Following the death of King Abdullah of Saudi Arabia in January 2015, there was wide speculation concerning the building boom that the late king had ordered. This speculation was natural, as oil prices had tumbled to unprecedented levels and the region was facing danger around every corner.

However, the country’s new leadership promised to continue the pace of development and quickly pumped billions into the economy, with a two-month salary bonus to be paid to all state employees and retirees. In a meeting in early March 2015 with ministers, members of the Saudi consultative Shura Council, senior military and civil officials, and citizens, King Salman unveiled the agenda of his government.

The king vowed to reinforce the nation’s progress and defend Arab and Islamic causes. He said: “Our country is marching solidly toward growth. We will work toward complete and balanced development. We strive to build a strong economy with diversified revenues and work to limit the effect of lower oil prices on the development process.” He also pledged to “develop specialized healthcare services for all citizens wherever they are” while highlighted the “need to find housing solutions for Saudis.” He
also stated that the government should “provide education that will offer results suitable to the
development process and market needs.”

He dwelt at length on the state of the national economy and said that the coming years would be full
of landmark achievements and the strengthening of the industrial and service sectors. Addressing
businessmen in attendance, the king said: “You are partners in development, and the state is working
to give more opportunities to the private sector to enable it to contribute more to economic growth.
We have provided many facilities and special rights for you and the state expects a lot from you. You
have to come up with initiatives for job creation and social and economic services.”

Saudi Arabia is in the throes of massive development, in infrastructure and elsewhere. Healthcare,
transportation, education, and other social services have recently been given increasing emphasis.
Because existing roads were over their capacity, to the point where congestion was having an impact
on the local economy and quality of life for residents, the Council of Ministers in 2013 approved public
transport systems in Mecca, Jidda, and Taif, at a total cost of $30 billion.

The Kingdom is especially committed to a nationwide transportation infrastructure-expansion
program that should produce, if all goes well, one of the world’s most sophisticated rail and metro
networks. Spending on rail projects alone is forecast to reach about $79 billion in the next ten years.

But it is not simply about reducing congestion and improving freight transport. The railway network
will, according to a rail assurance and asset-management consultant, create new jobs and bring
environmental benefits to the region. “Rail networks create a more sustainable society that is not
dependent on one mode of transport for passengers and goods. Also, the environmental advantages
of using railways have been documented extensively, and the rail projects will create a range of
employment opportunities including high-tech engineering positions for a growing population.”

Mecca, a city that draws pilgrims from around the world, had $18 billion injected into its public
transport system, which included four metro lines and 88 stations and a fast bus network. It is
expected to bring dramatic improvement in the transportation of pilgrims and citizens in the city.

The capital city, Riyadh, which has almost no public transport, also received a shot in the arm for a
metro project. The Riyadh Public Transport Project is projected to cost $22.5 billion and will include
176.5 kilometres of rail and 85 stations, according to the Ar-Riyadh Development Authority. Bechtel,
the United States-based engineering, construction, and project-management firm, led a consortium
that won a $9.4 billion contract to design and build two of the Riyadh Public Transport Project’s lines,
totaling 63.3 km.

The Kingdom is the largest construction market in the Gulf Cooperation Council and is committed to
$1 trillion in construction projects in housing, health care, education, and transportation, according to
the Deloitte report “GCC Powers of Construction 2014.” From mixed-use mega-developments to
sports stadiums, the Kingdom is attracting the world’s top infrastructure-development firms.

With its young and growing population, Saudi Arabia should command the most buoyant market, in
line with its overall economic development plan. The recently approved mortgage law should help to
drive growth in residential construction as a response to the current housing shortage, especially for
low- and middle-income households. So serious is the government about providing affordable housing
to its citizens that, in March 2015, the king fired the housing minister following growing social-media
complaints by Saudis lamenting the lack of home ownership.

But spending itself counts for little. Some projects in Saudi Arabia have received global recognition
after being listed among the 100 most innovative and inspiring urban-infrastructure projects in the
world in the second edition of KPMG’s “Infrastructure 100” report. The recently completed Princess Noura Bint Abdulrahman University for women tops the education infrastructure category and is ranked by KPMG as one of the top ten infrastructure projects across the globe.