



Q1 2020: Middle East & Africa Construction and Infrastructure Survey

Construction market weighed down by pandemic, oil shock

- Covid-19 outbreak and subsequent oil price crash lead to a contraction in activity
- Saudi Arabia, Nigeria appear more resilient thus far
- UAE at risk of deflation, margins to continue to deteriorate in Middle East and South Africa

Participants in the 2020 RICS Construction and Infrastructure Survey from the Middle East and Africa indicated a deterioration in conditions to start 2020. With very limited exceptions, headline workloads declined during the first quarter. However, as shown by Chart 1, there is a high degree of dispersion within each region, both for current activity and the expected recovery (or lack there of) over the next twelve months.

Coronavirus, oil prices weigh on activity

Throughout the region, economic headwinds mounted over the quarter. Although the direct impact of the coronavirus pandemic varied throughout the Middle East and Africa, no country was shielded completely from the global decline in trade, asset prices and

mobility. This was amplified in the Middle East following the collapse of oil prices, and uncertainties around a deal with OPEC.

Saudi Arabia, Nigeria stand out

Although there remains a high degree of uncertainty as to what the full impact of the coronavirus pandemic will be, at this stage Saudi Arabia and Nigeria appear to be fairing better than most. Although the pace of expansion slowed from Q4 (in net balance terms) Saudi Arabia is the only MEA country to report an increase in headline construction market activity in Q1 (Chart 2). This may be a result of an economic diversification program to reduce dependence on oil, or the country having fewer issues with oversupply.

Chart 1: Total Workloads & Expectations

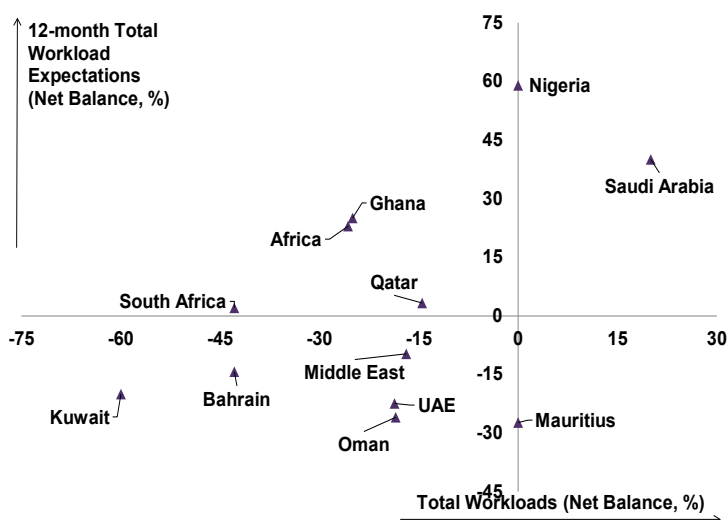


Chart 2: Headcount

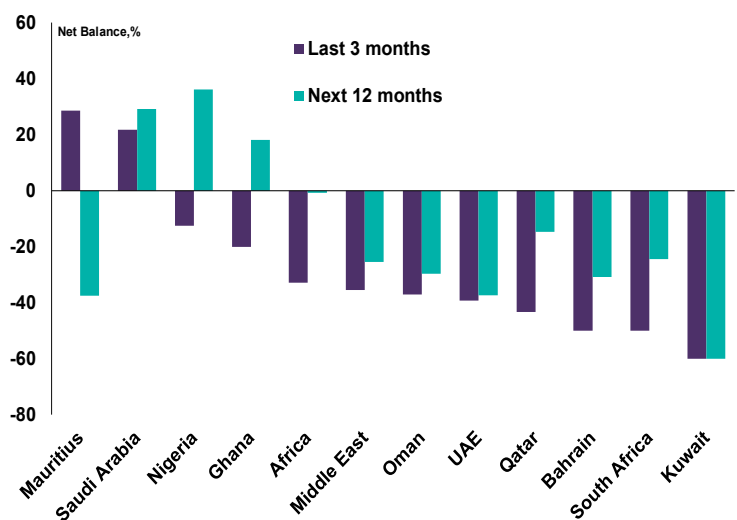
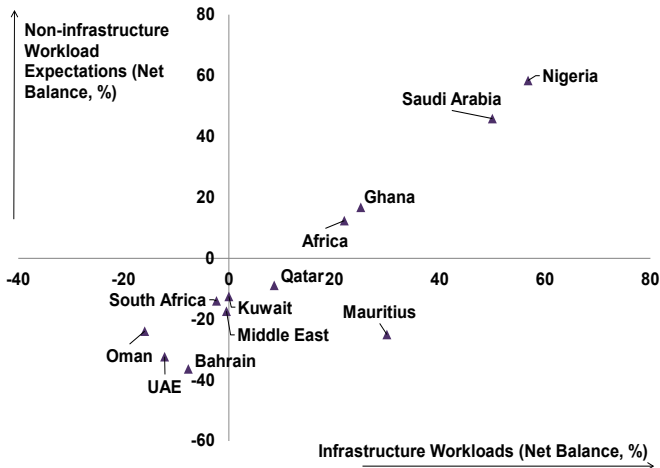


Chart 3: 12-month Expectations



Nevertheless, companies in Saudi Arabia reportedly increased headcount in Q1, a trend that is expected to continue throughout the next year (Chart 2).

Respondents in Nigeria noted little change in workloads during Q1. There was some geographic nuance to this, with conditions in Southern Nigeria (around Lagos) more subdued than conditions in Northern Nigeria (around Abuja). However, in both the north and south robust growth in construction market activity is expected over the next twelve months. Like Saudi Arabia, this is expected to come from both the infrastructure and non-infrastructure segments of the market (Chart 3). Although the overall market activity in Ghana was more subdued in Q1, a robust recovery is expected over the next twelve months (Charts 1 & 3) and companies are expected to increase headcount (Chart 2).

Outlook subdued

Both Ghana and Nigeria contrast with Mauritius, where respondents saw little change in overall market activity in Q1 but are increasingly pessimistic in their outlook. Although infrastructure workloads in Mauritius are expected to increase over the next twelve months, non-infrastructure workloads are expected to contract.

This increasingly downbeat outlook appears to be the norm for much of the Middle East and some parts of Africa. Indeed, no growth in workloads is expected in Kuwait, Bahrain, Oman and the UAE, while respondents in Qatar also expect minimal activity (Chart 3). Contributors in South Africa gave similar feedback as the country entered one of the more extreme lockdowns on the African continent.

Finances stressed

It is perhaps no surprise that at least half (50% in the Middle East and 54% in Africa) of respondents highlighted a lack of demand as a factor holding back activity, shown in Chart 4. Comments noted supply-chain bottlenecks are starting to be seen, but few respondents highlighted labour or material shortages.

Firms finances do appear to be under significant pressure, though moreso in the Middle East than in Africa. However, respondents in certain parts of Africa, namely South Africa, did highlight acute financial constraints. As shown in Chart 5, this appears likely to continue for at least the next twelve months.

With the exceptions of Ghana and Nigeria, construction costs are expected to rise at a significantly faster pace than tender prices over the next year. In Bahrain, Oman and South Africa, construction costs are expected to increase 100 basis points more than tenders. Perhaps more worryingly, it appears that respondents in the UAE have priced in deflation. Other Middle East countries could be at risk of this if demand remains lacklustre.

Chart 4: Factors Holding Back Activity

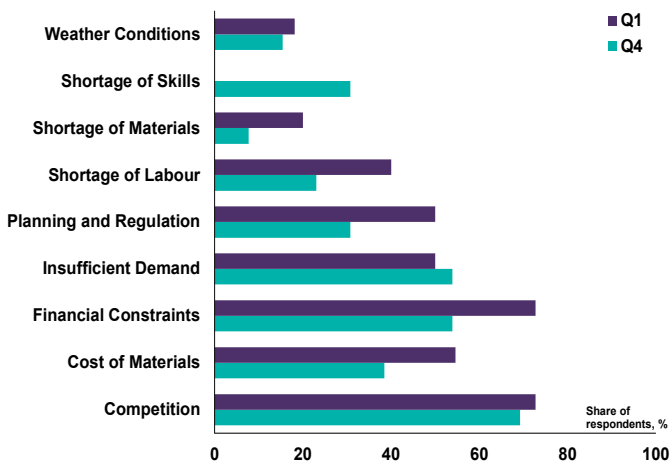
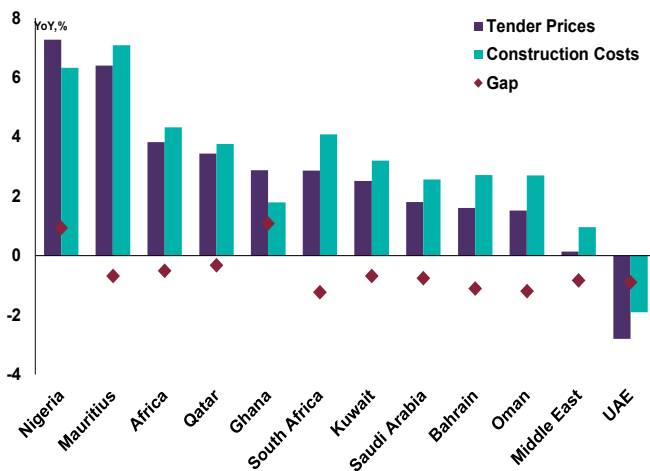


Chart 5: 12-month Expectations



Comments from Survey Participants in the Middle East and Africa

Egypt
 "The Covid-19 pandemic continues to develop on a global level, this will have a strong impact on construction."
 - Giza, Egypt

Saudi Arabia
 "Coronavirus negatively impacts the recruitment process and imported materials procurement."
 - Riyadh, Saudi Arabia

Kuwait
 "Unavailability of materials and labour due to lock down of certain areas and airports being closed."
 - Kuwait City, Kuwait

UAE
 "Delayed payment is an ongoing issue in the region."
 - Dubai, UAE

Nigeria
 "The issue of the outbreak of Covid 19 disease has made the government to shut down all capital projects."
 - Osogbo, Nigeria

Oman
 "Most governmental projects in Oman will be postponed until next year due to the current situation."
 - Muscat, Oman

Ghana
 "Political influence is affecting the construction market which sometimes delays the project."
 - Accra, Ghana

Qatar
 "Covid-19 pandemic will have a major effect on construction today and the coming months."
 - Doha, Qatar

Angola
 "The oil price is too low - the Angolan economy depends 95% on oil."
 - Luanda, Angola

Zimbabwe
 "Inflation has caused construction costs to rise very significantly."
 - Harare, Zimbabwe

Uganda
 "Right now the total lockdown due to coronavirus is a threat to the construction industry."
 - Kampala, Uganda

South Africa
 "At the moment the construction is being affected by recession in South Africa. Very few projects."
 - Cape Town, South Africa

Swaziland
 "The current decline in the country's economy affects the market greatly."
 - Mbabane, Swaziland

Mozambique
 "Coronavirus has severed supply chains and force frozen projects."
 - Matola, Mozambique

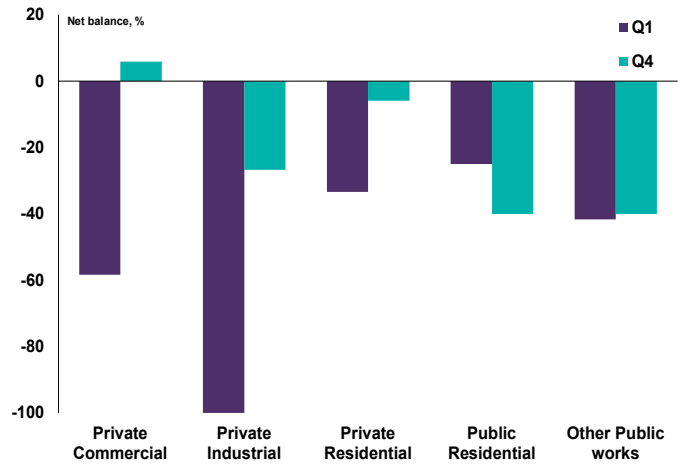
Mauritius
 "Covid-19 is having a huge impact on turnover, revenue, profit and employability."
 - Quatre Bornes, Mauritius

Country Charts - Bahrain

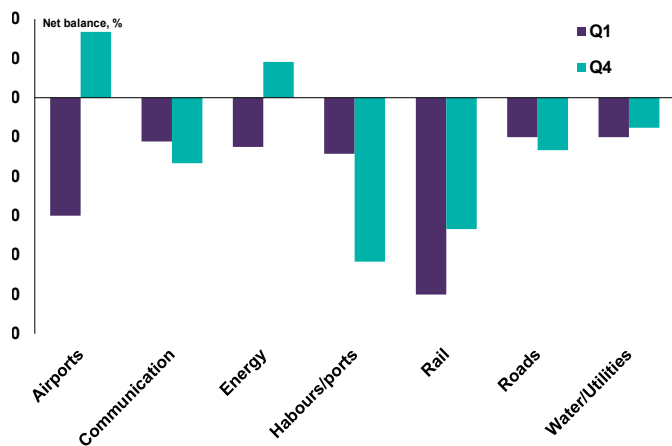
Survey participants in Bahrain reported an acute worsening of construction market conditions. Workloads, both infrastructure and non-infrastructure workloads fell across all market segments. Work on industrial projects was one of the hardest hit, though in net balance terms the pullback in commercial workloads was significant as well.

The pipeline of new work also contracted as companies continued to trim headcount during Q1. Profit margins remained under pressure as payment delays reportedly increased and 86% of respondents citing financial constraints as a factor holding back activity. The impact of lockdowns also appears to be showing up in the survey results, as a significantly higher portion of respondents highlighted labour, skills and materials shortages as constraints.

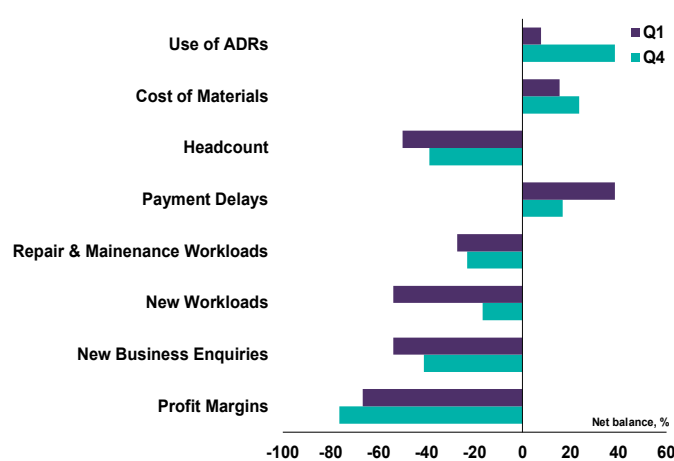
Workloads



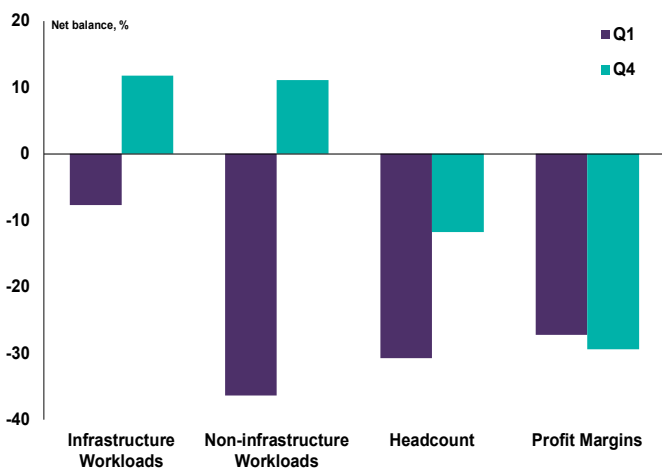
Infrastructure Workloads



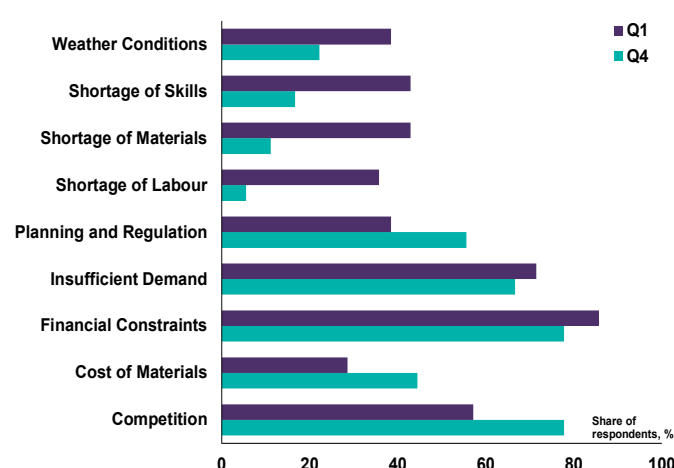
Current Conditions



12-month Expectations



Factors Holding Back Activity



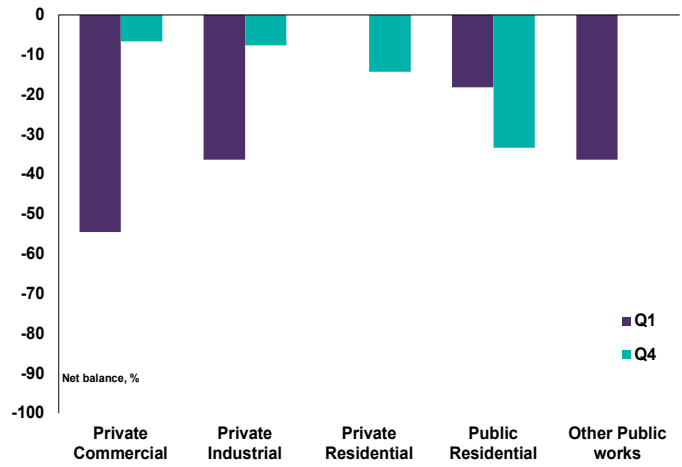
Country Charts - Ghana

The coronavirus pandemic has exacerbated pressure on Ghana's construction market. Workloads across a majority of sectors were seen to have declined over Q1. The exceptions were work on private residential projects and some segments of the infrastructure market (rail, road and communications) where activity levels were little change from Q4.

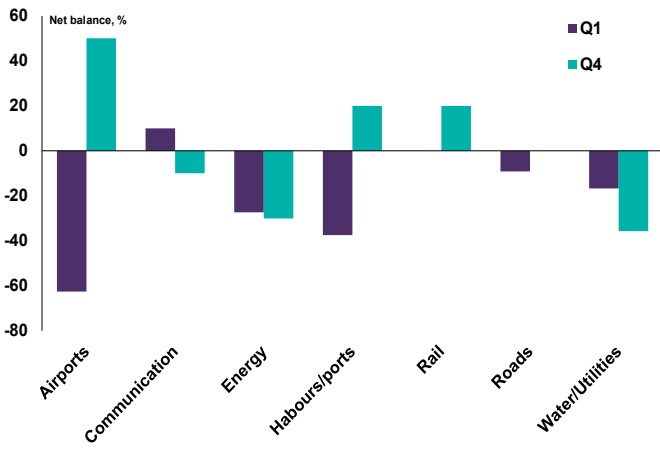
Although the near-term pipeline for work remains soft, with new demand contracting, the market is expected to rebound over the next twelve months. The rebound is much more modest than what was being projected in Q4, however.

A spike in the share of respondents who cited a scarcity and cost of materials as holding back activity may be an indication of supply chain disruptions. Financial constraints are also a drag on the market.

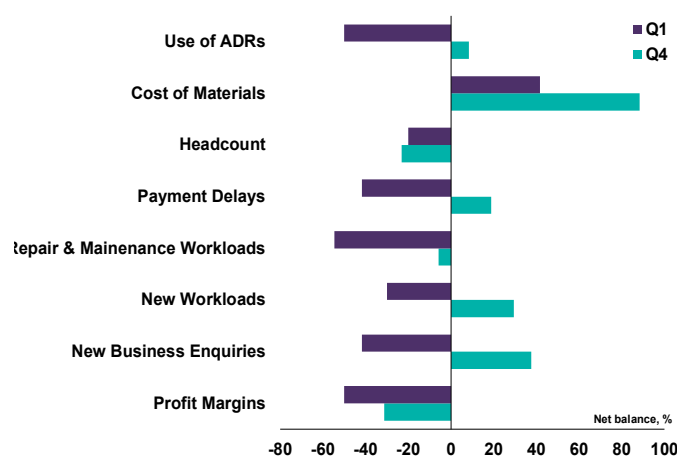
Workloads



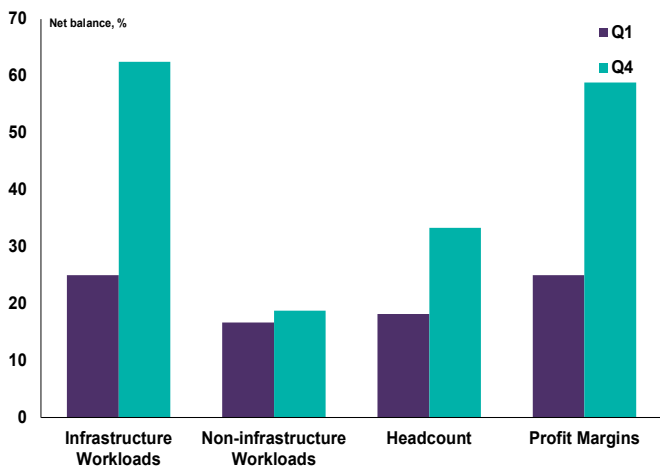
Infrastructure Workloads



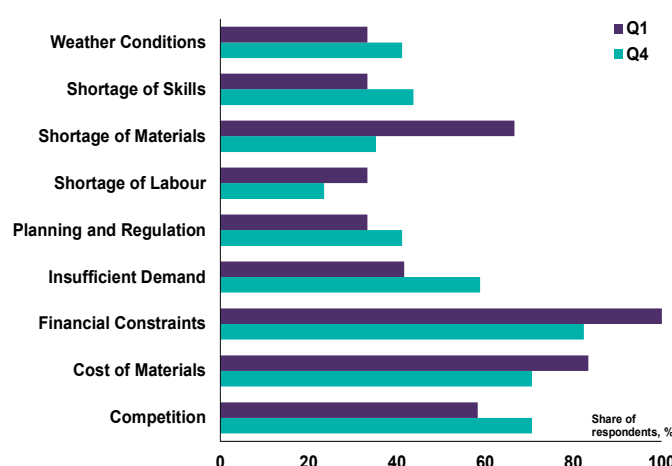
Current Conditions



12-month Expectations



Factors Holding Back Activity



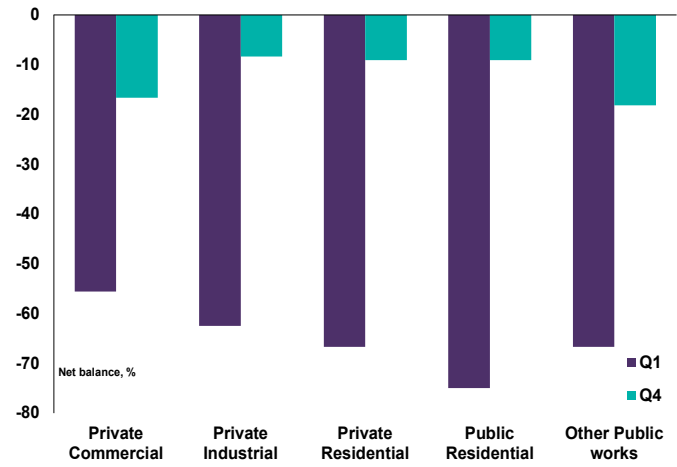
Country Charts - Kuwait

Conditions in the Kuwait construction market deteriorated further in Q1, according to survey respondents. Workloads across all segments of the market deteriorated sharply.

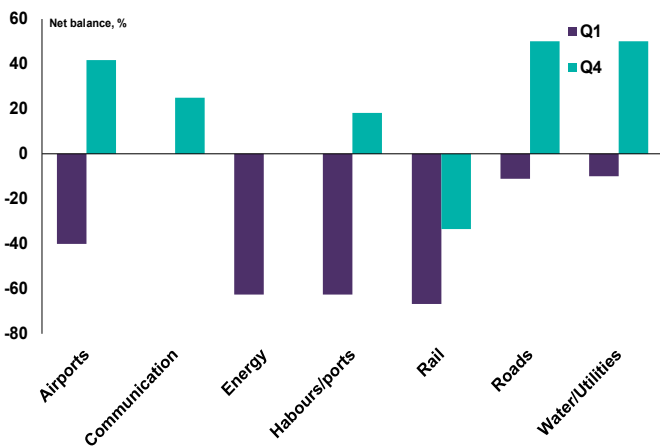
Work on infrastructure also collapsed in Q1, a sharp turnaround from the increase in activity seen in Q4. The outlook for workloads is also significantly more subdued, with work on infrastructure projects expected to remain at current levels and a slight contraction seen in work on non-infrastructure projects.

Financial constraints remain a concern amid a dearth of new workloads. Headcounts have been cut substantially, in net balance terms, and this is expected to continue over the next twelve months. The cost of materials is also a rising constraint, perhaps a result of supply bottlenecks.

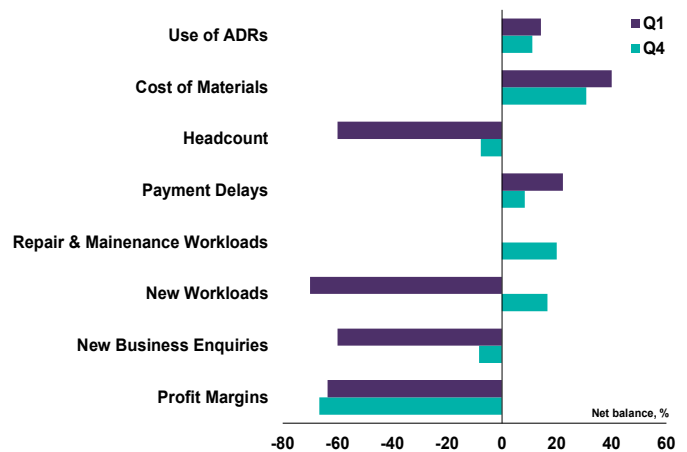
Workloads



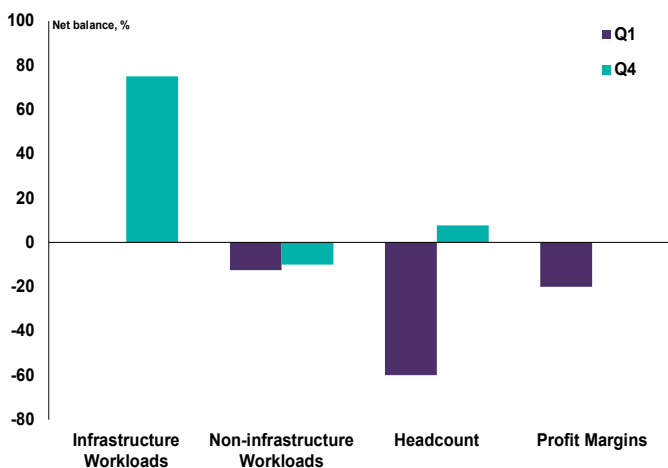
Infrastructure Workloads



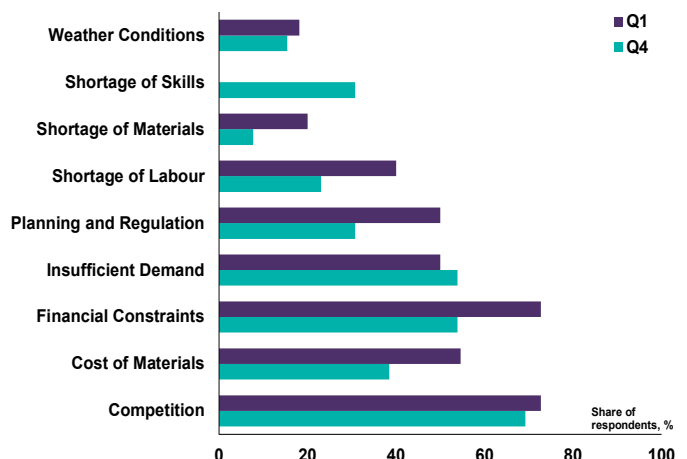
Current Conditions



12-month Expectations



Factors Holding Back Activity

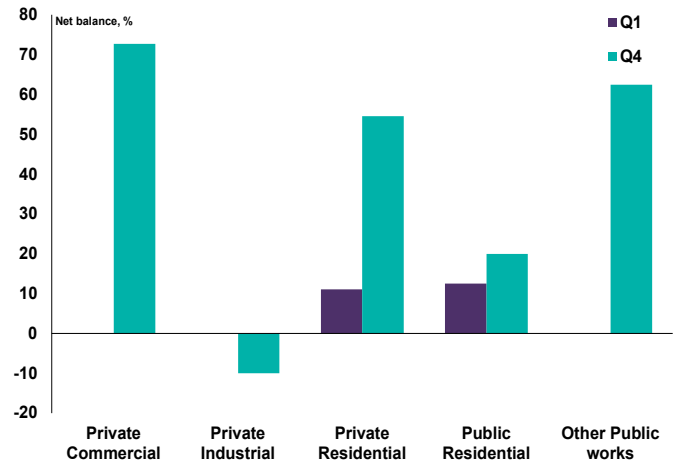


Country Charts - Mauritius

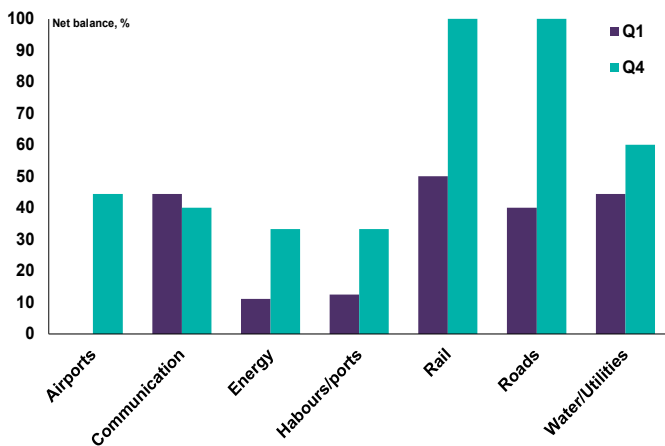
Respondents in Mauritius painted a mixed picture of conditions to start 2020. New demand was little changed from the end of 2019, while current workloads appeared to be in somewhat of a holding pattern with most non-infrastructure workloads holding at similar levels to what was reported in Q4. Work on infrastructure projects was seen to have increased, albeit at a slower pace than in Q4 (in net balance terms).

The outlook is significantly more downbeat, however, as a contraction is expected in the level of work on non-infrastructure projects. Although companies modestly increased headcount in Q1, this is expected to be cut over the next twelve months. The market is facing several constraints, including a lack of skills, labour, the cost of materials and financial pressures.

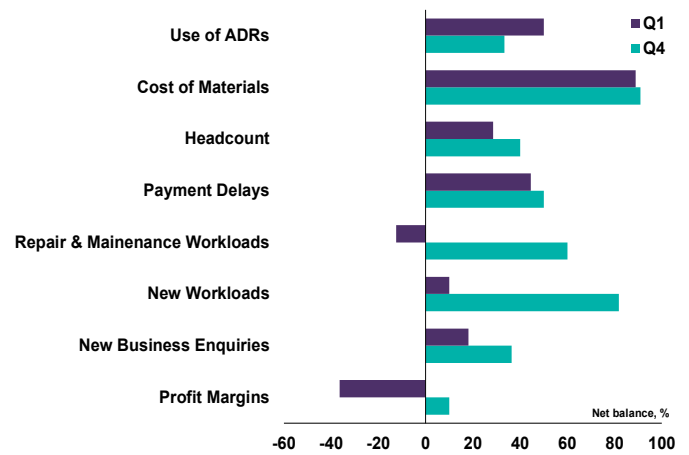
Workloads



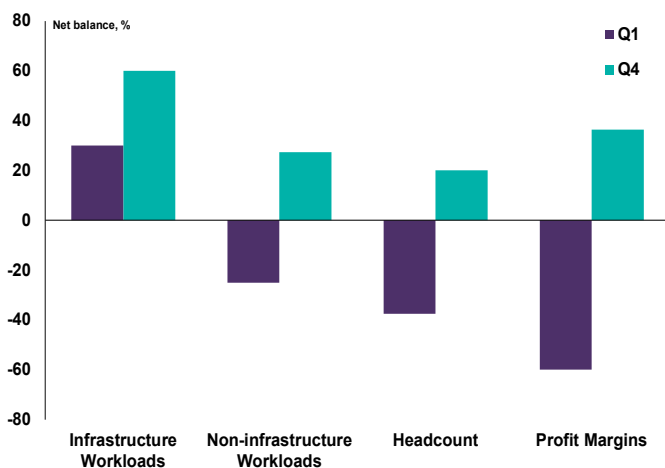
Infrastructure Workloads



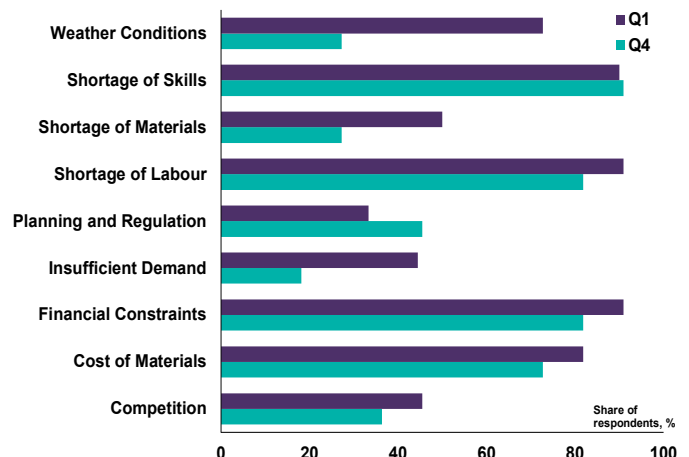
Current Conditions



12-month Expectations



Factors Holding Back Activity



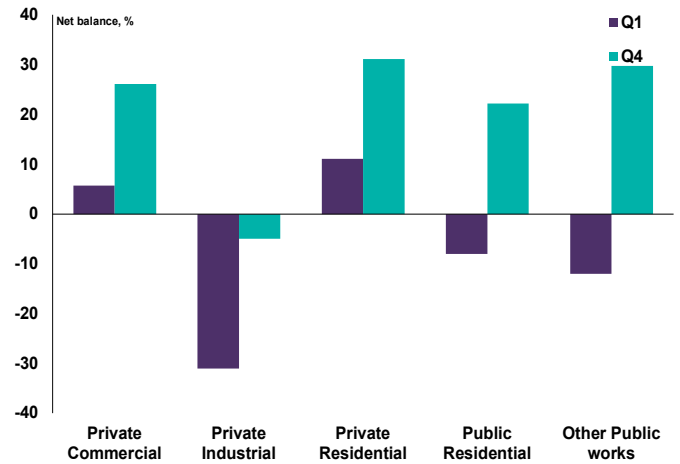
Country Charts - Nigeria

Contributors from Nigeria reported mixed conditions for the construction market in Q1. The level of work on construction projects - both infrastructure and non-infrastructure - was little changed from Q4 (with the exception of work on private industrial projects). There was some regional disparity to this, however, as respondents near Abuja reported more upbeat conditions than those around Lagos.

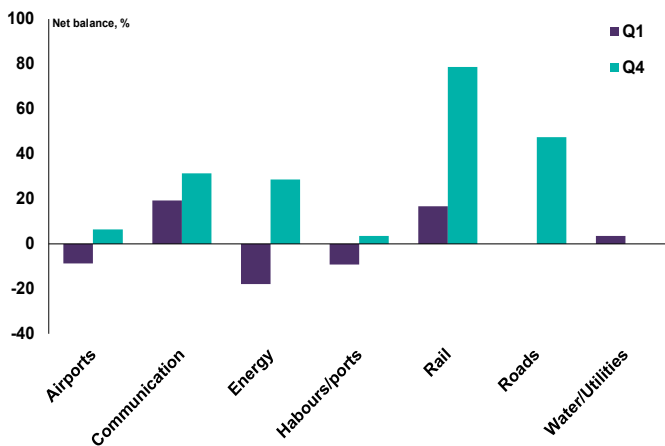
Financial constraints and the cost of materials remain the main factors holding back activity, according to respondents. In net balance terms, the cost of materials rose sharply in Q1 and is expected to rise between 5.6% over the next twelve months.

Although there are still some concerns over the Covid-19 outbreak, market activity is expected to rebound over the next year.

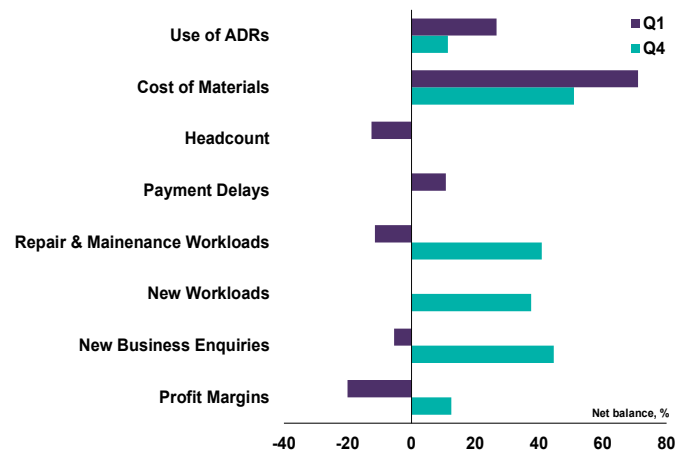
Workloads



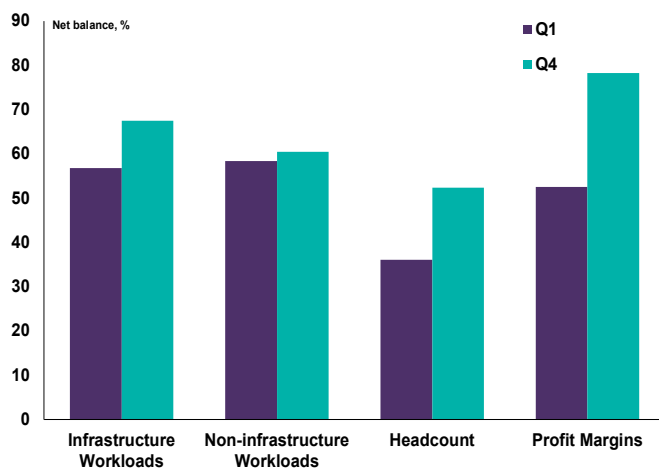
Infrastructure Workloads



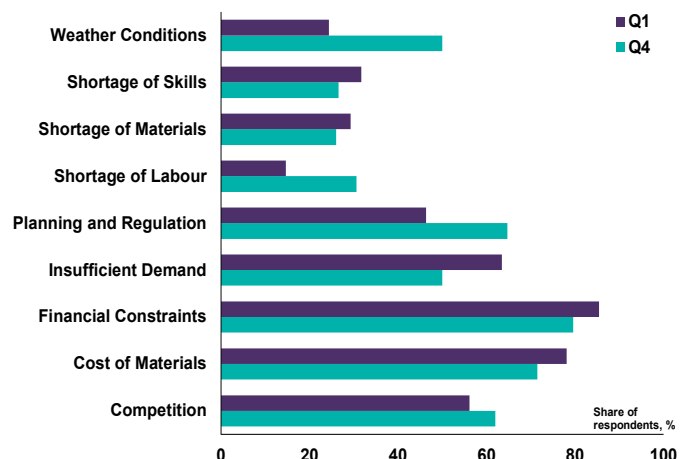
Current Conditions



12-month Expectations



Factors Holding Back Activity



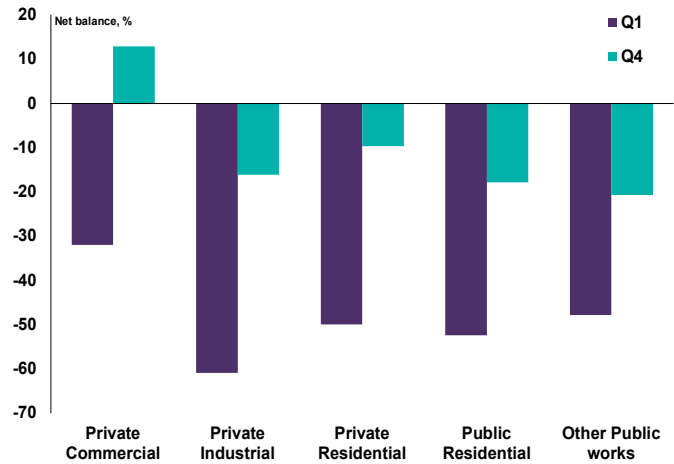
Country Charts - Oman

Respondents in Oman reported a sharp deterioration in construction market conditions in Q1, as workloads across all market segments sharply contracted (in net balance terms). The pipeline of new workloads also continued to contract, limiting the prospects for a near-term recovery.

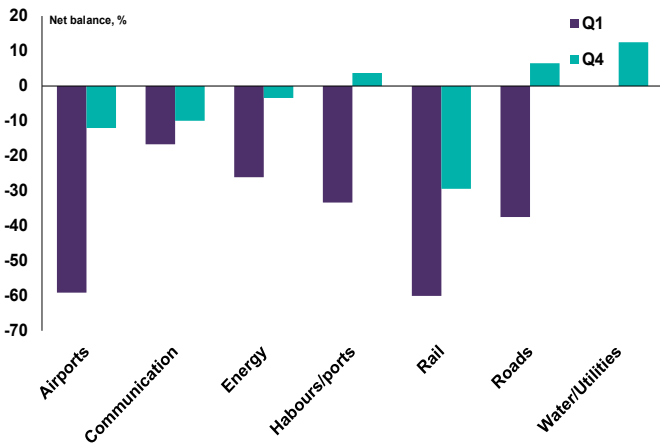
Companies continued to trim headcounts, and delays in payment rose at a quicker pace than in Q4. Profit margins continued to deteriorate. All of this looks set to continue for the next twelve months amid a further contraction in activity.

Financial constraints remained the foremost factor cited as holding back activity. The effects of the coronavirus pandemic are also starting to appear as contributors noted a shortage of materials and labour in Q1.

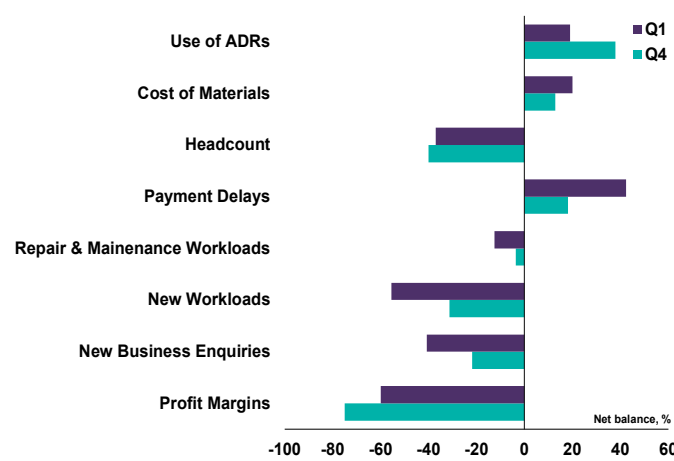
Workloads



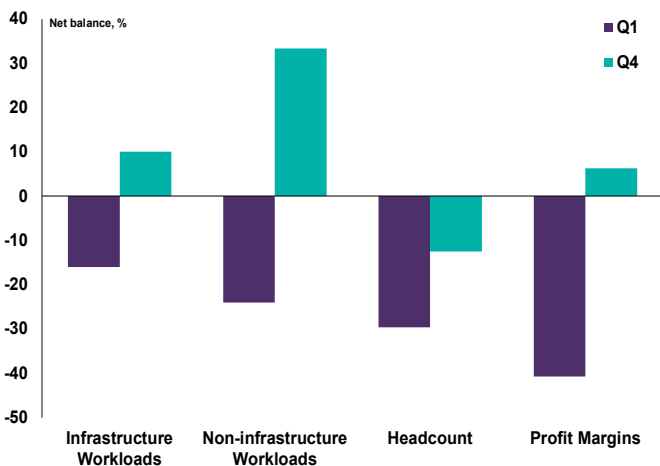
Infrastructure Workloads



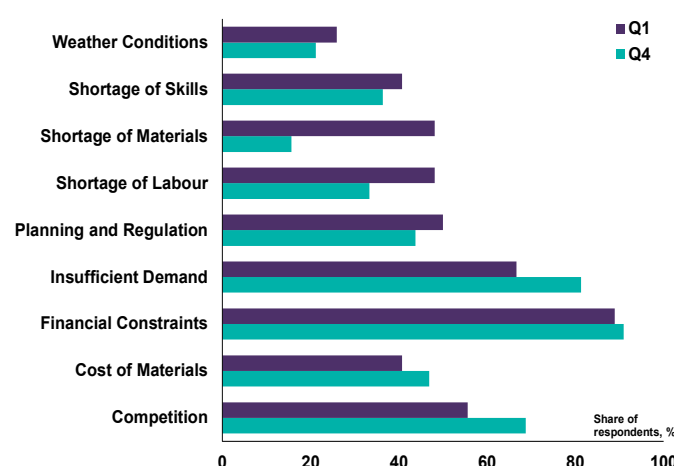
Current Conditions



12-month Expectations



Factors Holding Back Activity



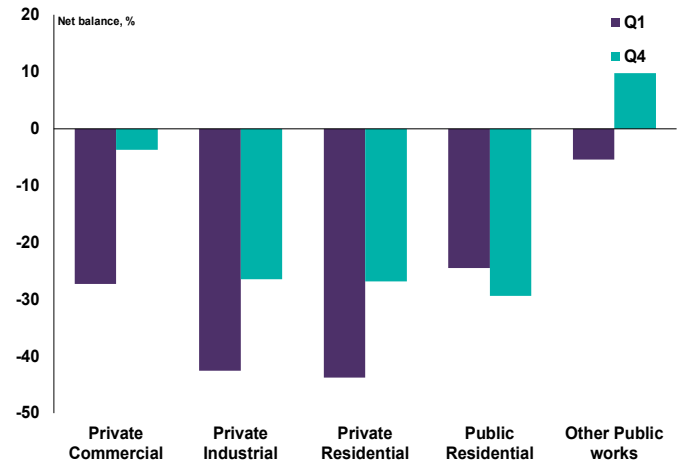
Country Charts - Qatar

Survey participants in Qatar reported a contraction in non-infrastructure workloads in Q1. Although activity on infrastructure projects proved more resilient (with the exception of rail), workloads were still significantly more subdued than what was reported in Q4.

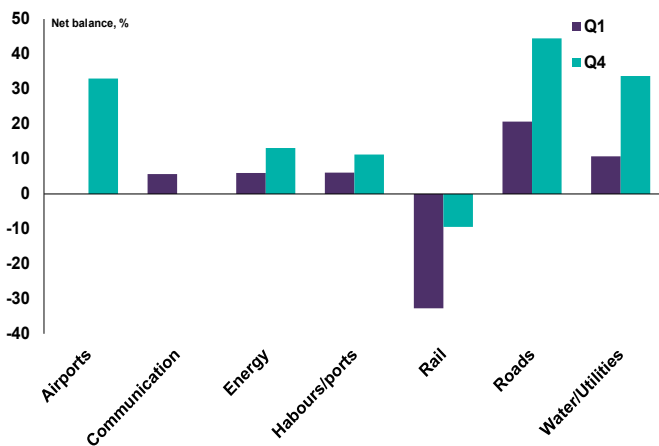
New workloads and business enquiries were also seen to have contracted at a quicker pace than in Q4, while rising payment delays and increases in the cost of materials led to a further deterioration of firms' profit margins.

The outlook over the next year is mixed, with the overall level of work unchanged. However, companies are expected to continue to cut headcounts and pressure on profit margins is expected to increase, which should exacerbate financial constraints as a factor holding back activity.

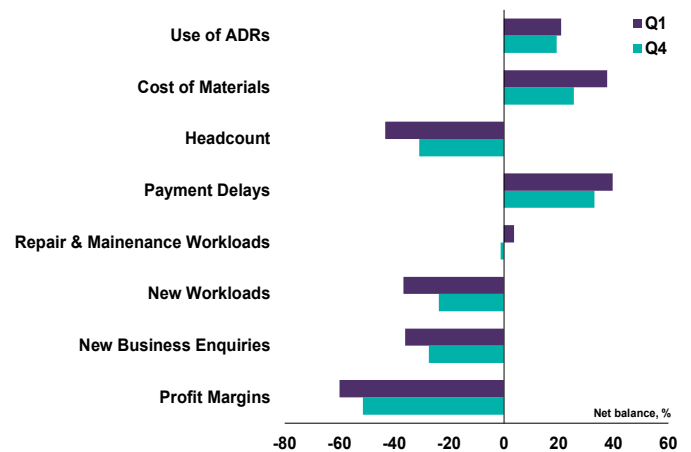
Workloads



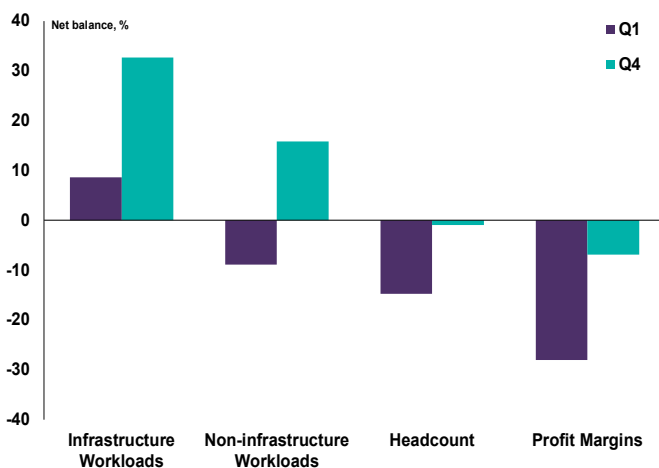
Infrastructure Workloads



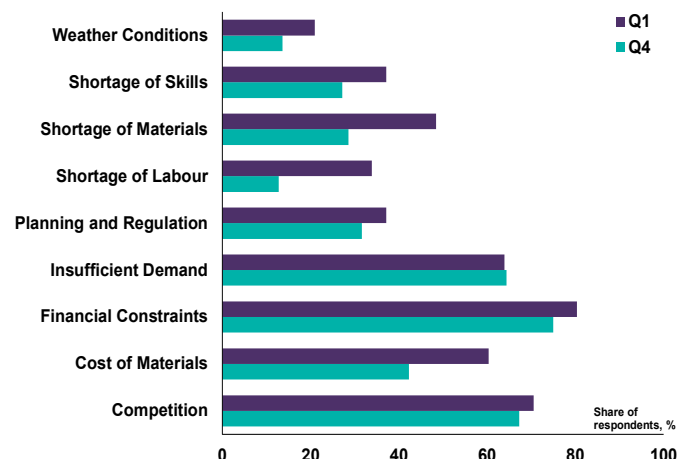
Current Conditions



12-month Expectations



Factors Holding Back Activity

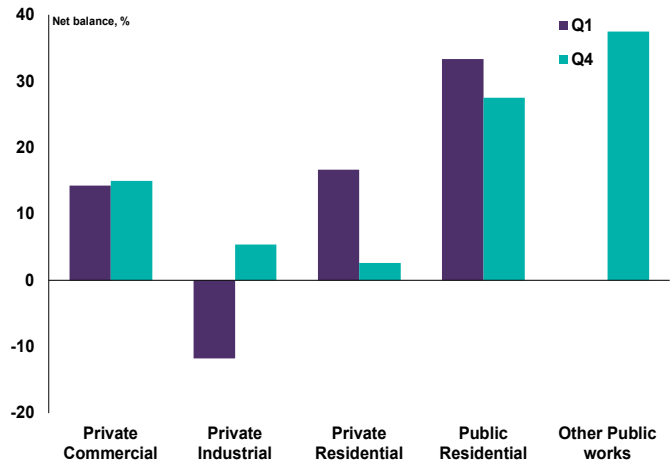


Country Charts - Saudi Arabia

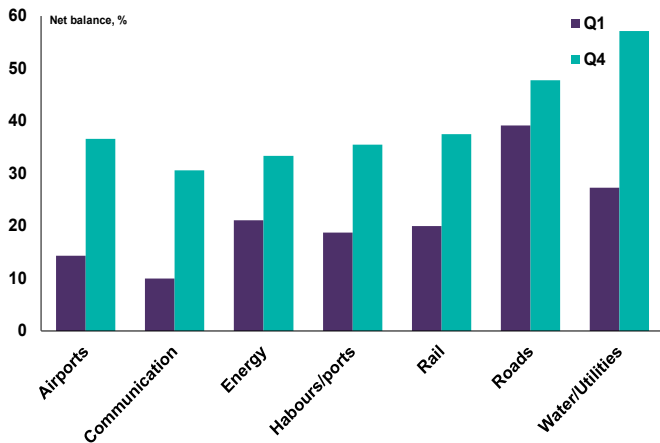
The construction market in Saudi Arabia appears to be more resilient to the coronavirus and oil prices than its regional peers, according to survey respondents. The level of activity on commercial projects increased modestly, at a similar pace to what was reported in Q4, and work on residential projects (both private and public) increased. Activity on infrastructure projects also continued to rise, though in net balance terms at a slightly slower pace than what was seen in Q4.

The level of new workloads was little changed during Q1, which may slow activity in the near-term. However, the outlook for workloads remained robust for both non-infrastructure and infrastructure projects. Headcounts are expected to continue to be expanded over the next twelve months, though respondents were more cautious in their outlook as financial constraints are seen as a drag on activity.

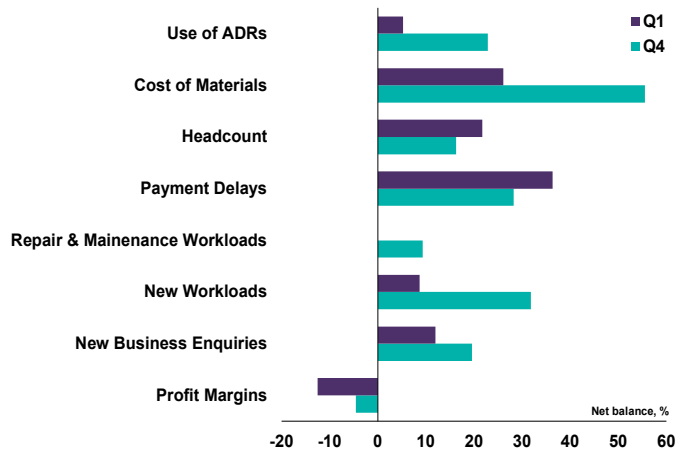
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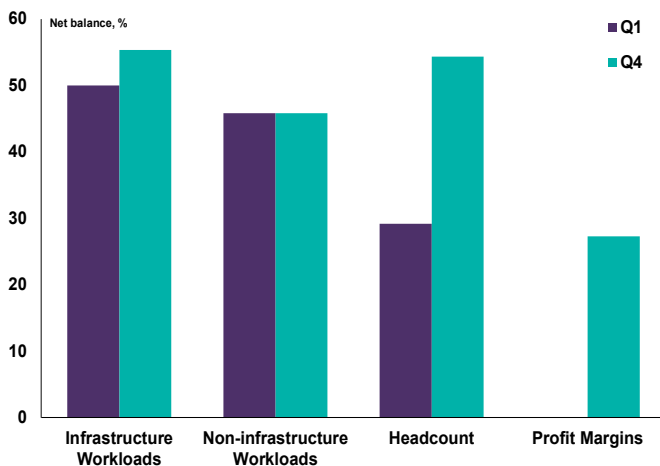
Infrastructure Workloads



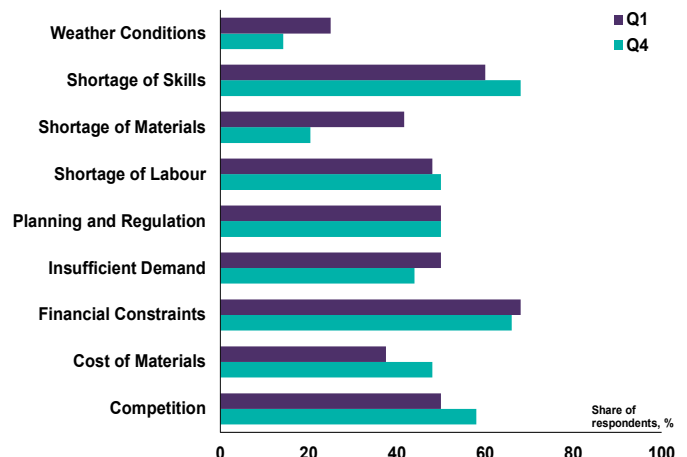
Current Conditions



12-month Expectations



Factors Holding Back Activity

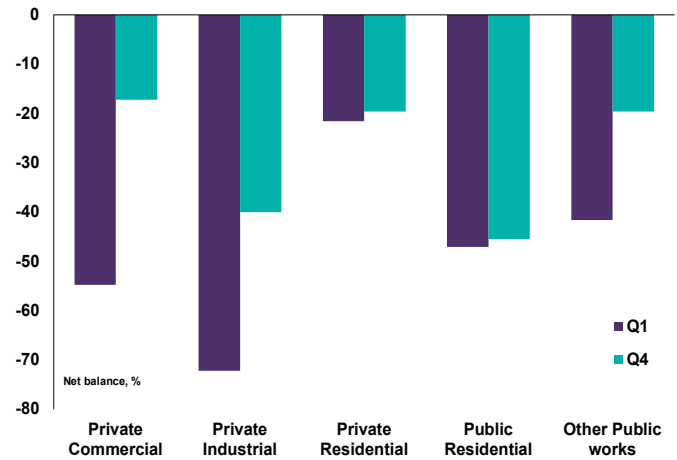


Country Charts - South Africa

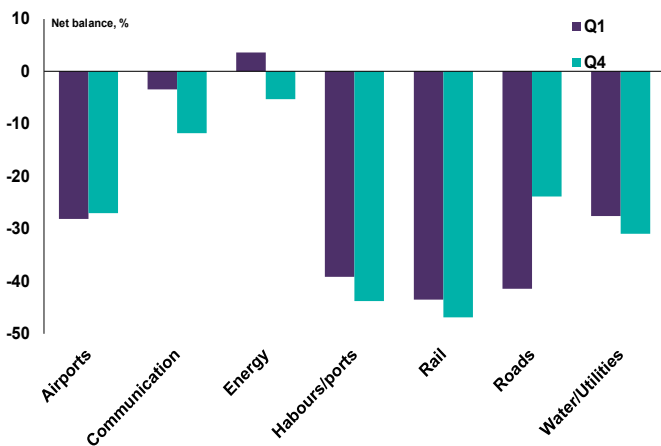
Conditions in South Africa's construction and infrastructure markets remained depressed in Q1, according to survey respondents. Highlighting an acute lack of demand and financial constraints, workloads (especially on commercial and industrial projects) continued to contract, in net balance terms at a quicker pace than what was reported in Q4. Although overall work on infrastructure projects also contracted, communications and energy projects appear to be slightly more resilient.

A lack of new business enquiries and new workloads will likely limit any recovery in the near-term. Indeed, the outlook for the next year is significantly more pessimistic than in Q4. Activity is expected to remain close to current levels, while companies are expected to continue headcount reduction and acute margin pressure is expected to persist.

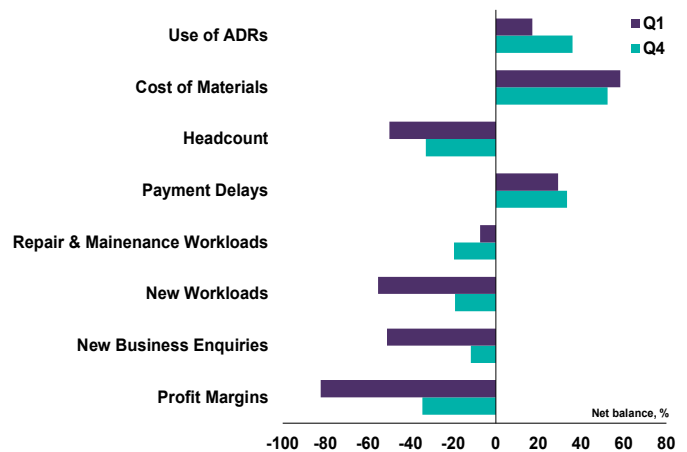
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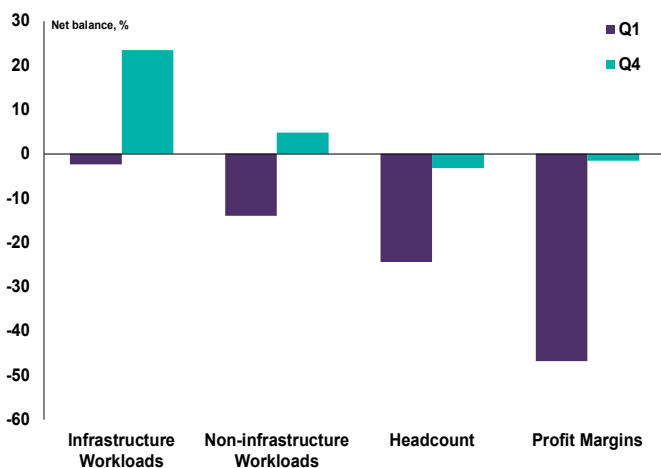
Infrastructure Workloads



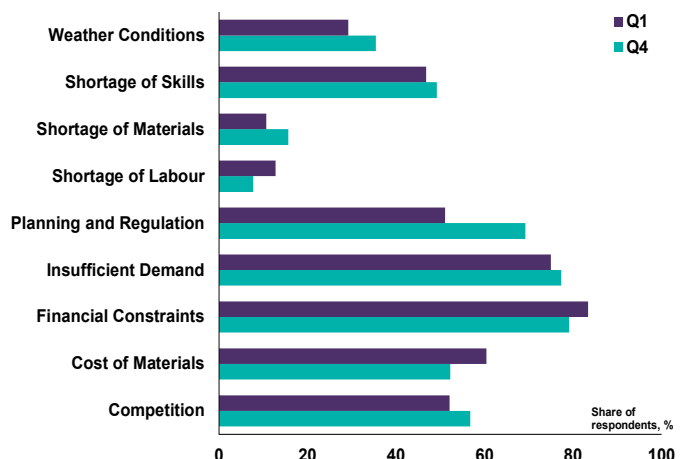
Current Conditions



12-month Expectations



Factors Holding Back Activity

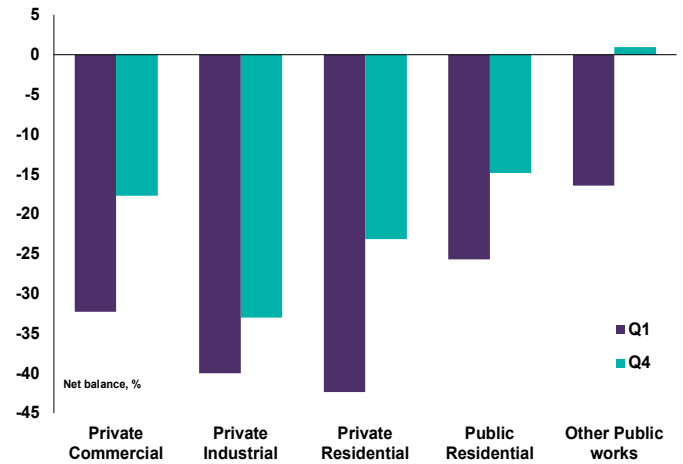


Country Charts - United Arab Emirates

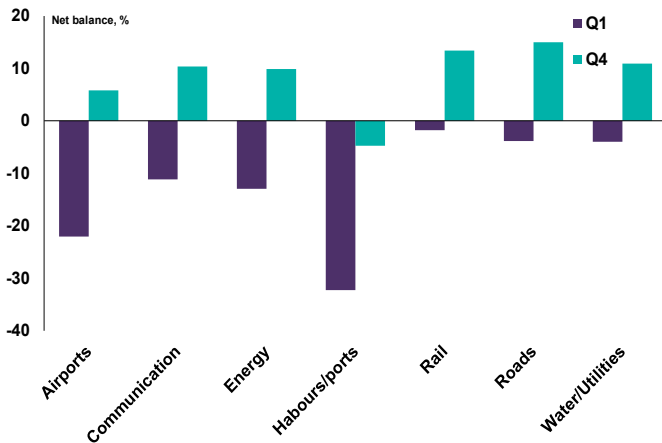
Any chance of a imminent recovery in the UAE construction and infrastructure market appears to be derailed by the twin shocks of coronavirus and collapsing oil prices, according to survey respondents. Demand remained soft as activity contracted across all market segments, including infrastructure. Headcount continued to be cut, and rising payment delays put further pressure on margins. Some respondents commented on disruptions to supply chains holding back activity, but only 31% highlighted a shortage of materials as a constraint. This is, however, significantly more than the 5% of respondents that noted material shortages as a constraint in Q4.

The relatively optimistic outlook from Q4 has turned decidedly negative, with a sharp drop in activity now expected over the next year and further cuts to headcount and margin deterioration.

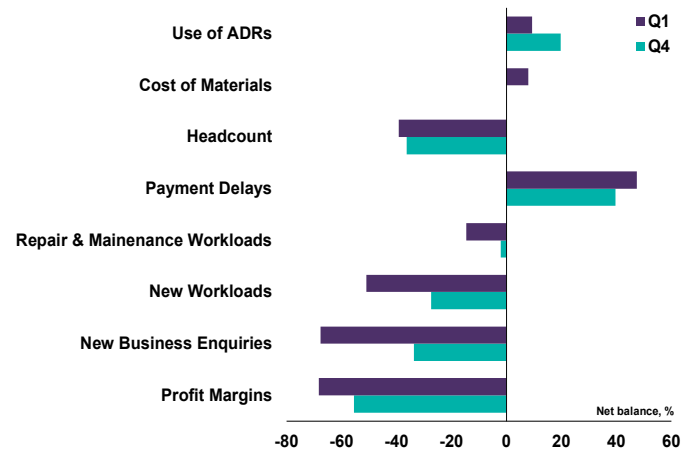
Workloads



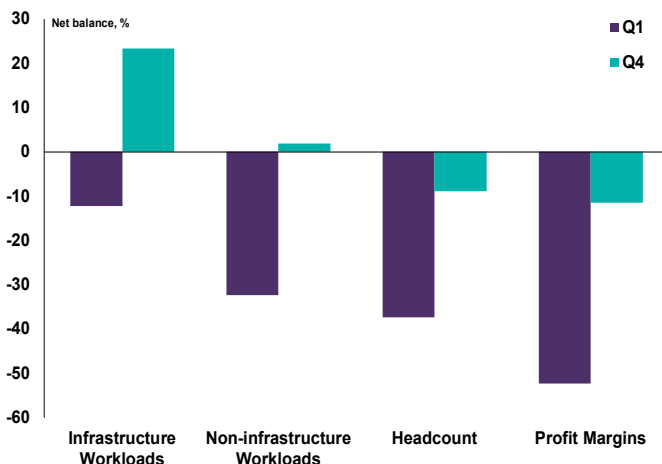
Infrastructure Workloads



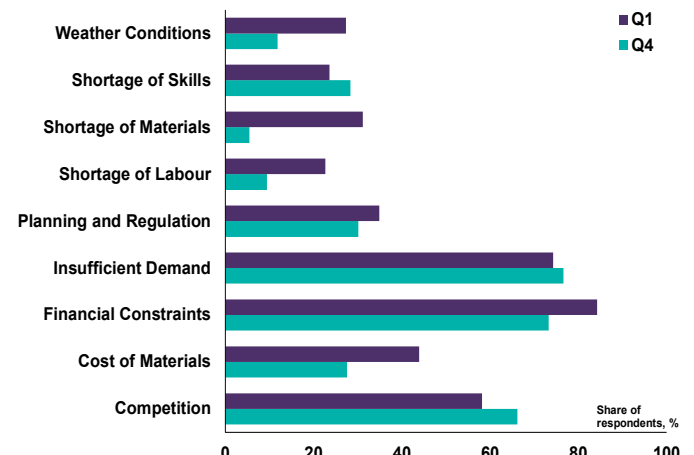
Current Conditions



12-month Expectations



Factors Holding Back Activity



RICS Consensus Tender Prices & Construction Costs (Next 12 months)

	Tender Prices		Construction Costs		
	Building	Civil Engineering	Commercial	Residential	Total
North America	+2.1%	+1.8%	+1.7%	+1.4%	+1.9%
Canada	+2.0%	+1.7%	+1.6%	+1.3%	+1.9%
British Columbia	+0.5%	+0.6%	+0.4%	+0.5%	+1.2%
Ontario	+3.4%	+3.1%	+3.2%	+3.1%	+3.2%
Praries & Territories	-1.0%	-1.2%	-1.0%	-1.1%	-0.3%
USA	+2.4%	+2.0%	+2.4%	+1.7%	+1.8%
Northeast	+2.3%	+0.2%	-0.6%	-0.5%	+0.7%
South	+4.1%	+4.4%	+3.4%	+1.6%	+4.1%
West	+1.2%	+1.3%	+3.1%	+2.9%	+0.8%
Asia Pacific	+1.2%	+1.6%	+2.1%	+1.9%	+2.3%
Australasia	+0.8%	+2.1%	+1.8%	+1.4%	+2.1%
Australia	+0.9%	+2.5%	+2.0%	+1.2%	+1.8%
New South Wales	+0.1%	+2.2%	+0.7%	+0.1%	+0.6%
Queensland	+2.6%	+4.9%	+4.2%	+3.1%	+3.5%
Victoria	+0.8%	+1.1%	+2.3%	+1.8%	+2.5%
Western Australia	+0.8%	+1.7%	+1.4%	+0.7%	+1.5%
New Zealand	+0.8%	+1.8%	+1.8%	+1.8%	+2.4%
North Island	+1.1%	+2.3%	+2.2%	+2.6%	+2.9%
South Island	-0.7%	-0.3%	+0.3%	-1.0%	+0.8%
East Asia	-0.1%	+0.1%	+1.0%	+0.8%	+0.9%
China	+4.4%	+4.6%	+4.3%	+3.8%	+4.6%
Eastern Region	+3.8%	+4.0%	+3.6%	+3.2%	+3.5%
Northern Region	+7.1%	+5.8%	+6.4%	+5.8%	+6.4%
South Central Region	+5.7%	+6.4%	+3.9%	+3.5%	+5.4%
Southwest Region	+3.1%	+3.5%	+5.6%	+4.0%	+4.8%
Hong Kong	-2.2%	-2.2%	-0.6%	-0.4%	-0.8%
Japan	+0.5%	+0.3%	+0.3%	-2.3%	+0.3%
South Asia	+4.4%	+4.1%	+4.5%	+4.3%	+4.9%
India	+4.1%	+3.9%	+4.2%	+3.9%	+4.4%
Northern Region	+3.7%	+4.0%	+4.1%	+3.7%	+4.0%
Southern Region	+3.5%	+3.6%	+3.7%	+4.0%	+4.0%
Western Region	+5.1%	+4.3%	+4.8%	+3.4%	+4.6%
Sri Lanka	+5.1%	+4.5%	+5.3%	+5.4%	+6.3%
Western Province	+5.3%	+4.7%	+5.9%	+6.2%	+7.2%

RICS Consensus Tender Prices & Construction Costs (Next 12 months)

	Tender Prices		Construction Costs		
	Building	Civil Engineering	Commercial	Residential	Total
Southeast Asia	+0.6%	+1.0%	+1.7%	+1.5%	+2.0%
Malaysia	-1.9%	-1.6%	-0.8%	-1.1%	-0.7%
Borneo	-2.5%	-3.0%	-0.2%	-0.9%	+0.2%
Northern Region	-2.7%	-1.7%	-1.9%	-0.6%	-0.4%
Southern Region	-3.3%	-3.6%	-3.3%	-2.6%	-4.1%
Western Region	-1.6%	-1.3%	-0.5%	-1.1%	-0.5%
Philippines	+6.6%	+6.8%	+6.8%	+6.9%	+7.2%
Singapore	+0.2%	+1.4%	+1.5%	+1.7%	+2.7%
Middle East & Africa	+1.7%	+1.6%	+2.6%	+1.9%	+2.4%
Middle East	+0.2%	+0.1%	+1.1%	+0.4%	+1.0%
Bahrain	+2.1%	+1.1%	+2.1%	+1.7%	+2.7%
Kuwait	+3.2%	+1.9%	+3.6%	+1.9%	+3.2%
Oman	+1.5%	+1.6%	+2.9%	+2.4%	+2.7%
Qatar	+3.4%	+3.5%	+3.6%	+2.7%	+3.8%
Saudi Arabia	+2.2%	+1.4%	+3.4%	+3.2%	+2.6%
Makkah	+4.1%	+2.6%	+4.1%	+3.6%	+4.4%
Riyadh	+4.0%	+5.9%	+5.7%	+4.8%	+6.2%
UAE	-2.8%	-2.8%	-1.7%	-2.5%	-1.9%
Abu Dhabi	-4.0%	-4.0%	-3.1%	-4.5%	-3.7%
Dubai	-2.4%	-2.4%	-1.2%	-1.7%	-1.2%
Africa	+3.8%	+3.9%	+4.6%	+4.0%	+4.3%
Ghana	+3.1%	+2.6%	+2.6%	+2.7%	+1.8%
Mauritius	+6.5%	+6.4%	+7.1%	+6.9%	+7.1%
Nigeria	+6.8%	+7.8%	+7.3%	+5.5%	+6.3%
Northern States	+7.5%	+7.5%	+7.0%	+5.9%	+6.5%
Southern States	+6.4%	+8.0%	+7.5%	+5.3%	+6.3%
South Africa	+3.0%	+2.8%	+3.8%	+3.8%	+4.1%
Gauteng	+4.0%	+3.5%	+3.9%	+3.5%	+4.1%
KwaZulu Natal	+1.4%	+2.4%	+2.8%	+4.2%	+3.2%

RICS Consensus Labour & Material Costs (Next 12 months)

	Labour Costs		Material Costs					
	Skilled	Unskilled	Bricks	Concrete	Copper	Glass	Steel	Total
Asia Pacific	+2.4%	+1.3%	+2.1%	+2.8%	+2.6%	+2.1%	+2.7%	+2.7%
Australasia	+1.6%	+0.4%	+2.0%	+2.4%	+2.9%	+2.6%	+3.2%	+2.5%
Australia	+1.5%	+0.1%	+1.9%	+2.4%	+2.9%	+2.5%	+3.2%	+2.6%
New South Wales	+1.4%	+0.3%	+2.8%	+3.5%	+3.5%	+3.5%	+3.8%	+3.2%
Queensland	+2.8%	+1.3%	+3.0%	+3.4%	+2.4%	+1.6%	+1.4%	+2.4%
Victoria	+0.4%	+0.1%	+1.0%	+1.0%	+1.2%	+1.7%	+2.4%	+1.8%
Western Australia	+0.5%	-1.8%	-1.2%	-1.2%	+4.7%	+0.7%	+4.5%	+2.7%
New Zealand	+1.7%	+0.9%	+2.2%	+2.4%	+3.1%	+2.9%	+3.4%	+2.5%
North Island	+2.2%	+1.8%	+3.0%	+3.0%	+3.2%	+3.2%	+4.2%	+3.1%
South Island	+0.8%	-0.7%	+0.5%	+1.1%	+2.6%	+2.0%	+1.7%	+1.1%
East Asia	+1.3%	-0.2%	+1.6%	+1.8%	+1.4%	+1.1%	+1.3%	+1.6%
China	+5.8%	+3.8%	+4.4%	+4.5%	+2.9%	+2.2%	+3.1%	+4.0%
Eastern Region	+4.6%	+2.5%	+3.4%	+3.2%	+2.4%	+1.2%	+2.2%	+3.1%
Northern Region	+5.6%	+4.2%	+7.3%	+6.4%	+2.4%	+2.9%	+4.0%	+6.1%
South Central Region	+9.4%	+7.5%	+7.4%	+8.4%	+5.0%	+5.0%	+6.5%	+6.8%
Southwest Region	+5.4%	+1.9%	+2.0%	+2.7%	+2.1%	+0.9%	+1.3%	+1.7%
Hong Kong	-0.7%	-2.2%	+0.5%	+0.7%	+0.6%	+0.6%	+0.5%	+0.6%
Japan	-0.3%	+1.1%	+0.7%	+1.0%	+0.9%	+1.7%	+0.6%	+0.2%
South Asia	+5.2%	+4.5%	+4.2%	+5.1%	+4.9%	+4.0%	+5.3%	+4.8%
India	+5.1%	+4.5%	+4.1%	+4.8%	+4.4%	+3.5%	+4.8%	+4.3%
Northern Region	+4.5%	+3.6%	+4.5%	+5.2%	+4.5%	+4.4%	+5.4%	+4.4%
Southern Region	+5.5%	+4.6%	+4.1%	+4.6%	+4.4%	+3.0%	+3.7%	+3.9%
Western Region	+4.8%	+4.8%	+3.2%	+4.0%	+3.8%	+3.2%	+5.5%	+4.2%
Sri Lanka	+5.6%	+5.0%	+4.5%	+6.1%	+6.7%	+5.7%	+7.3%	+6.6%
Western Province	+5.4%	+4.9%	+5.0%	+6.2%	+7.1%	+6.0%	+7.4%	+6.8%
Southeast Asia	+1.9%	+1.2%	+1.2%	+2.3%	+2.0%	+1.6%	+1.9%	+2.5%
Malaysia	+0.4%	-0.2%	-0.2%	+0.8%	+0.8%	+0.0%	-0.1%	+0.6%
Borneo	+0.9%	-1.2%	+0.7%	+2.6%	+3.6%	+3.6%	+2.1%	+3.2%
Northern Region	+0.9%	-0.8%	-3.3%	-1.1%	+0.0%	-1.9%	-1.8%	-2.1%
Southern Region	-1.5%	-1.5%	-2.4%	-0.9%	-2.3%	-3.6%	-3.2%	-0.5%
Western Region	+0.4%	+0.1%	+0.2%	+1.0%	+0.8%	+0.1%	-0.0%	+0.8%
Philippines	+4.4%	+3.6%	+3.7%	+5.1%	+4.2%	+4.5%	+5.8%	+6.0%
Singapore	+3.1%	+2.5%	+1.5%	+3.3%	+1.8%	+1.8%	+2.2%	+3.4%

RICS Consensus Labour & Material Costs (Next 12 months)

	Labour Costs		Material Costs					
	Skilled	Unskilled	Bricks	Concrete	Copper	Glass	Steel	Total
Middle East & Africa	+2.7%	+1.7%	+2.5%	+2.8%	+3.5%	+3.2%	+3.8%	+3.4%
Middle East	+1.5%	+0.7%	+1.7%	+1.6%	+2.1%	+2.2%	+2.3%	+2.1%
Bahrain	+1.4%	+0.7%	+2.5%	+1.7%	+3.1%	+3.1%	+2.7%	+2.9%
Kuwait	+2.6%	+2.3%	+2.0%	+1.9%	+1.9%	+1.9%	+2.0%	+1.9%
Oman	+2.4%	+2.4%	+0.5%	+1.0%	+2.5%	+2.5%	+2.4%	+2.0%
Qatar	+3.6%	+2.7%	+3.8%	+4.5%	+5.1%	+5.2%	+5.1%	+4.7%
Saudi Arabia	+3.8%	+2.2%	+2.6%	+1.8%	+2.4%	+2.4%	+3.1%	+3.2%
Makkah	+4.8%	+3.7%	+3.6%	+1.7%	+2.7%	+2.5%	+4.0%	+4.5%
Riyadh	+3.8%	+3.3%	+4.7%	+5.9%	+6.5%	+5.3%	+6.8%	+6.6%
UAE	-0.5%	-1.1%	+0.4%	+0.1%	+0.1%	+0.3%	+0.4%	+0.3%
Abu Dhabi	-2.5%	-2.7%	+0.1%	-0.1%	-1.3%	-1.0%	-1.5%	-0.9%
Dubai	+0.3%	-0.5%	+0.6%	+0.3%	+0.7%	+0.9%	+1.2%	+0.9%
Africa	+4.6%	+3.0%	+3.7%	+4.6%	+5.7%	+4.7%	+6.3%	+5.4%
Ghana	+7.5%	+2.9%	+3.9%	+4.3%	+5.8%	+5.6%	+5.0%	+5.8%
Mauritius	+6.0%	+5.5%	+5.5%	+5.2%	+7.4%	+7.8%	+6.2%	+6.5%
Nigeria	+4.9%	+3.5%	+3.5%	+5.3%	+5.6%	+5.9%	+7.3%	+5.6%
Northern States	+7.6%	+5.7%	+4.7%	+5.8%	+5.9%	+6.6%	+8.2%	+6.6%
Southern States	+3.6%	+2.4%	+2.9%	+5.1%	+5.4%	+5.5%	+6.8%	+5.1%
South Africa	+4.7%	+3.9%	+4.5%	+5.1%	+6.8%	+4.4%	+7.2%	+5.3%
Gauteng	+4.3%	+3.7%	+4.0%	+4.8%	+6.9%	+4.0%	+7.7%	+4.8%
KwaZulu Natal	+4.3%	+3.5%	+5.3%	+5.6%	+6.9%	+4.7%	+6.7%	+6.6%

Information

Construction and Infrastructure Survey

RICS' Asia-Pacific and Middle East Construction and Infrastructure Survey is a quarterly guide to the trends in the construction and infrastructure markets. The report is available from the RICS website www.rics.org/economics along with other surveys covering the housing market, residential lettings, commercial property, construction activity and the rural land market.

Methodology

Survey questionnaires were sent out on 11 March 2020 with responses received until 16 April 2020. Respondents were asked to compare conditions over the latest three months with the previous three months as well as their views as to the outlook. A total of 1323 company responses were received globally. Results are collated at a country level with regional results only reported if a minimum of ten responses received. Responses in Canada were collected in conjunction with the Canadian Institute of Quantity Surveyors. Responses in the United States were collected in conjunction with the Association for the Advancement of Cost Engineering.

Net balance = Proportion of respondents reporting a rise in a variable (e.g. occupier demand) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

A positive net balance reading indicates an overall increase while a negative reading indicates an overall decline.

Contact details

This publication has been produced by RICS. For all economic enquiries, including participation in the monitor please contact: economics@rics.org

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Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

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