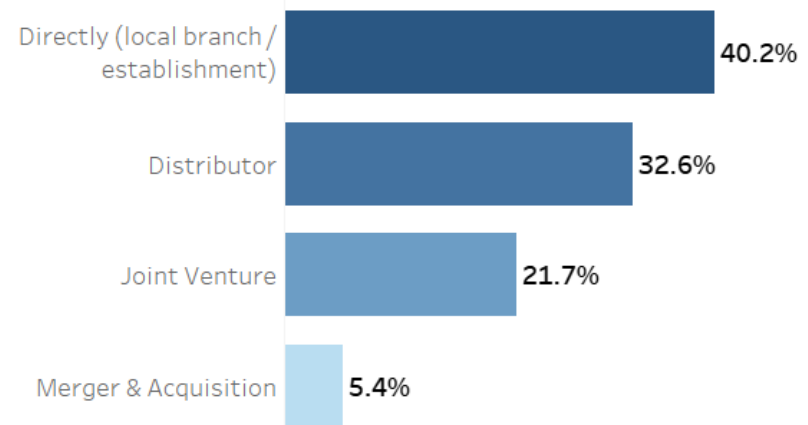
Planning to enter market



Biggest obstacle



How to enter market



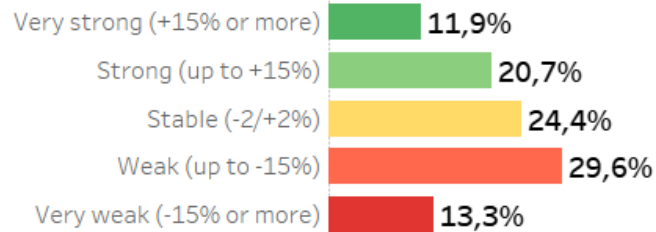
Focus per market: ETHIOPIA



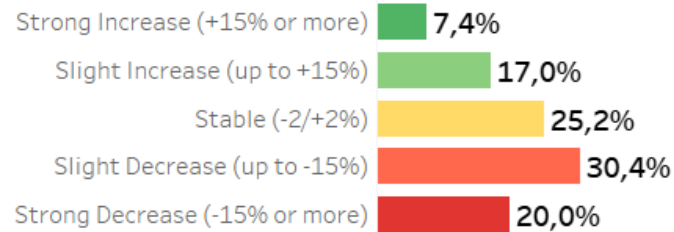
Market

Ethiopia

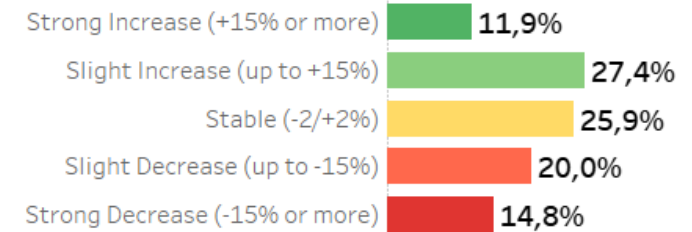
Current market outlook



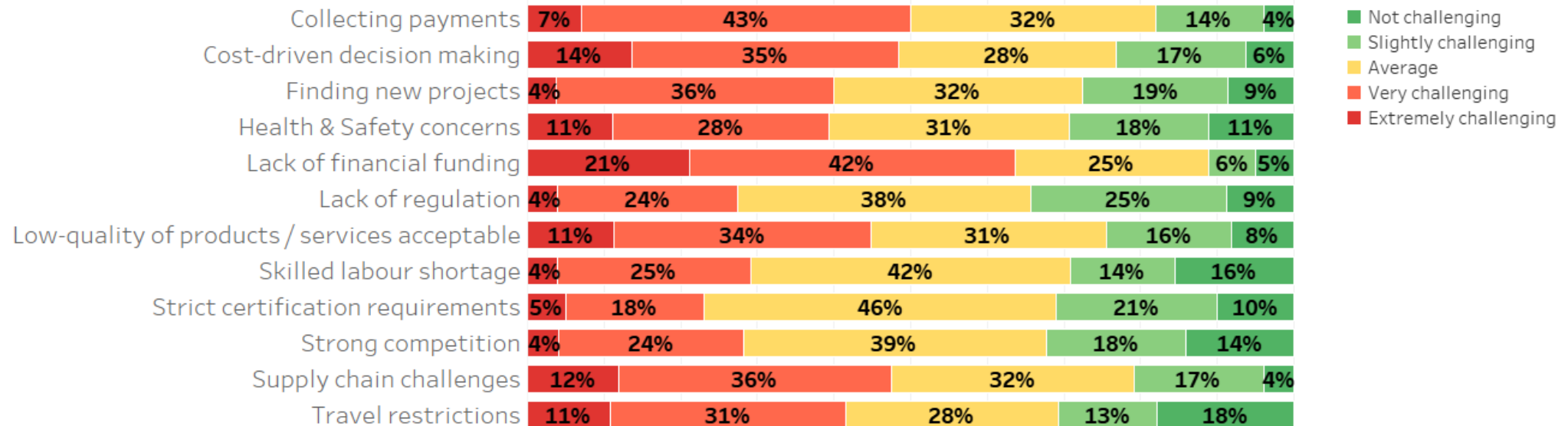
Performance 2020 vs 2019



Expectations for 2021 vs 2020



Challenges

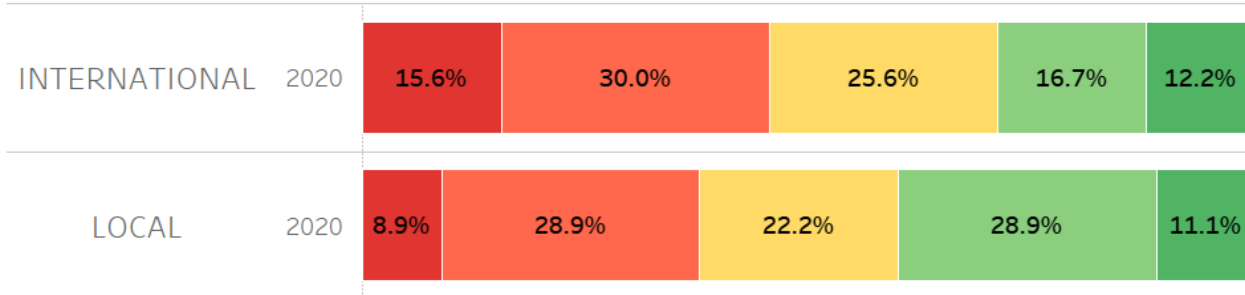


- Not challenging
- Slightly challenging
- Average
- Very challenging
- Extremely challenging

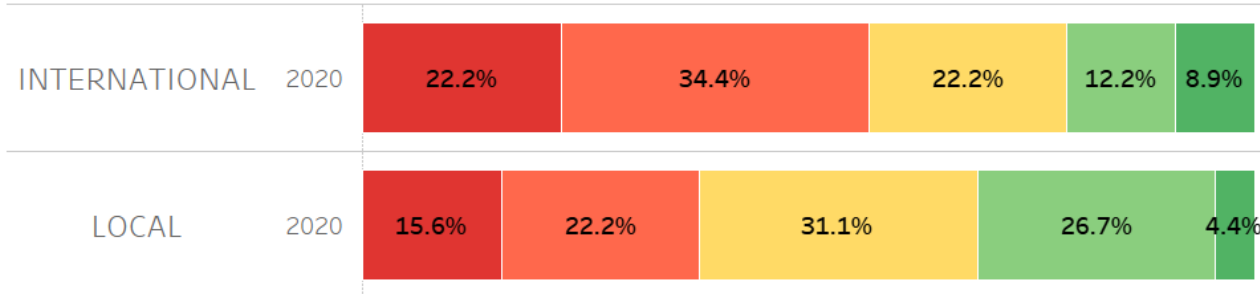
Focus per market: ETHIOPIA



Current market outlook

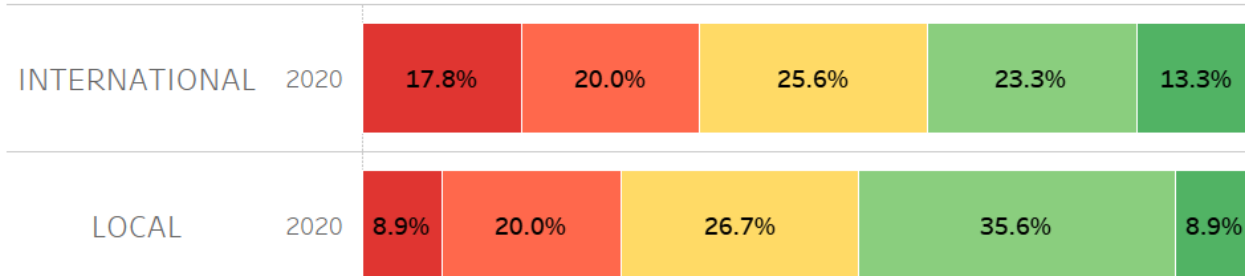


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Expectations for 2021 vs 2020



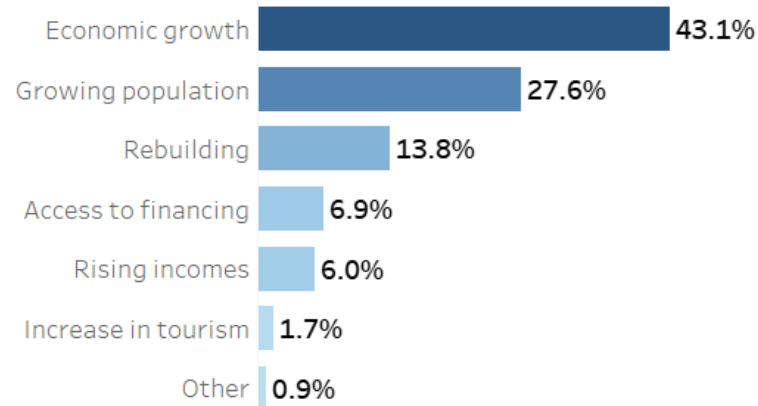
Focus per market: ETHIOPIA



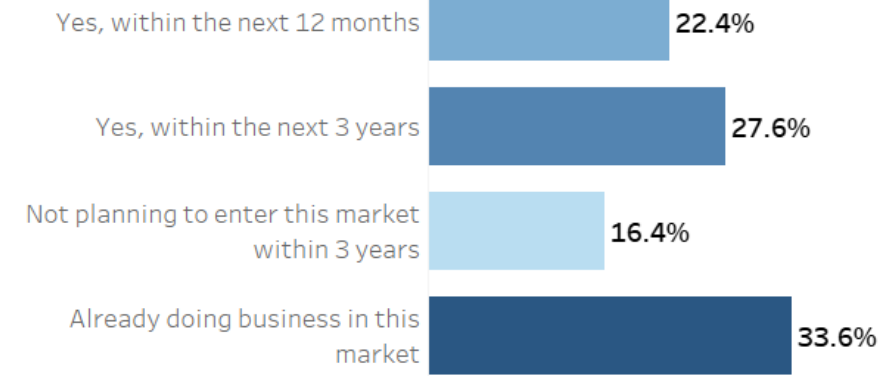
Markets with more opportunities

Ethiopia

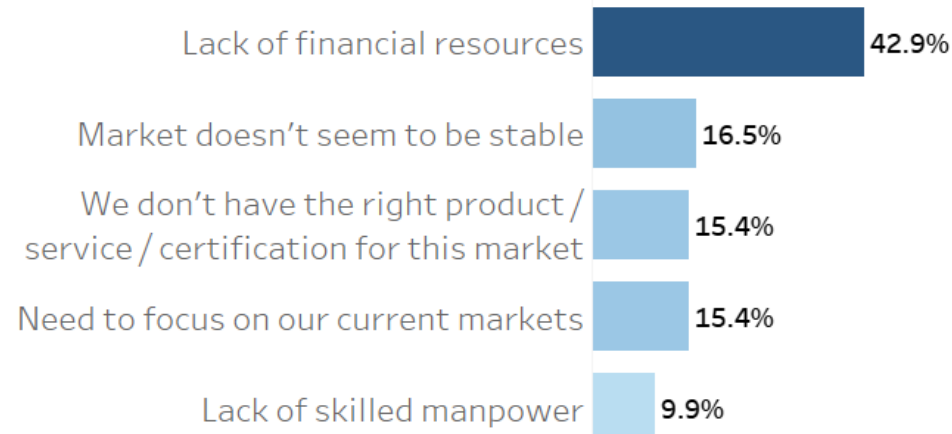
Key factors for business opportunities



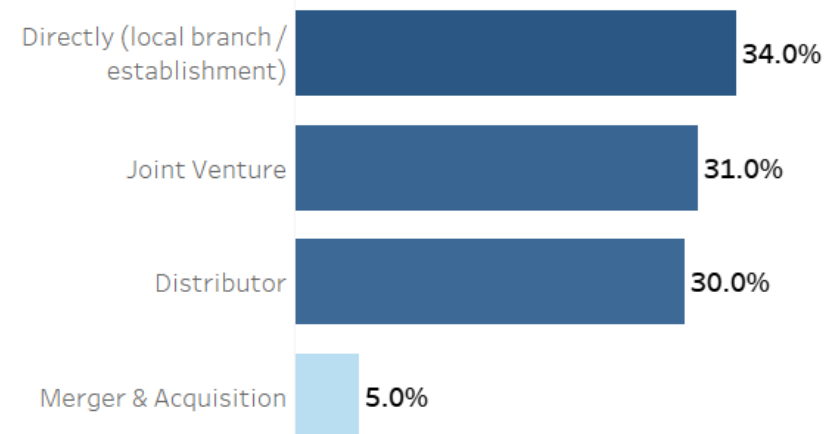
Planning to enter market



Biggest obstacle



How to enter market



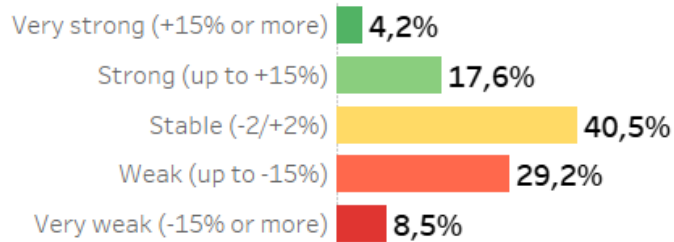
Focus per market: KENYA



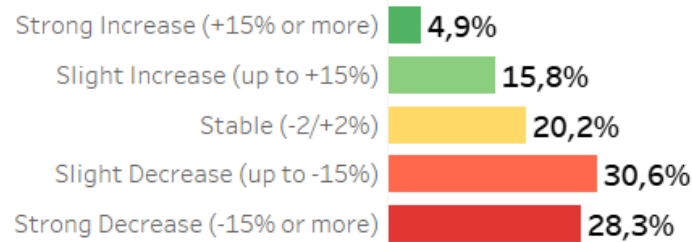
Market

Kenya

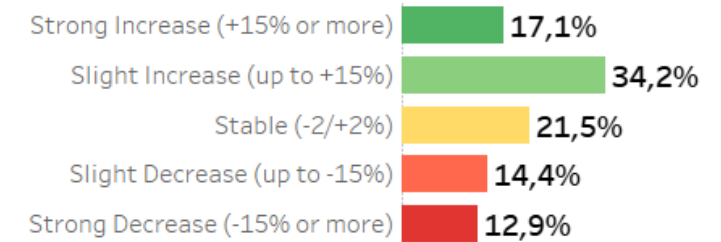
Current market outlook



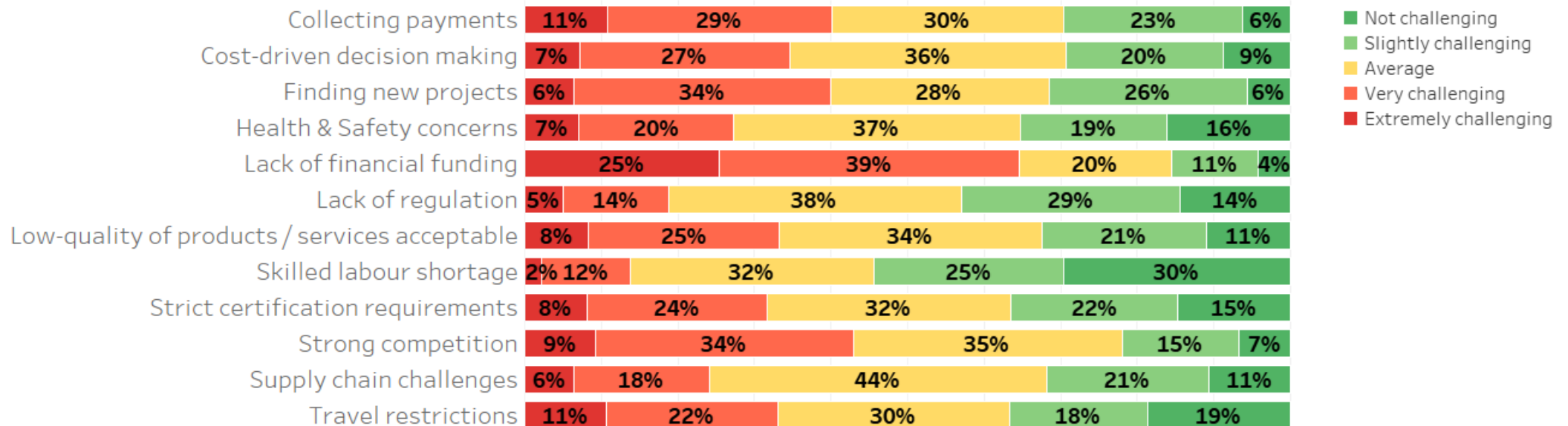
Performance 2020 vs 2019



Expectations for 2021 vs 2020



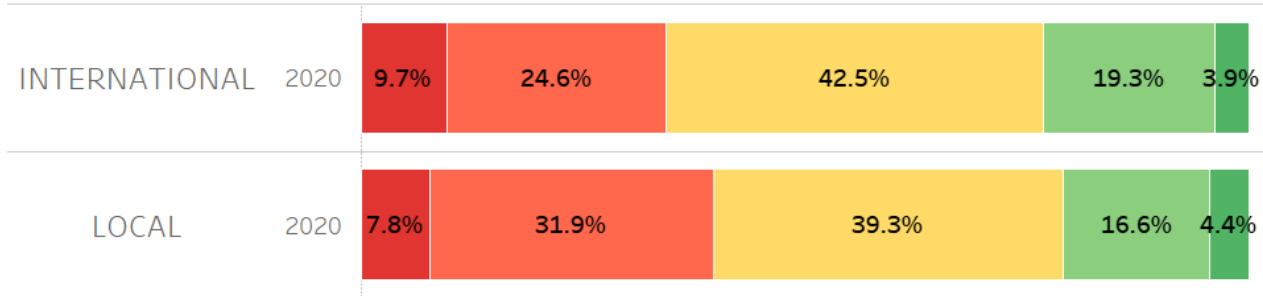
Challenges



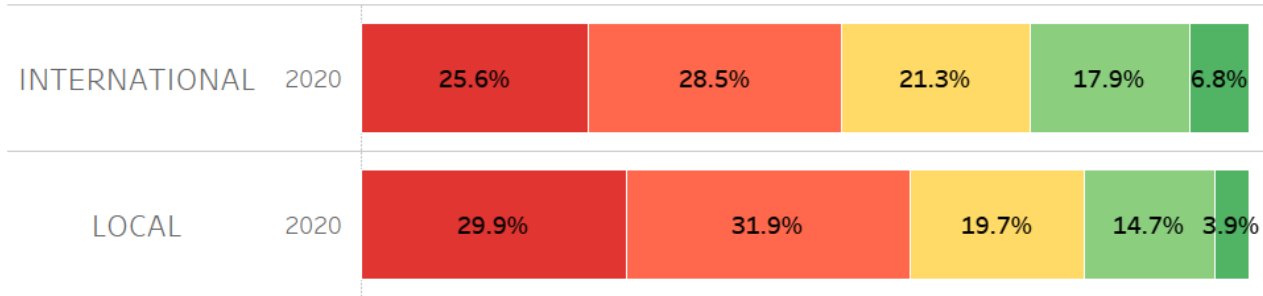
Focus per market: KENYA



Current market outlook

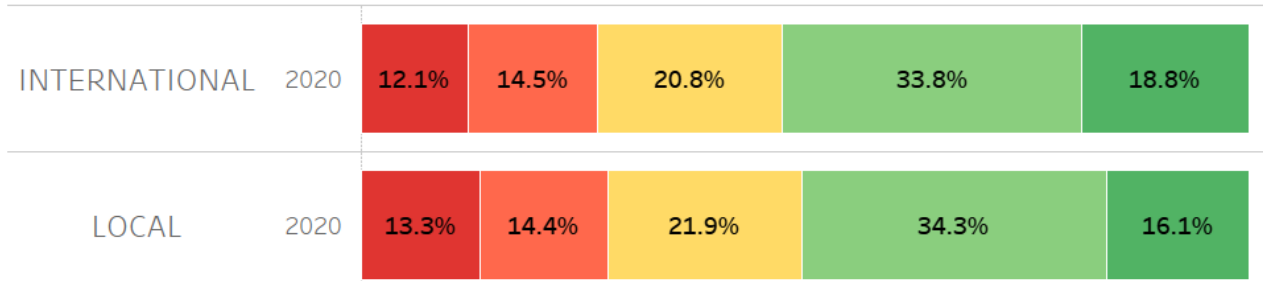


Performance 2020 vs 2019



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Expectations for 2021 vs 2020



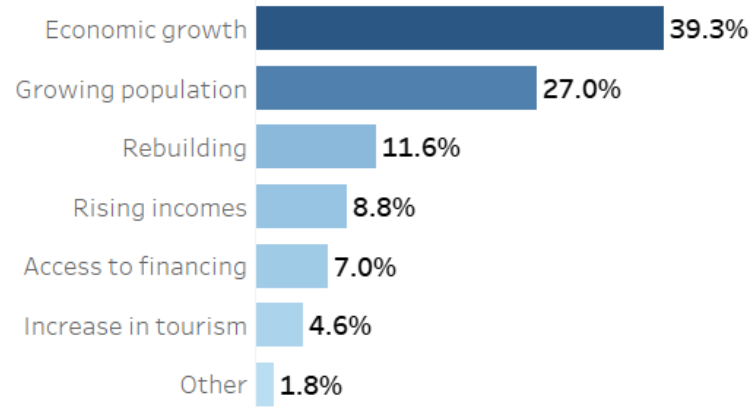
Focus per market: KENYA



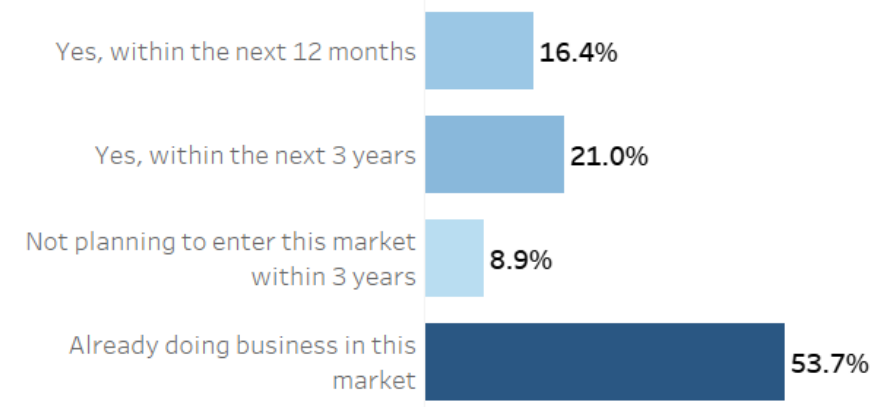
Markets with more opportunities

Kenya

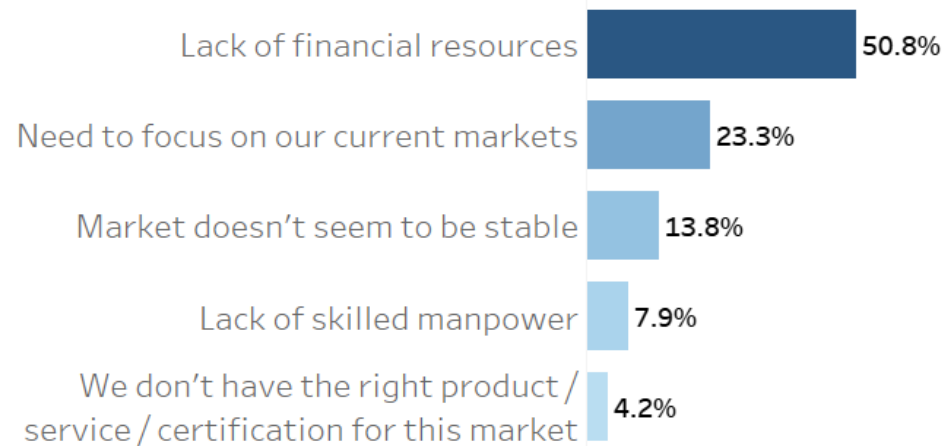
Key factors for business opportunities



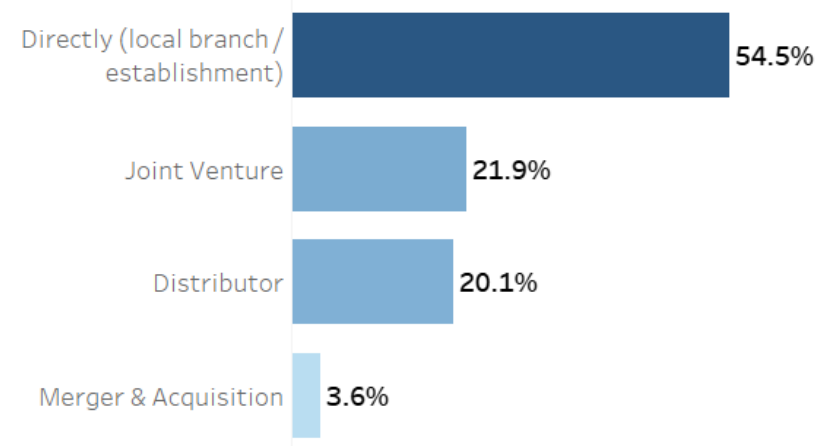
Planning to enter market



Biggest obstacle



How to enter market



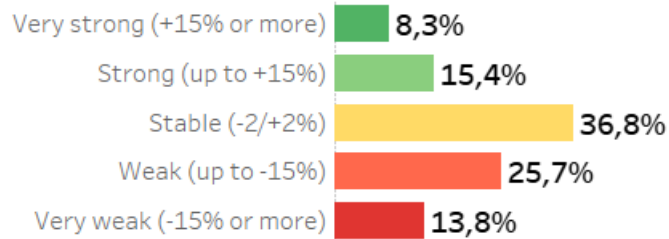
Focus per market: KUWAIT



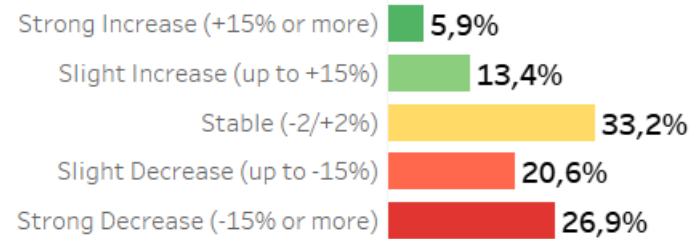
Market

Kuwait

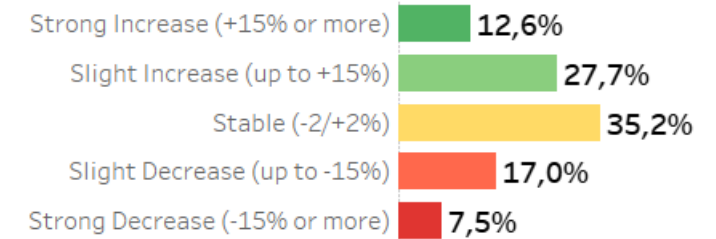
Current market outlook



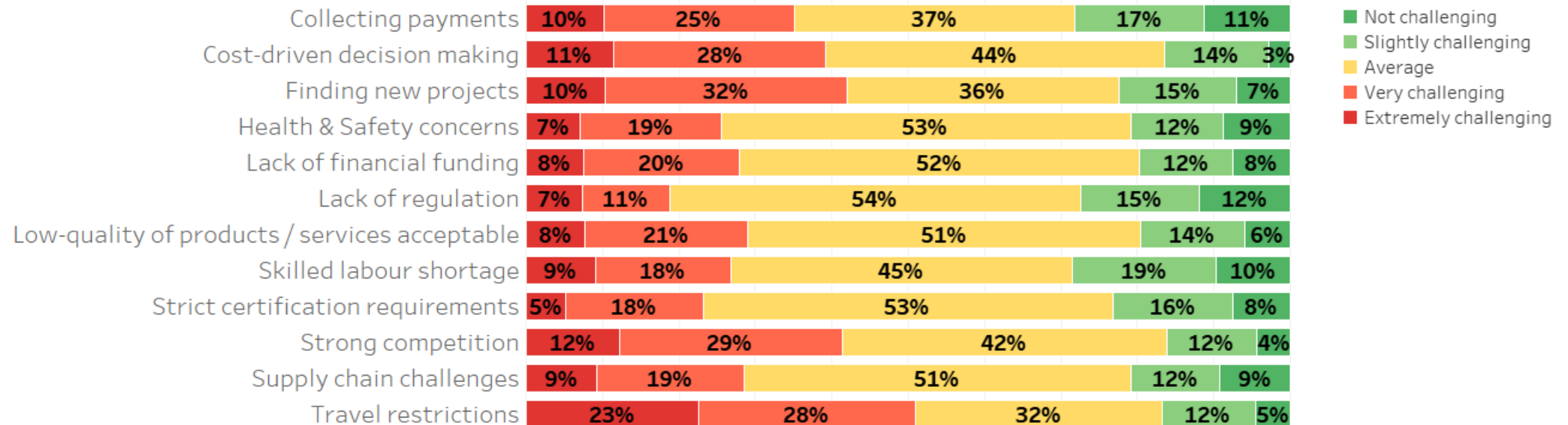
Performance 2020 vs 2019



Expectations for 2021 vs 2020



Challenges

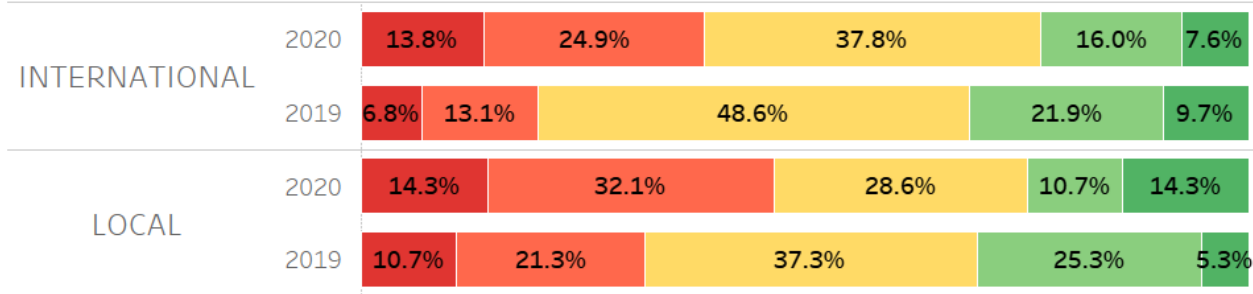


- Not challenging
- Slightly challenging
- Average
- Very challenging
- Extremely challenging

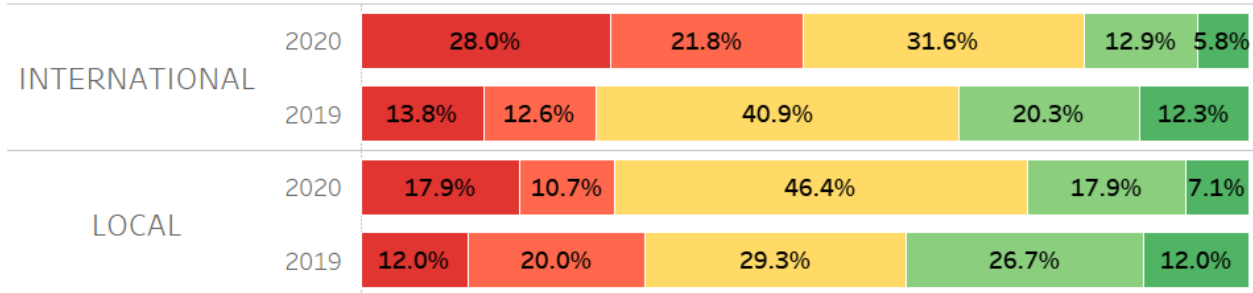
Focus per market: KUWAIT



Current market outlook

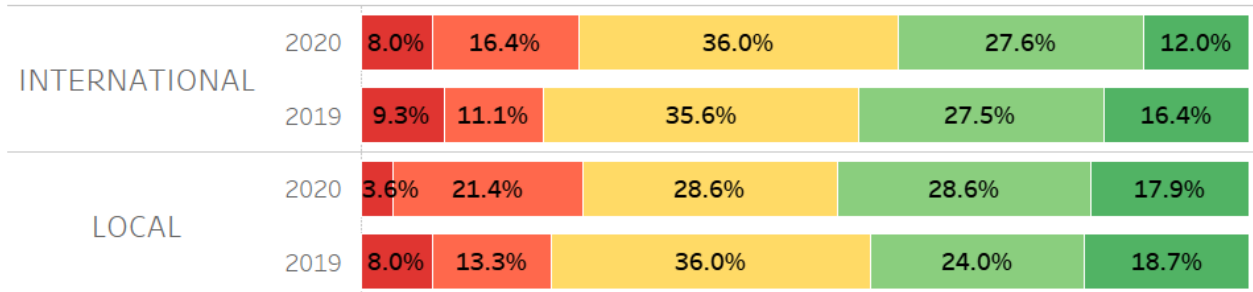


Performance 2020 vs 2019



- Strong Increase (+15% or more)
- Slight Increase (up to +15%)
- Stable (-2/+2%)
- Slight Decrease (up to -15%)
- Strong Decrease (-15% or more)

Expectations for 2021 vs 2020



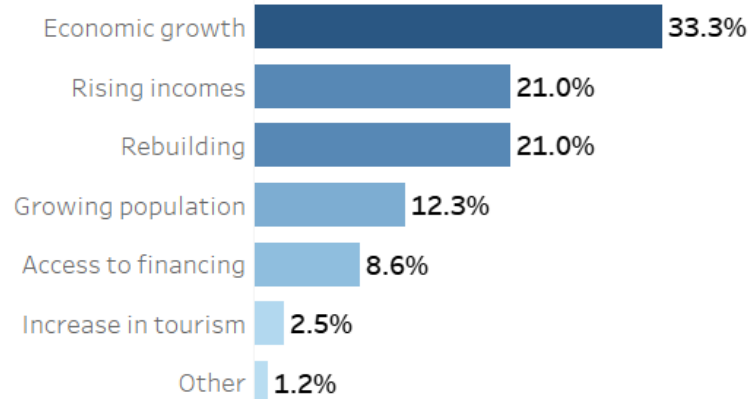
Focus per market: KUWAIT



Markets with more opportunities

Kuwait

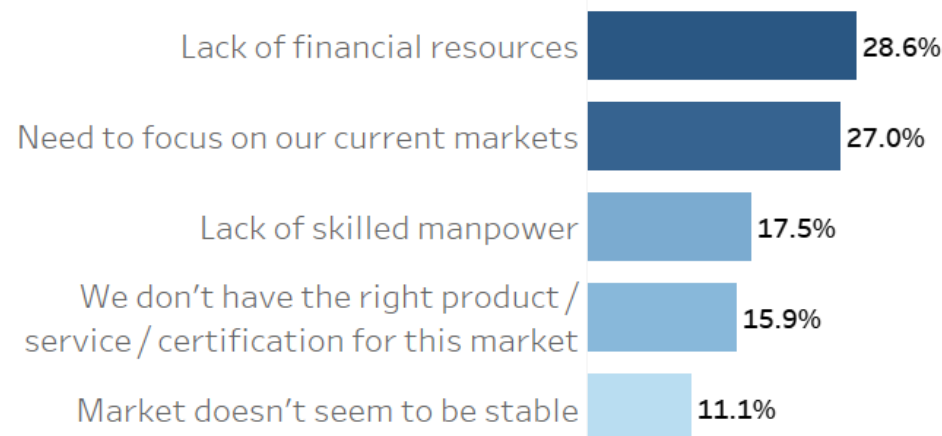
Key factors for business opportunities



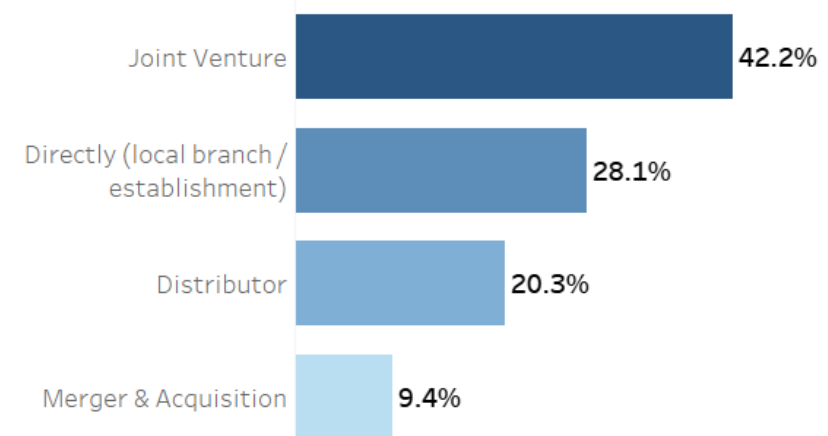
Planning to enter market



Biggest obstacle



How to enter market



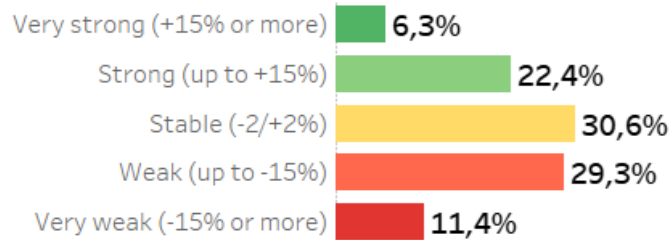
Focus per market: NIGERIA



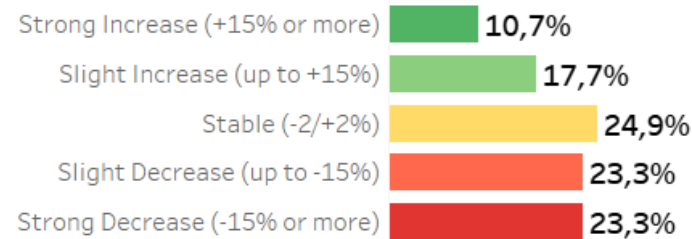
Market

Nigeria

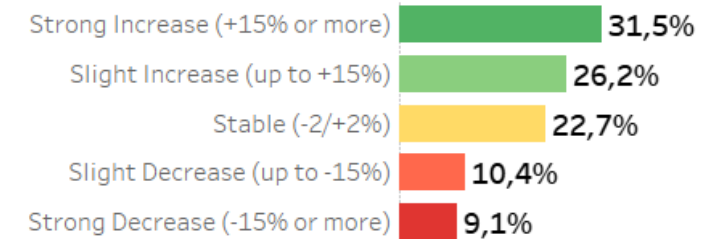
Current market outlook



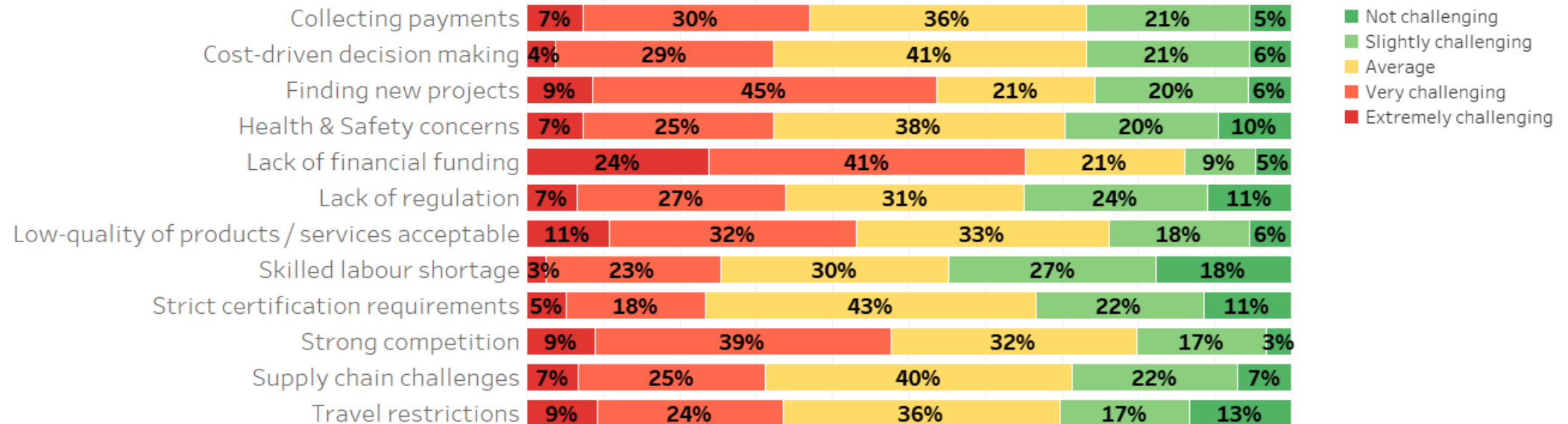
Performance 2020 vs 2019



Expectations for 2021 vs 2020



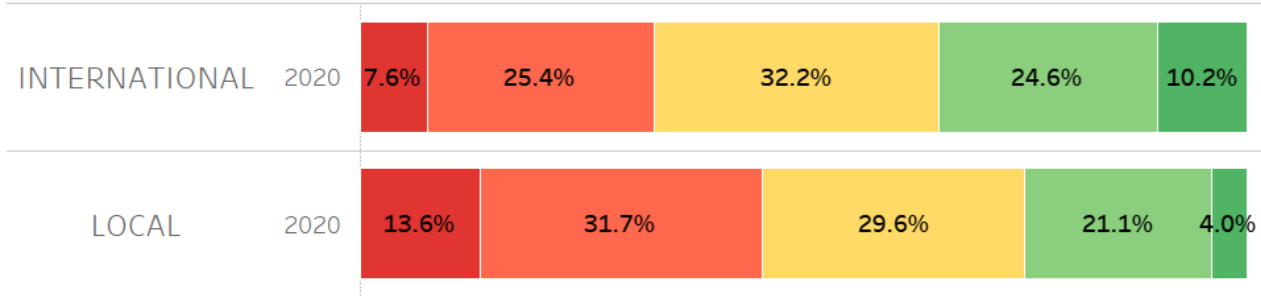
Challenges



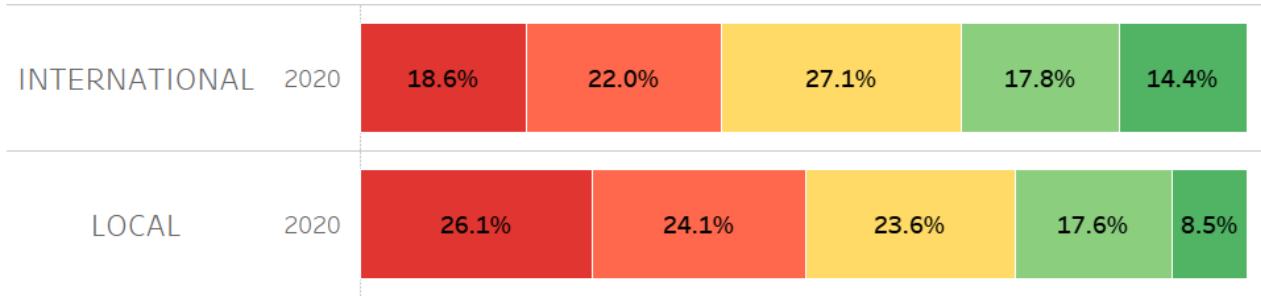
Focus per market: NIGERIA



Current market outlook

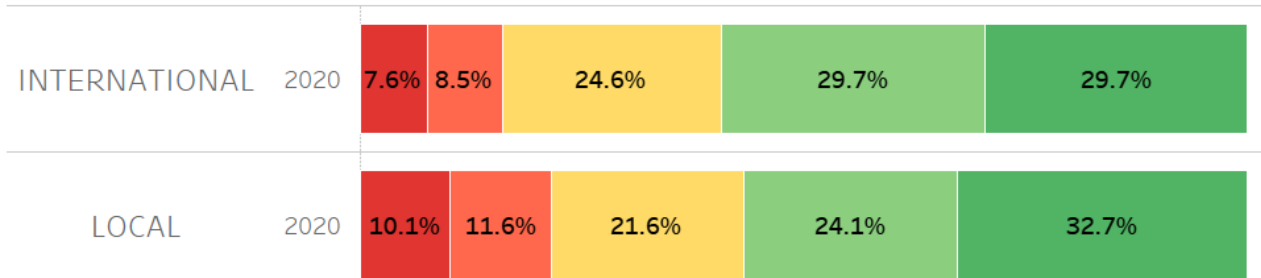


Performance 2020 vs 2019



- Strong Increase (+15% or more)
- Slight Increase (up to +15%)
- Stable (-2/+2%)
- Slight Decrease (up to -15%)
- Strong Decrease (-15% or more)

Expectations for 2021 vs 2020



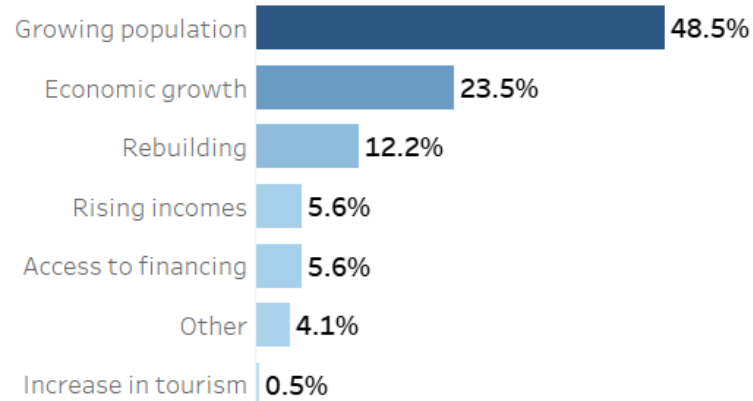
Focus per market: NIGERIA



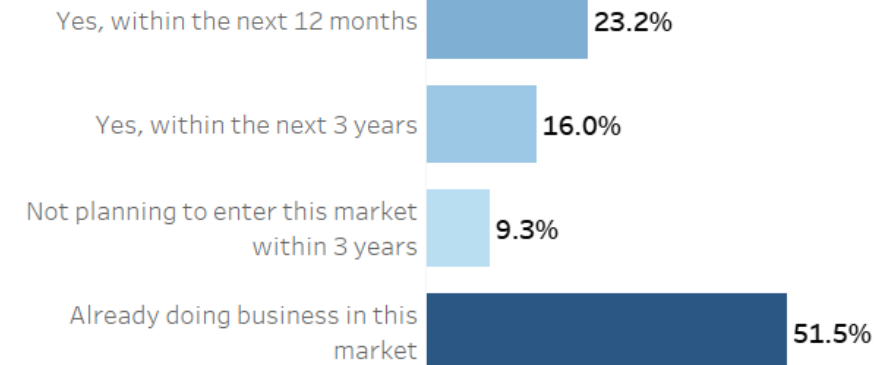
Markets with more opportunities

Nigeria

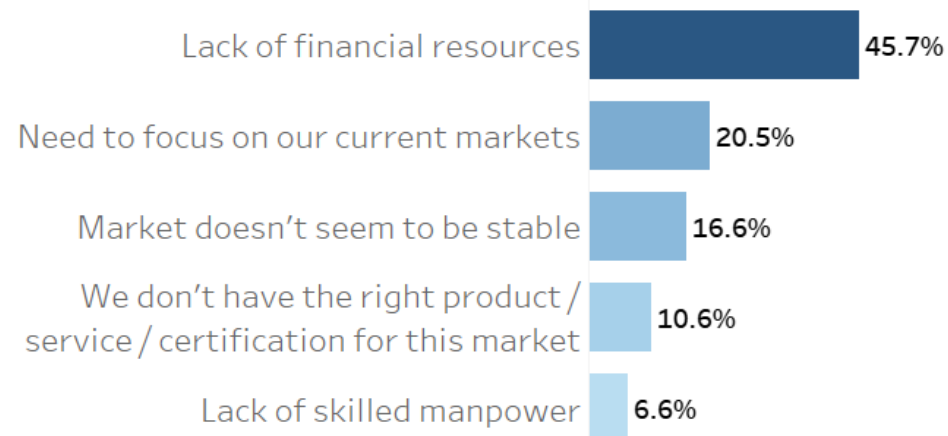
Key factors for business opportunities



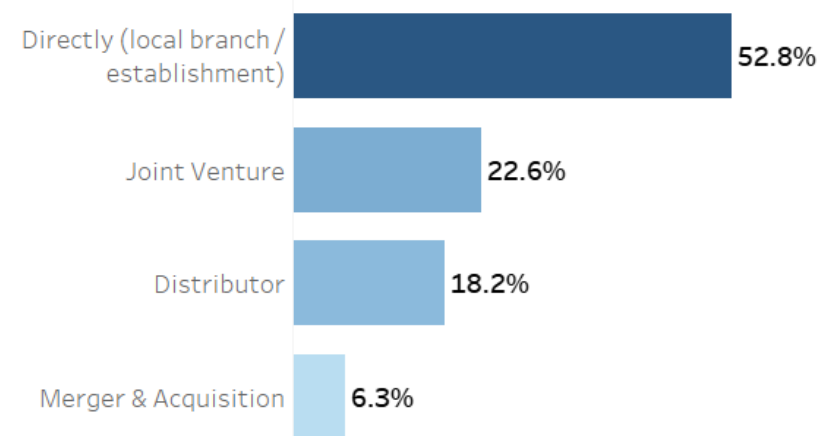
Planning to enter market



Biggest obstacle



How to enter market



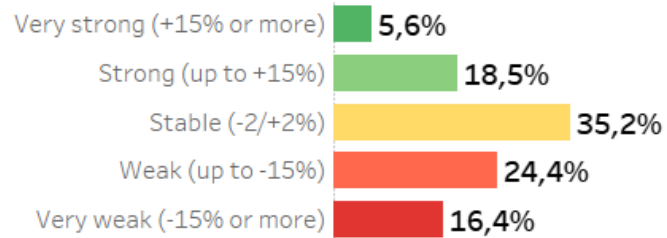
Focus per market: OMAN



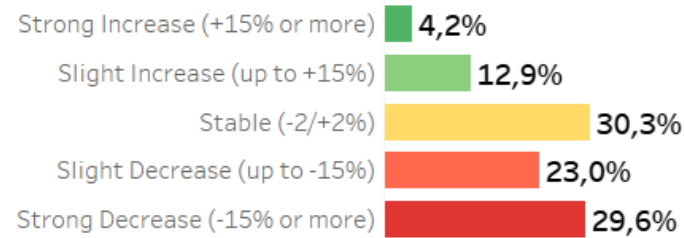
Market

Oman

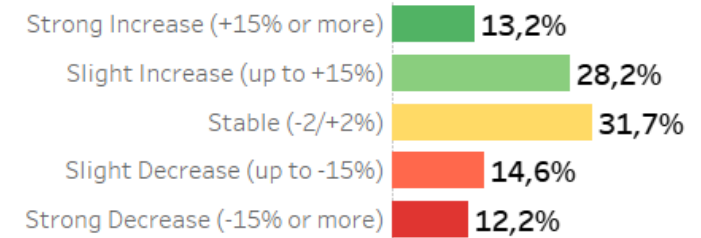
Current market outlook



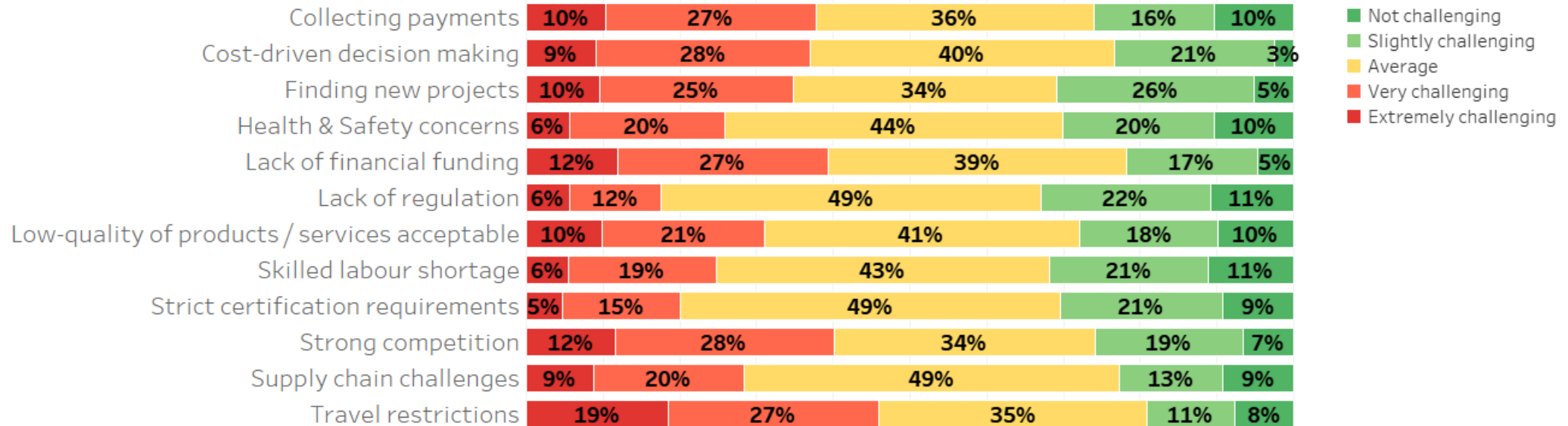
Performance 2020 vs 2019



Expectations for 2021 vs 2020



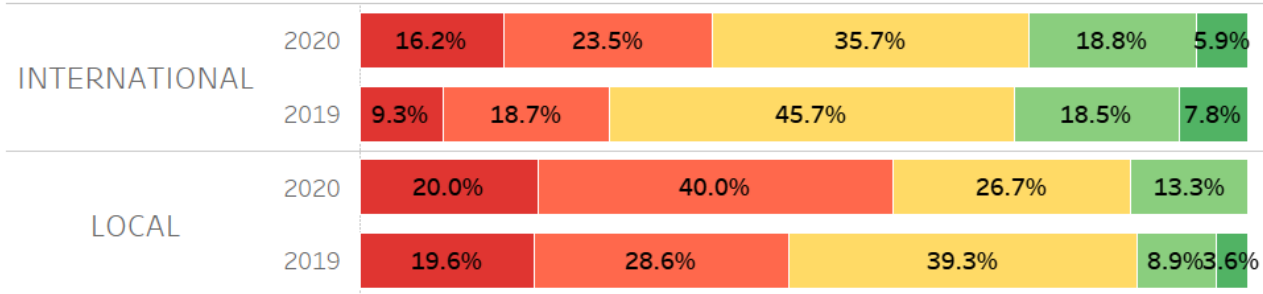
Challenges



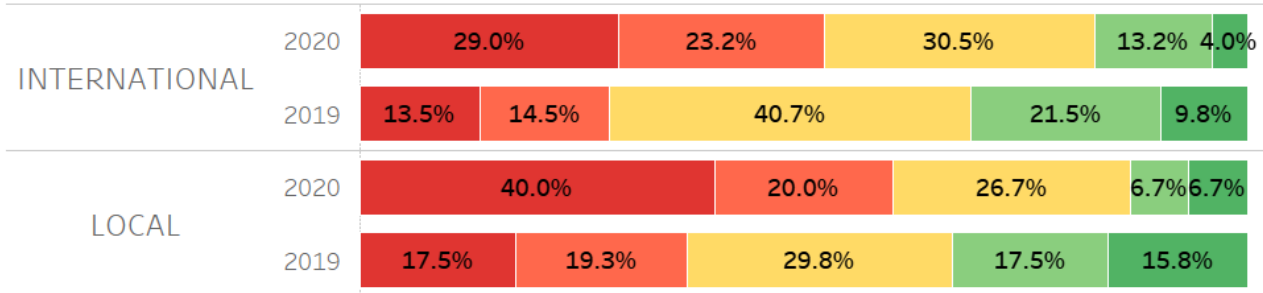
Focus per market: OMAN



Current market outlook

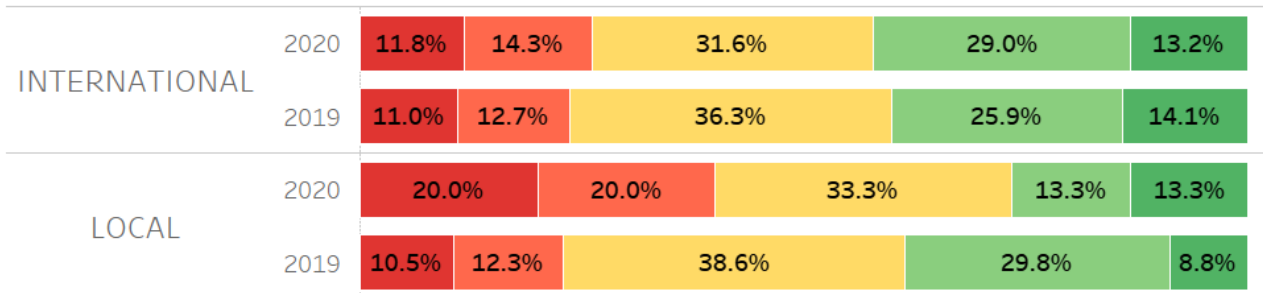


Performance 2020 vs 2019



- Strong Increase (+15% or more)
- Slight Increase (up to +15%)
- Stable (-2/+2%)
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- Strong Decrease (-15% or more)

Expectations for 2021 vs 2020



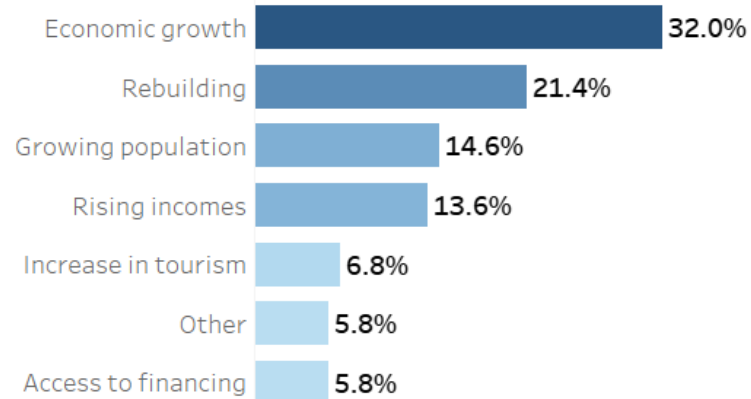
Focus per market: OMAN



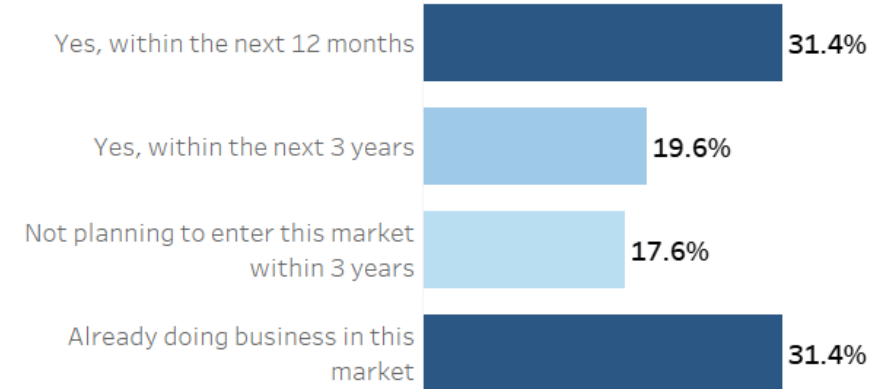
Markets with more opportunities

Oman

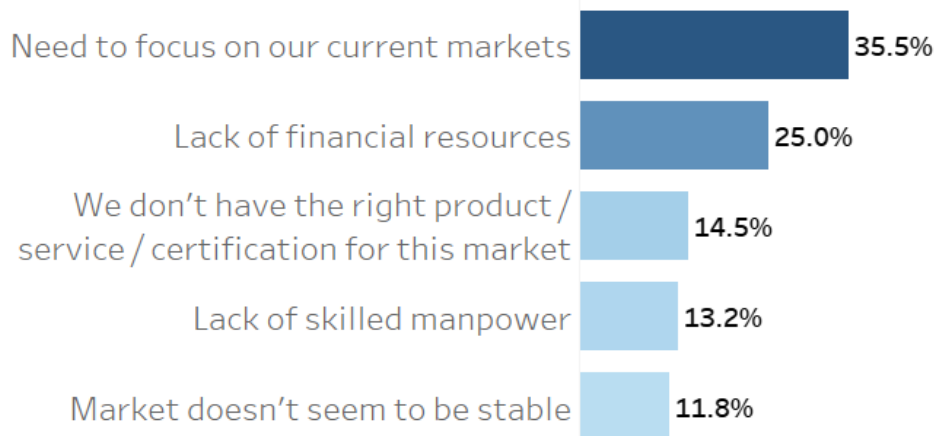
Key factors for business opportunities



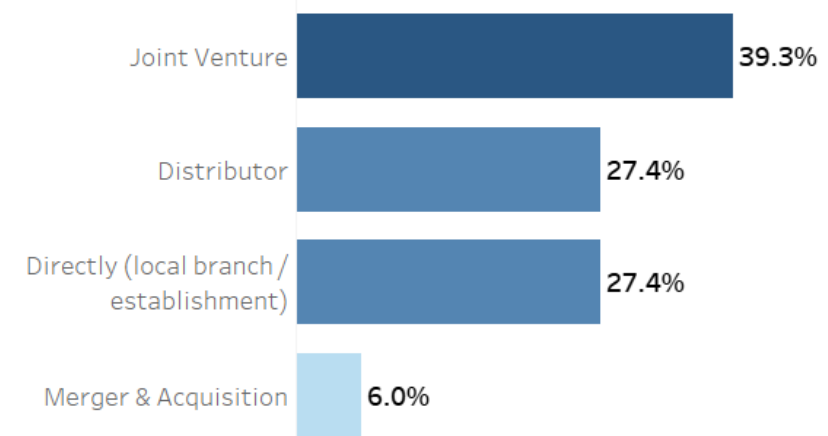
Planning to enter market



Biggest obstacle



How to enter market



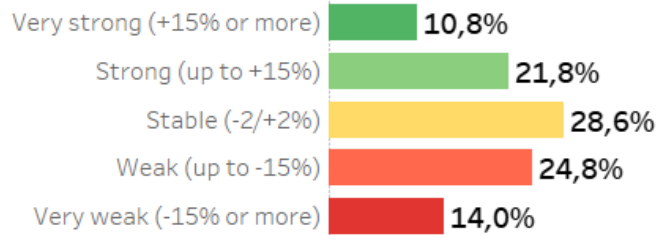
Focus per market: SAUDI ARABIA



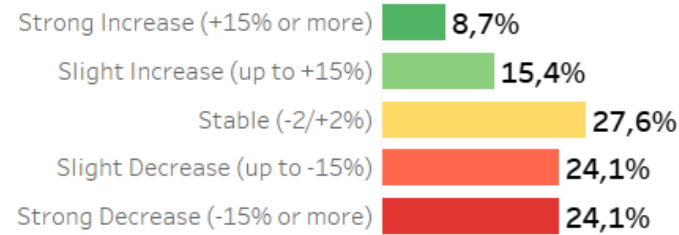
Market

Saudi Arabia

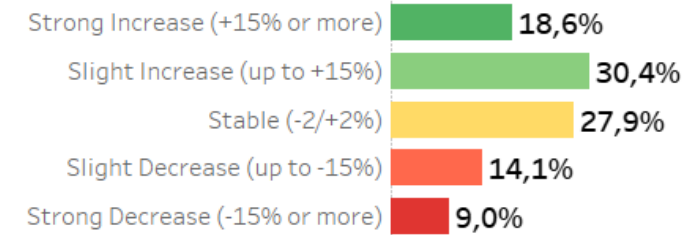
Current market outlook



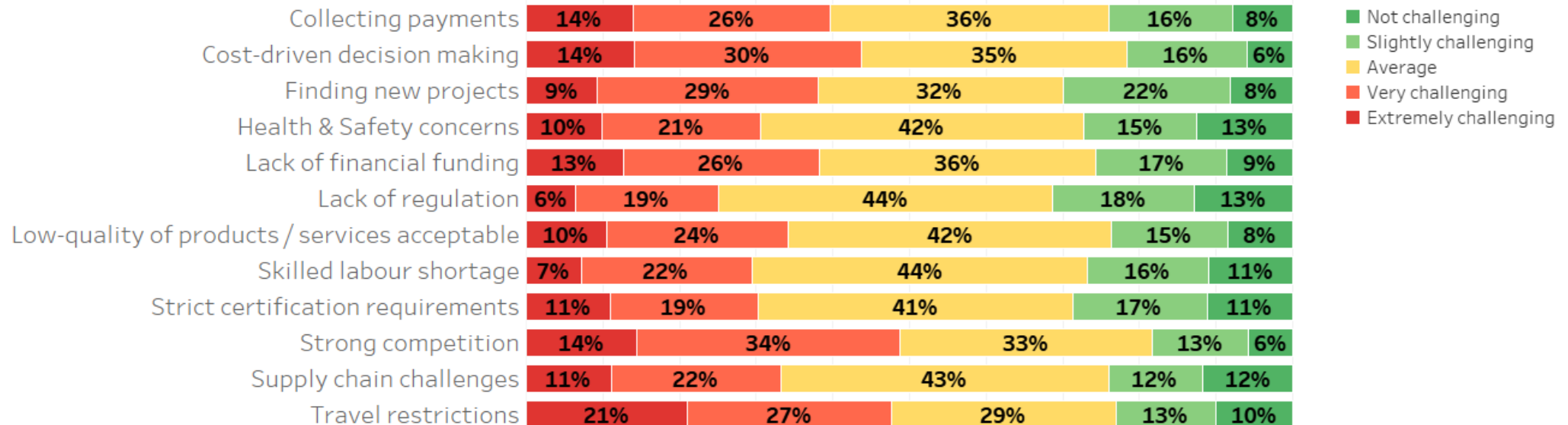
Performance 2020 vs 2019



Expectations for 2021 vs 2020



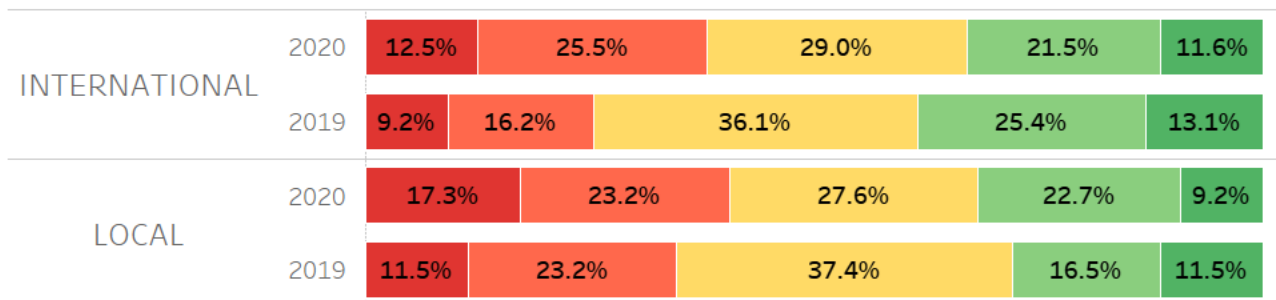
Challenges



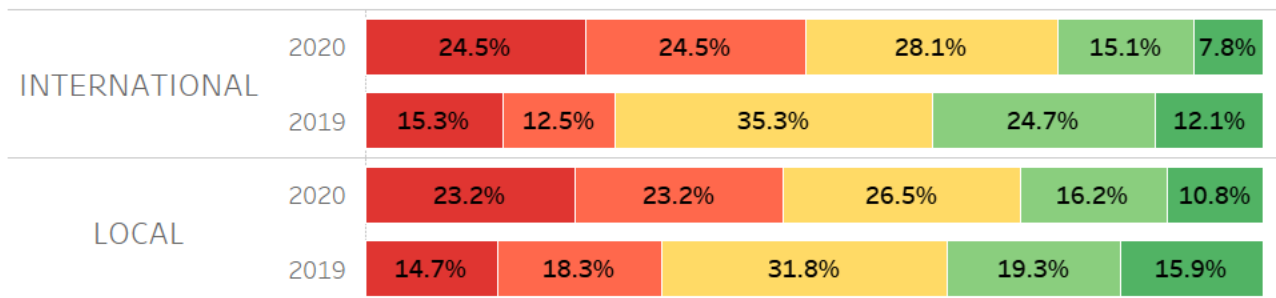
Focus per market: SAUDI ARABIA



Current market outlook

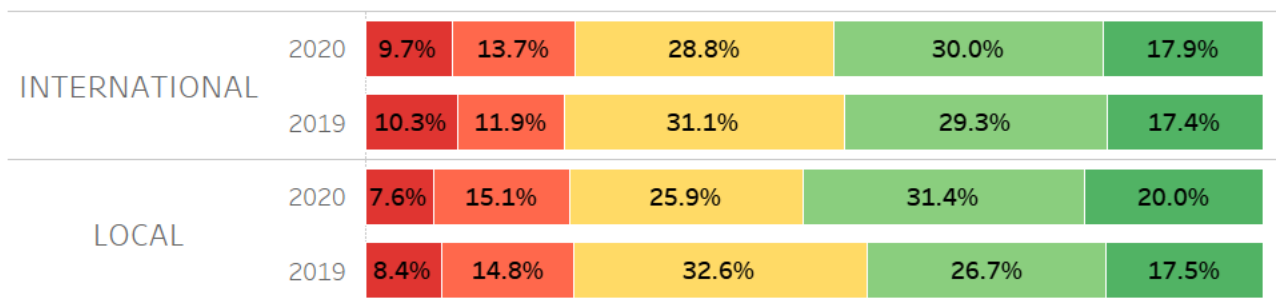


Performance 2020 vs 2019



- Strong Increase (+15% or more)
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- Strong Decrease (-15% or more)

Expectations for 2021 vs 2020



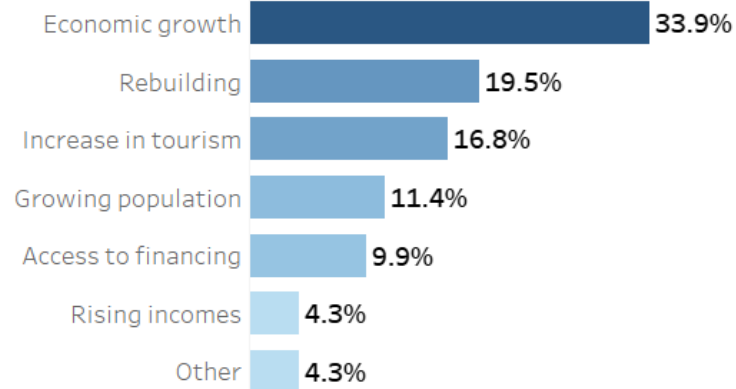
Focus per market: SAUDI ARABIA



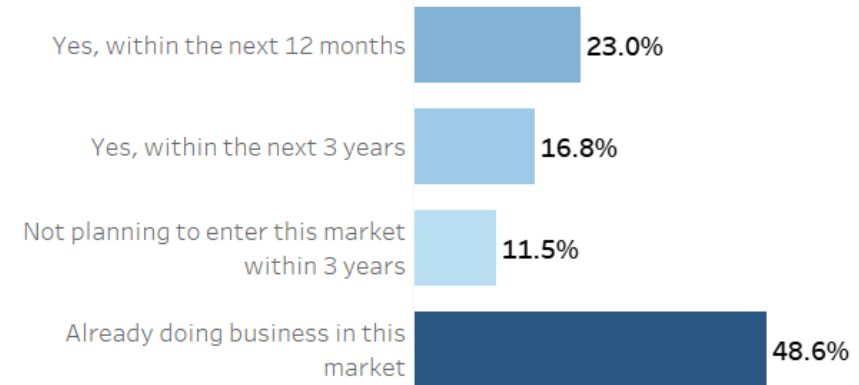
Markets with more opportunities

Saudi Arabia

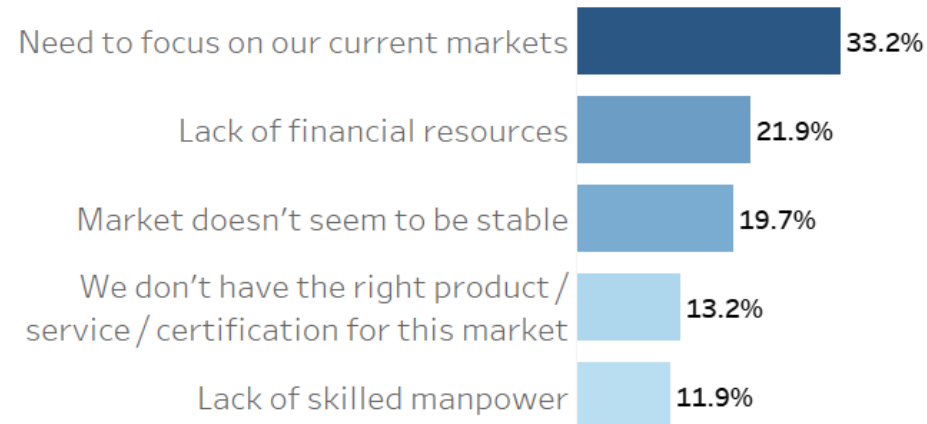
Key factors for business opportunities



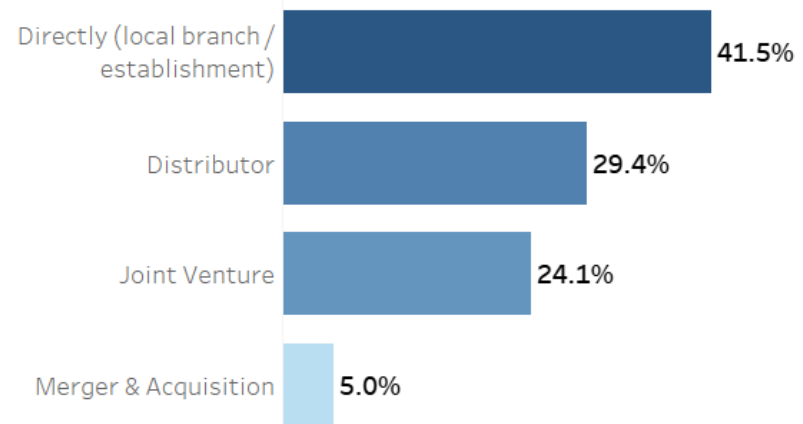
Planning to enter market



Biggest obstacle



How to enter market



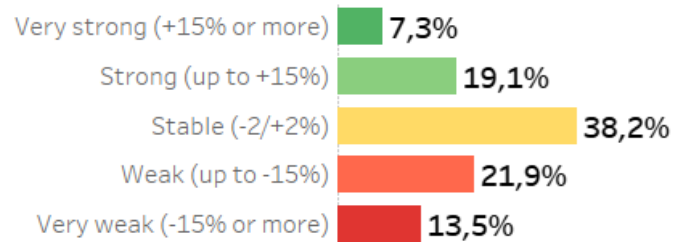
Focus per market: SOUTH AFRICA



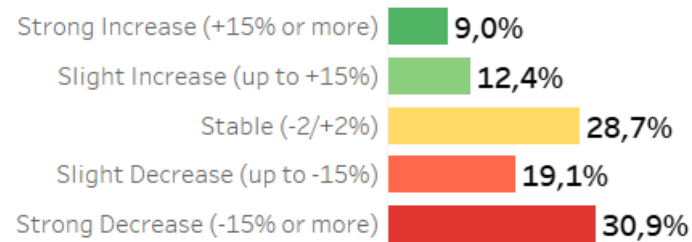
Market

South Africa

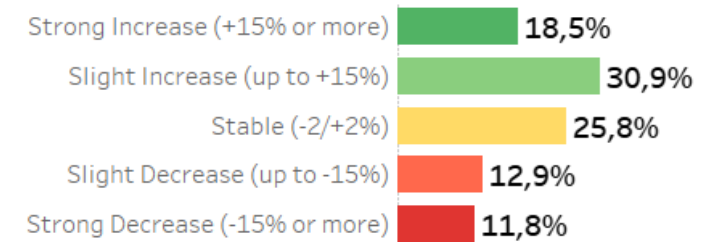
Current market outlook



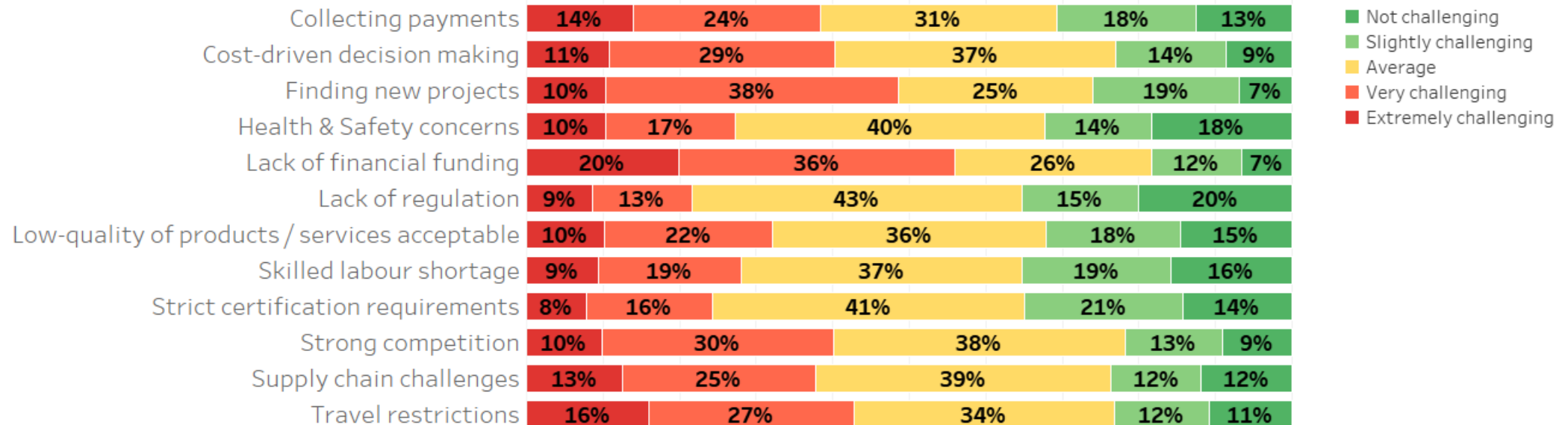
Performance 2020 vs 2019



Expectations for 2021 vs 2020



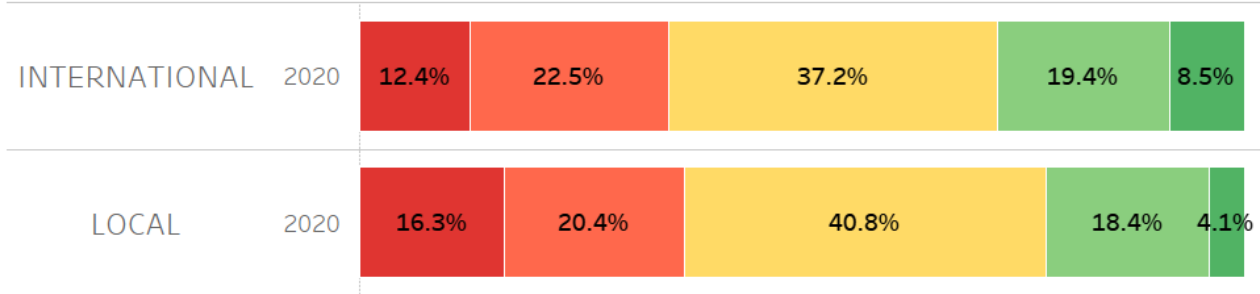
Challenges



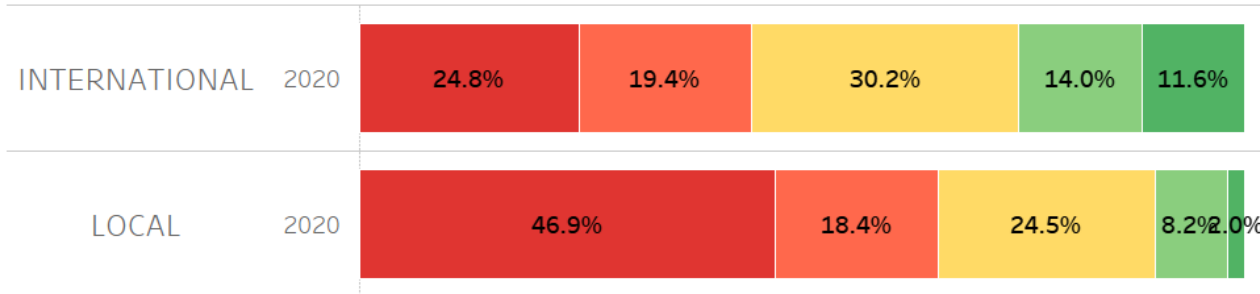
Focus per market: SOUTH AFRICA



Current market outlook

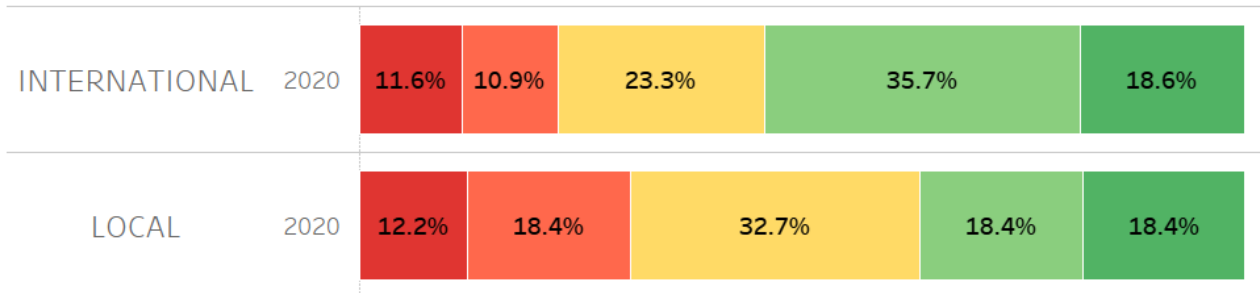


Performance 2020 vs 2019



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Expectations for 2021 vs 2020



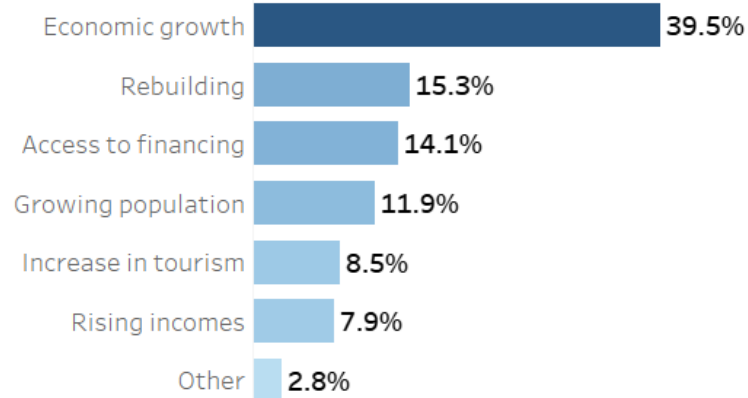
Focus per market: SOUTH AFRICA



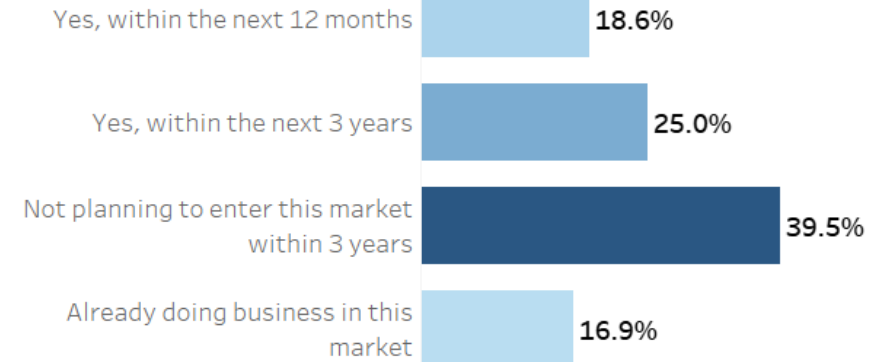
Markets with more opportunities

South Africa

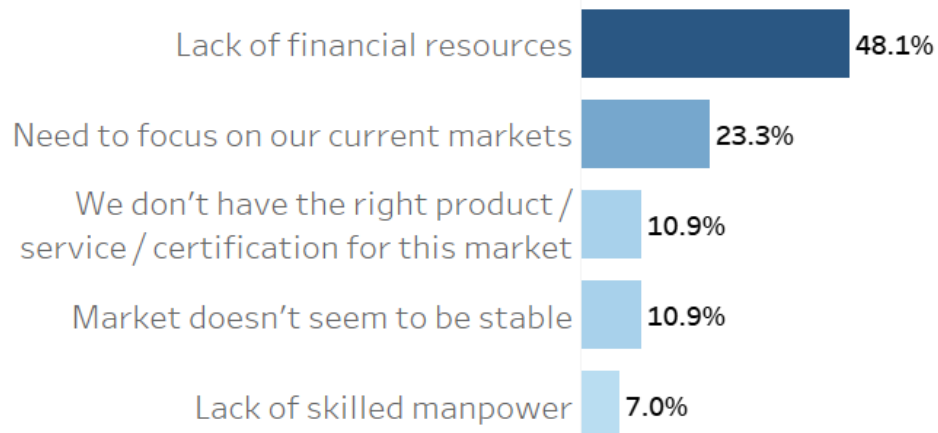
Key factors for business opportunities



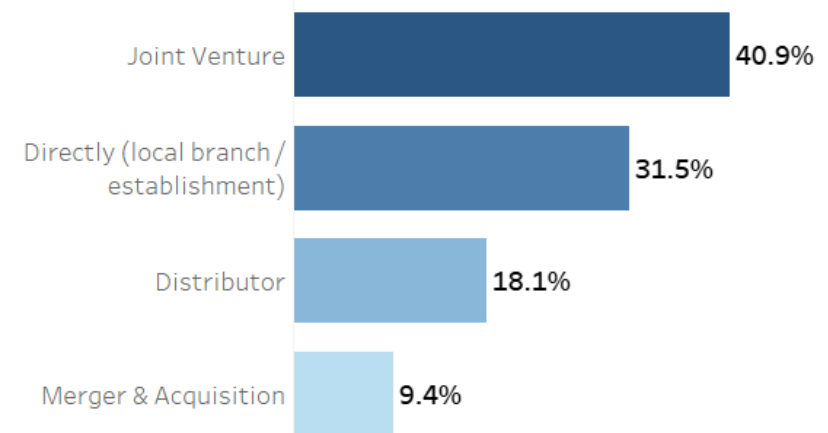
Planning to enter market



Biggest obstacle



How to enter market



Focus per market: UNITED ARAB EMIRATES



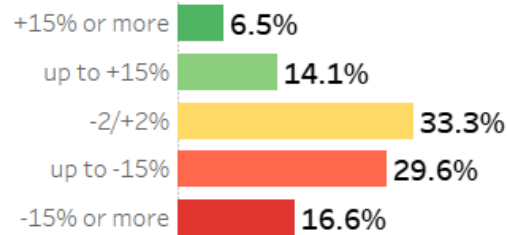
Market

United Arab Emirates

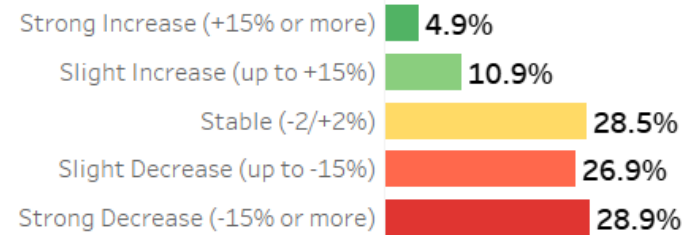
Wave

2020

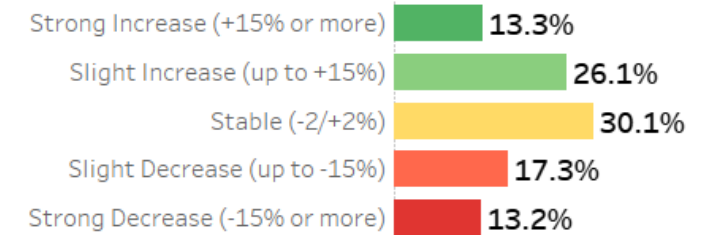
Current market outlook



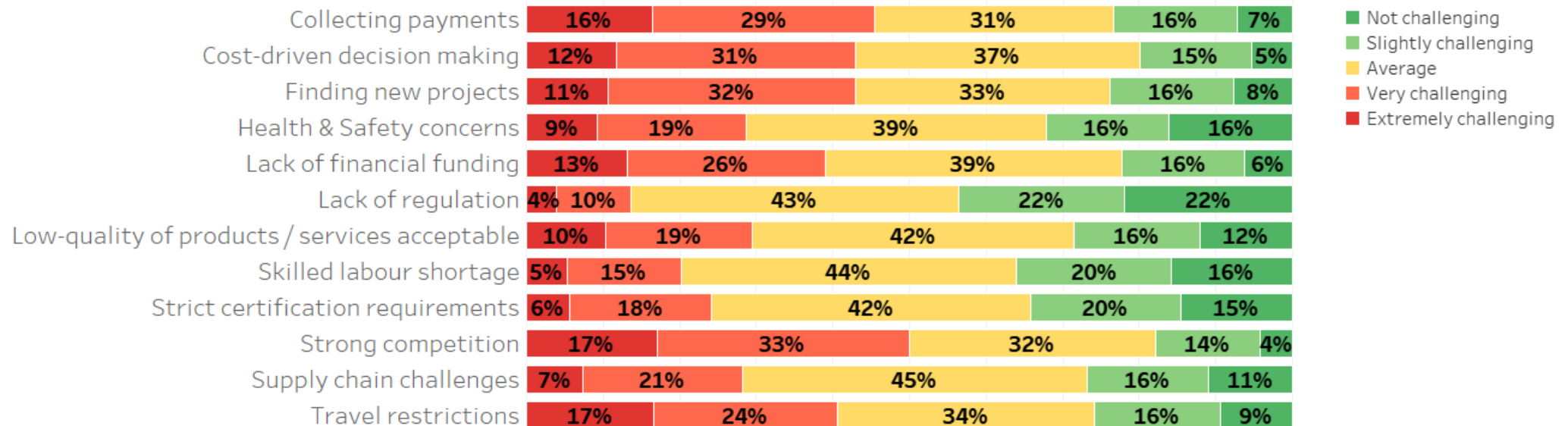
Performance 2020 vs 2019



Expectations for 2021 vs 2020



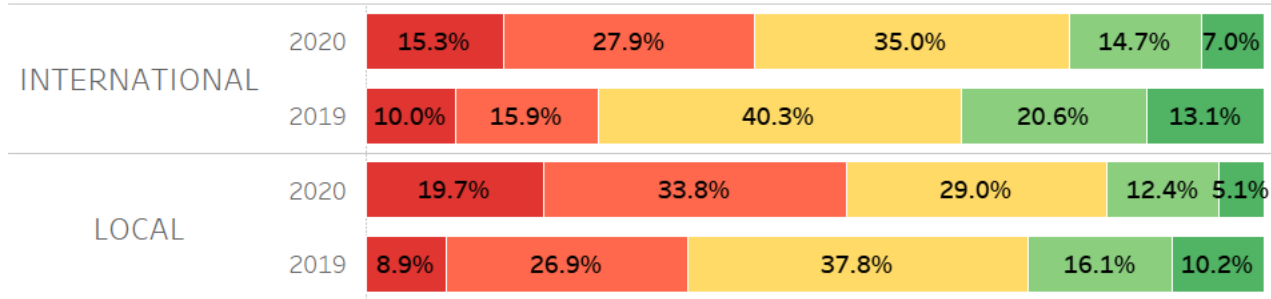
Challenges



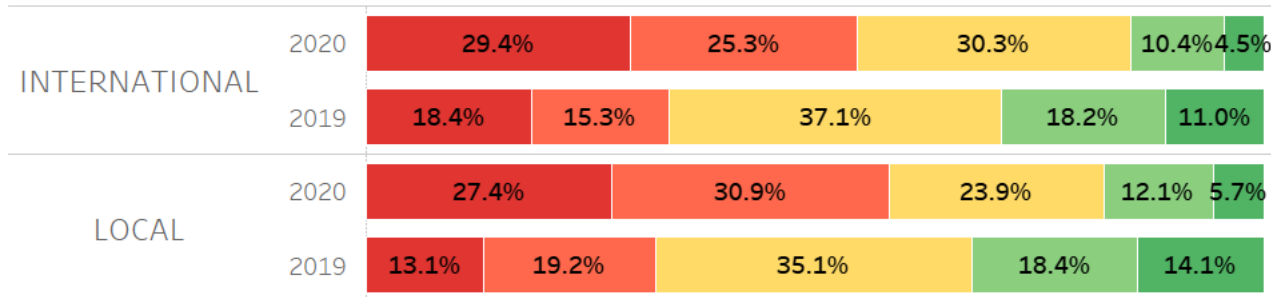
Focus per market: UNITED ARAB EMIRATES



Current market outlook

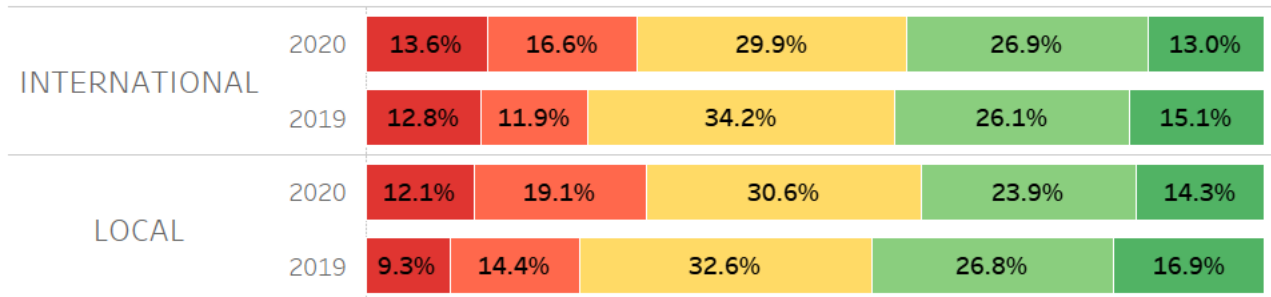


Performance 2020 vs 2019



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Expectations for 2021 vs 2020



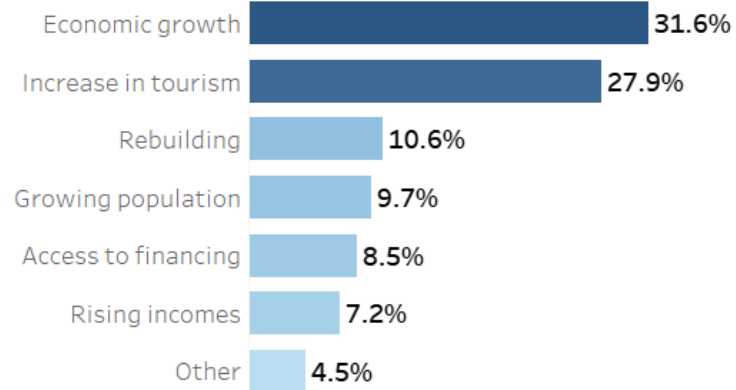
Focus per market: UNITED ARAB EMIRATES



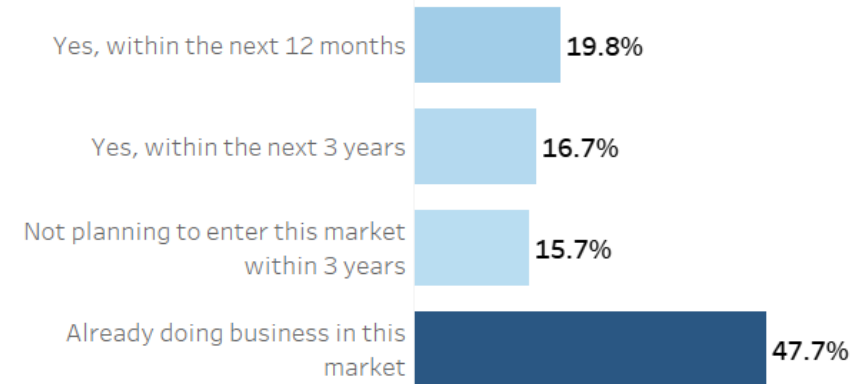
Markets with more opportunities

United Arab Emirates

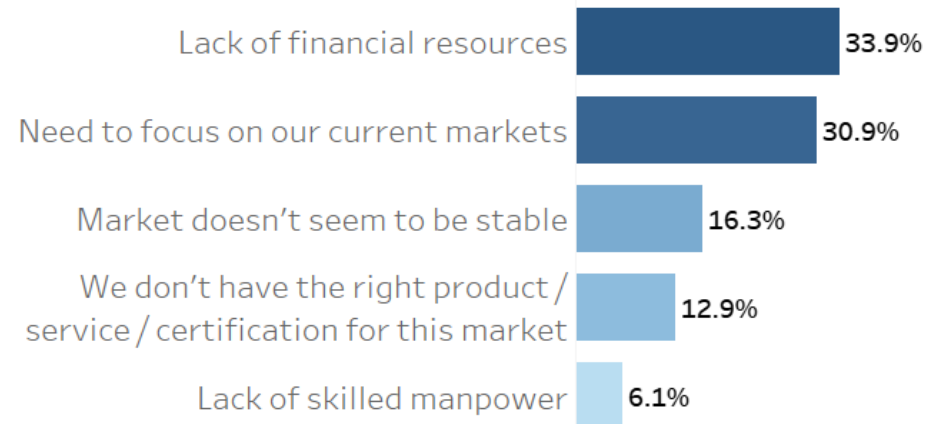
Key factors for business opportunities



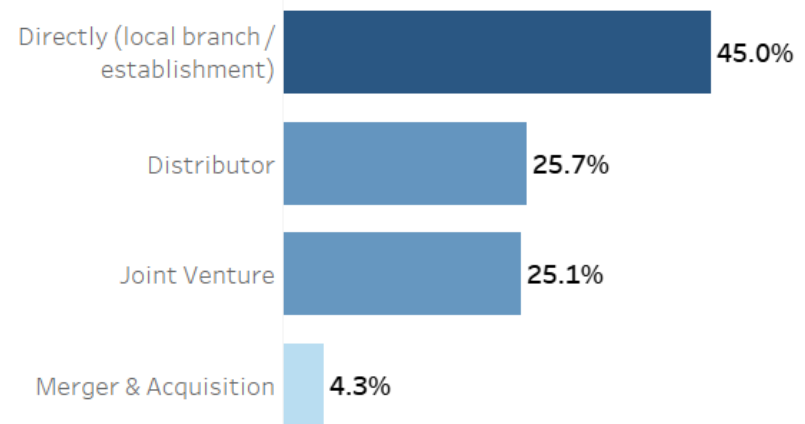
Planning to enter market

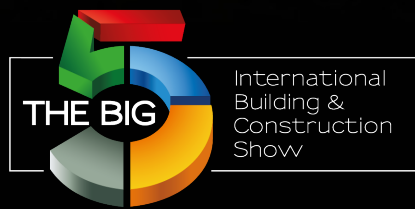


Biggest obstacle



How to enter market





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