

**SCA**

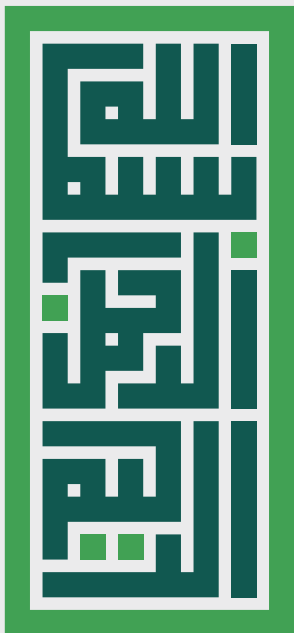
الهيئة السعودية للمقاولين  
Saudi Contractors Authority

# Statistical Report of Contracting Sector 2018

رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA







# 1 Introduction

The Saudi Contractors Authority (SCA) presents the first version of the statistical report on contracting sector, which is issued quarterly. The report contains many statistical data and indicators related to the contracting sector for 2018. This information was collected through reliable official and economic sources.

# 2 Contracting Sector

The contracting sector is the second largest non-oil sector in the Kingdom of Saudi Arabia with a large number of enterprises reaching **200,000** enterprises employing approximately **4,000,000** employees.

According to the classification of the National Directory of Economic Activities (Industrial Standard International Classification / ISIC4), under the contracting sector, there are a number of sub-sectors. Based on SCA's first strategic plan, six major groups of contracting sector areas have been identified to be listed under its umbrella:

## Working in the Contracting Sector



**4,000,000**

Employees



**200,000**

Enterprises

**6 fields are listed under the Authority's umbrella**



Buildings  
Construction



Civil  
Engineering



Specialized  
Construction



Mining Support  
Services

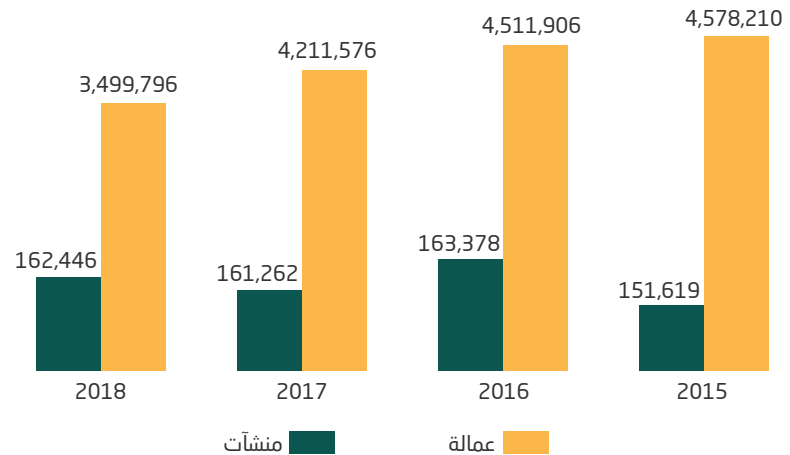


Provision of Services  
to Buildings and  
Locations Adornment



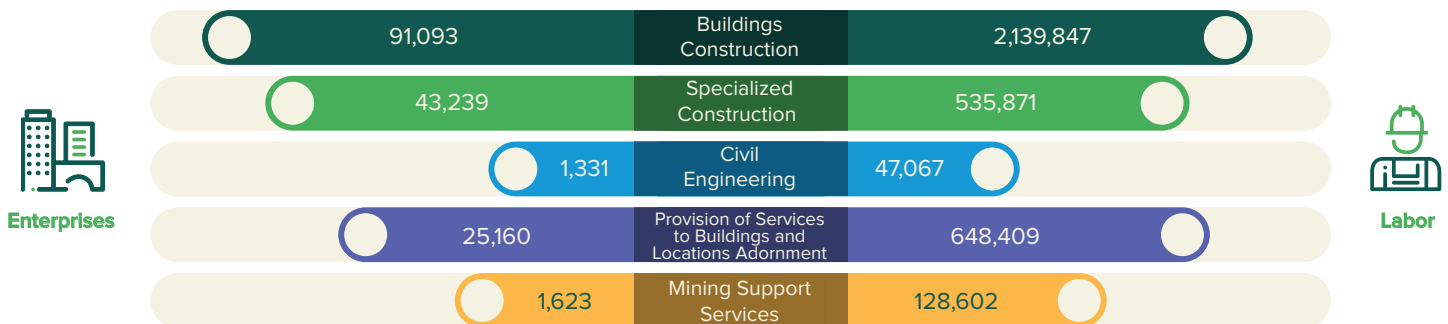
Garbage collecting,  
recycling & restoring

According to statistics provided by the General Organization for Social Insurance (GOSI), the Construction sector in 2018 witnessed a slight increase in the total number of enterprises by 1% compared to 2017. The statistics reveal that the total number of laborers for the same year decreased by 17% compared to 2017.

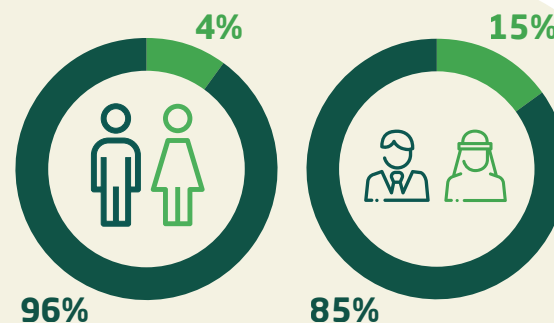


Based on the fields under the umbrella of SCA, there are approximately 162 thousand enterprises operating in these fields and employing approximately 3.5 million workers during 2018.

Buildings construction is considered one of the largest in the contracting sector, accounting for 56% of the number of enterprises working in the sector and employing them about 62% of the total labor force, followed by specialized construction, which employs about 27% of the number of enterprises operating in the sector. The sector accounts for about 15% of the total number of labor force in contracting. Third is the field of provision of services to buildings and locations adornment reaches up to 15% of the number of enterprises and the total number of labor force by 19%, while the field of civil engineering and the field of mining services accounted for 1% each of the number of enterprises, but in terms of the number of labor force, the field of mining services accounts for 4% of the total labor force while 1% of the total labor force working in the field of civil engineering.

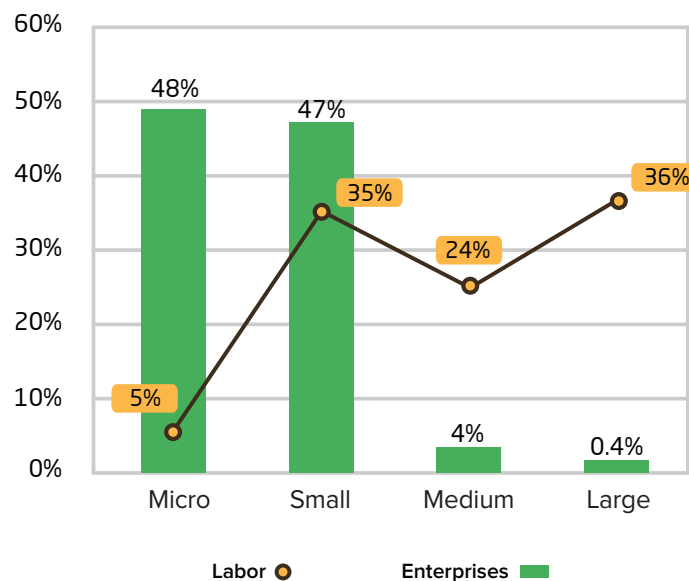


The total number of Saudi workers in the contracting sector reached **511 thousand** Saudi workers, while the largest share was the share of foreign workers, which amounted to approximately **3 million** workers. Of the total number of labor force in the contracting sector, there are approximately **153 thousand** females working in various activities of the contracting sector.



Micro enterprises employing (less than 5) employees and small ones employing (6 to 49) employees are the largest in terms of the number of labor force, with a total of 78,600 micro enterprises and 76,600 small enterprises. The medium enterprises employing (50 to 249) employees accounted for 4% of the total number of enterprises, i.e. a total of 6,500 enterprises whereas the large enterprises employing (more than 249) employees comes at the last ranking in terms of the number of enterprises of total 600 enterprises.

In contrast, large enterprises acquire the largest number of workers in the sector, where the number of labor force reached 1.250 million workers, followed by small enterprises with 1.200 million workers, medium enterprises ranked third in terms of the number of labor force with a total of 850 thousand workers and finally micro enterprises with approximately 180 thousand workers.

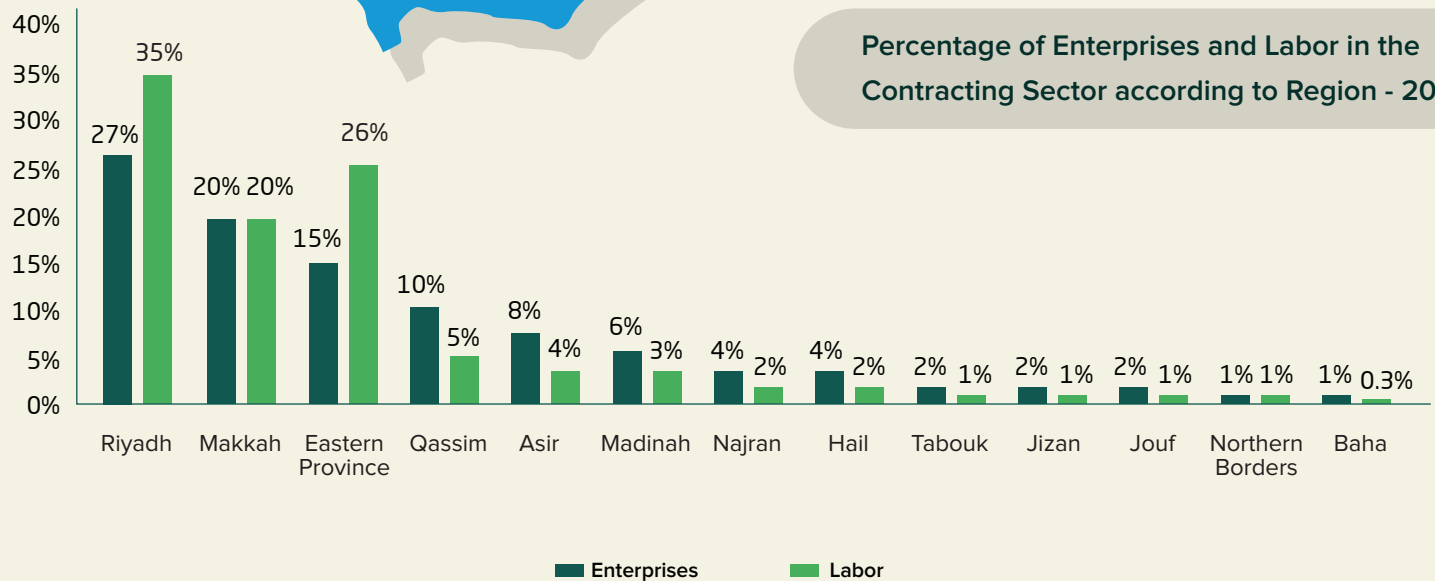


**Percentage of enterprises and labor in the Contracting Sector according to size of enterprise - 2018.**



**Riyadh** region has the largest percentage of the total number of contractors working in the sector, where there are about 43 thousand enterprises in the Riyadh region where **Makkah** region ranked second as 32,500 thousand enterprises working in the region, followed by the **Eastern Province** with 24,200 enterprises.

In terms of number of labor force, **Riyadh** is the largest with 1,200 million workers, followed by the **Eastern Province** with nearly 900,000 workers. Third, the **Makkah** region has about 700,000 workers.









## 3

## Fields of Contracting and Gross Domestic Product "GDP"

Based on the preliminary statistics of the General Authority for Statistics on GDP at constant prices, it is clear to us that the construction and building activity, which represents the fields of building construction, specialized construction, civil engineering and activities of provision of services to buildings, contributes 4.3% of the GDP with a value of up to 113.667 billion riyals recording a decline of 3.1% compared to 2017, whose value of contribution to GDP amounted to SR 117.295 billion riyals.

Mining and quarrying are among the most important sectors contributing to the Saudi GDP by 39.7% and the value of 1.042 trillion riyals, recording an increase of 3.2% compared to 2017, which contributed to the value of product to 1.010 trillion riyals. It is worth mentioning that Mining services fall under the mining and quarrying sector.

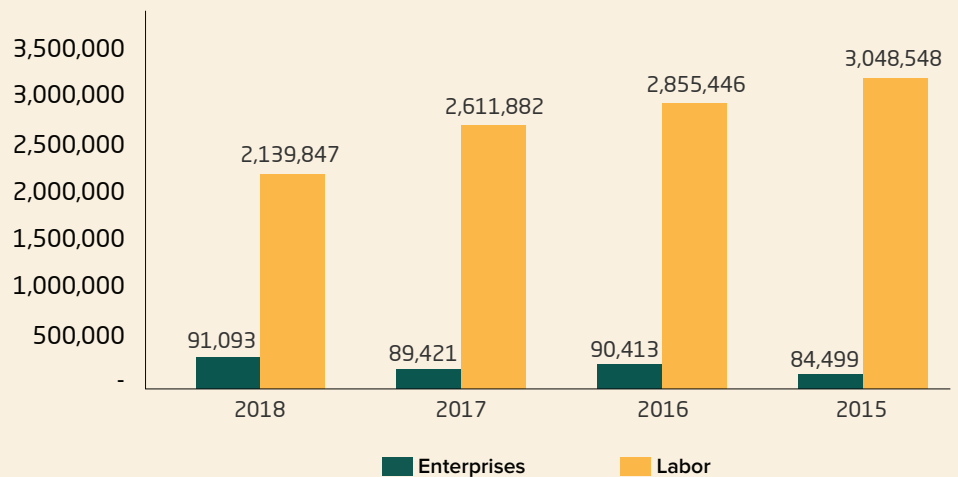
## Buildings Construction



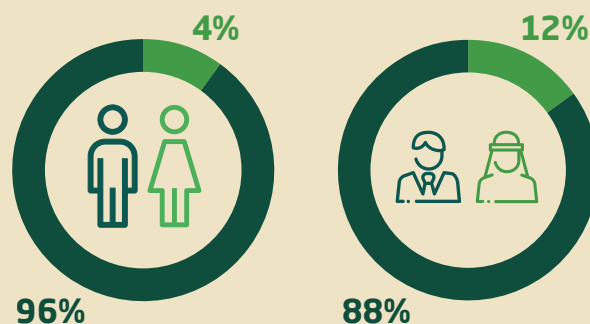
This section is concerned with the activities related to the construction of all types of residential enterprises, their classifications and their rehabilitation works, as well as the construction works for other service facilities of a structural nature of all their uses and the purpose for which they were established.

The **buildings construction** field is one of the largest in the contracting sector, with 91,093 enterprises operating at the end of 2018, an increase of **2%** compared to 2017. The total number of work force decreased by **18%** compared to 2017.

Percentage of Enterprises and Labor in the Field of Buildings Construction 2015 - 2018

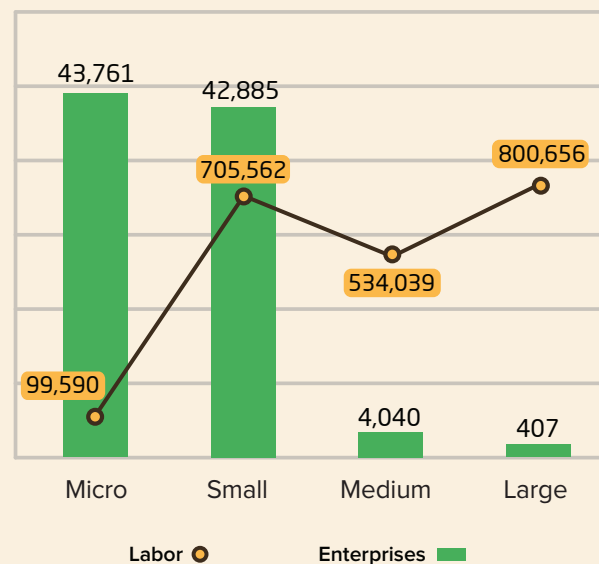


Saudis represent **12%** of the total labor in the field, while the largest percentage represents the foreign workers. On the other hand, the percentage of females represents **4%** of the total number of laborers in the field.



Micro and small enterprises represent the largest percentage of the total enterprises operating in the sector, where micro enterprises constitute **48%** and small enterprises **47%**, followed by medium enterprises with **4%** and finally large enterprises by **1%**.

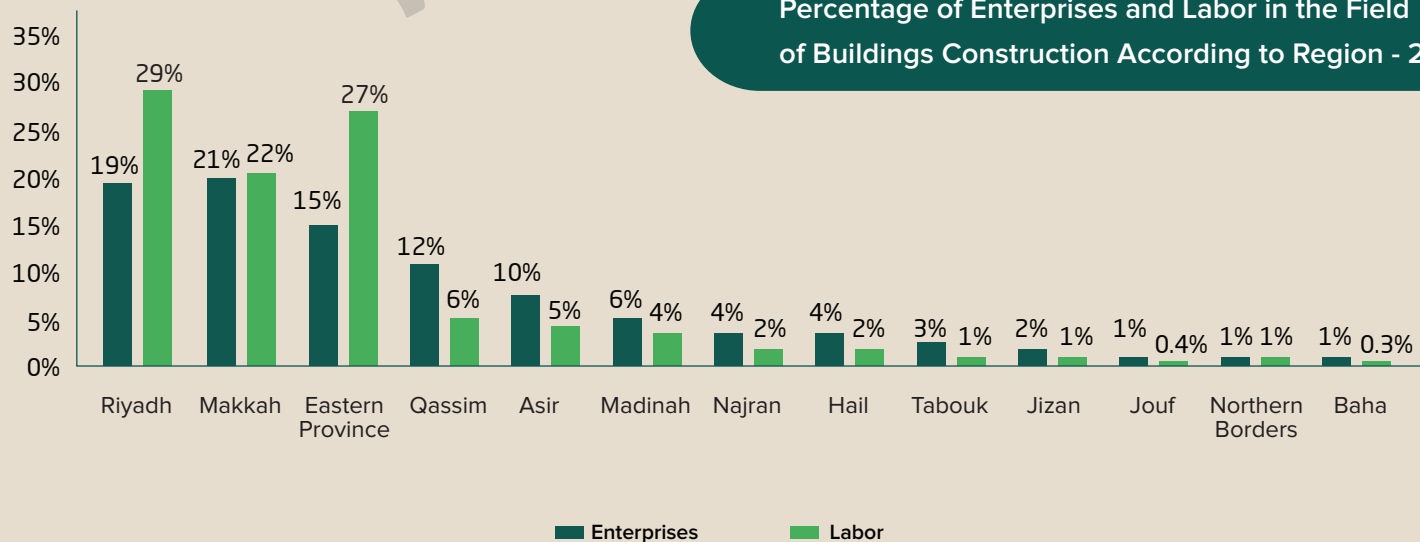
As for the number of laborers, the largest enterprises acquired the largest percentage of the total labor in the sector by **37%**, followed by small enterprises by **33%** and medium enterprises by **25%**. Micro enterprises acquired 5% of the total number of laborers in the sector.



Percentage of Enterprises and Labor in the Field of Buildings Construction according to size of enterprise - 2018



According to the statistics of 2018, **Makkah** region acquires the largest percentage of the number of enterprises in the field of buildings construction. There are approximately 19,300 enterprises in the region, followed by **Riyadh** with 17,100 enterprises and 14,000 enterprises in the Eastern Province, while **Qassim** ranked fourth with 11,300 enterprises. As for the number of labor force, **Riyadh** region had the largest percentage with 615 thousand workers, then the **Eastern Province** with 582 thousand workers and thirdly Makkah region with 470 thousand workers.

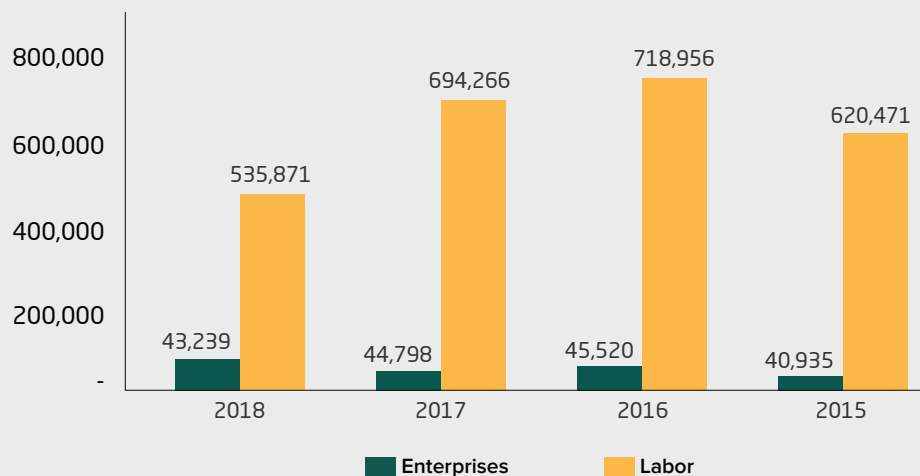


## Specialized Construction



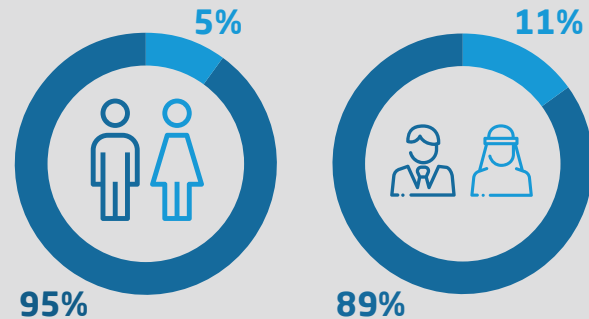
This section includes all works that are part of an integrated project and usually carried out within a sub-contract within the main contract of the project and the diversity of these works in many areas and specialties, whether in the scope of construction and demolition or operation and maintenance and rehabilitation works and the areas of mechanical and electrical works and the restoration of safety and firefighting systems. This extends to include information systems, networks and any work related to the system of facilities and services management.

**Specialized construction** is the second largest field after the construction of buildings in terms of the number of enterprises operating in sector, accounting for **27%** of the total number of enterprises in 2018. They employ approximately **15%** of the total labor. On the other hand, specialized construction witnessed a decrease in the number of enterprises by **3%** and the number of employees by **23%** compared to 2017.



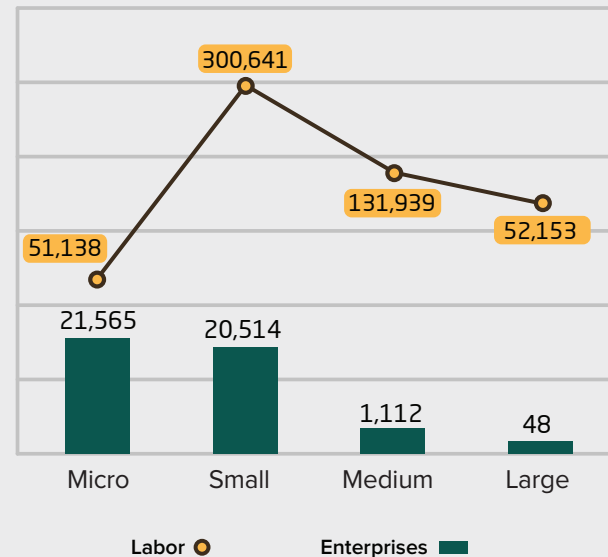
Percentage of Enterprises and Labor in the Field of Specialized Construction 2015 - 2018

The number of foreign laborers in the field is about **477** thousand workers, while the number of Saudi workers reached **59** thousand workers. A small proportion of females and they reach **25** thousand female workers approximately in the field.



**Micro-enterprises** acquired the largest percentage of the total number of enterprises operating in the field of specialized construction where the acquisition percentage reached **50%** then the **small enterprises** by **47%** whereas the **medium** and **large enterprises** reached **3%** of the total number of enterprises.

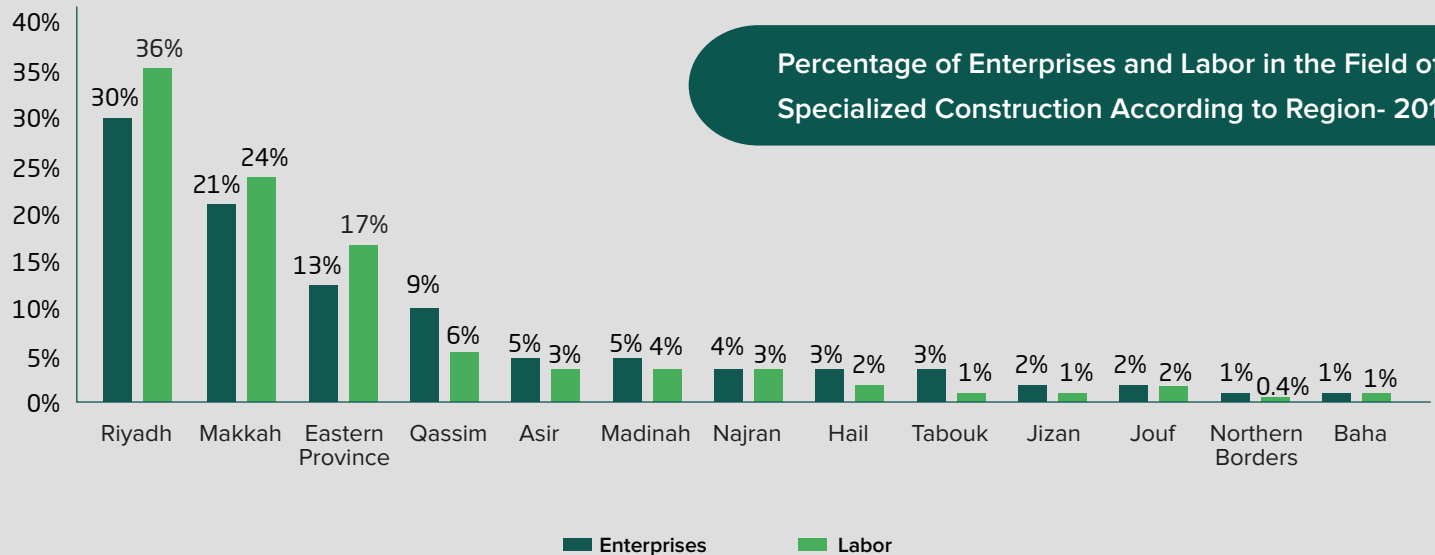
On the other hand, **small enterprises** own the largest number of total labor force in the field by **56%**, while the percentage of **medium enterprises** reached **24%**. The labor rate of **large** and **micro enterprises** reached **10%** for each category of total labor.



Percentage of Enterprises and Labor in the Field of Buildings Construction according to size of enterprise - 2018







From the above chart, it is clear that the **Riyadh** region has the largest percentage in terms of the number of enterprises and the number of workers. The number of enterprises in the **Riyadh** region reached 13 thousand enterprises employing approximately 192 thousand workers. Secondly, the **Makkah** Region, which has a total of 9,100 enterprises and a labor force of approximately 130,000 workers.

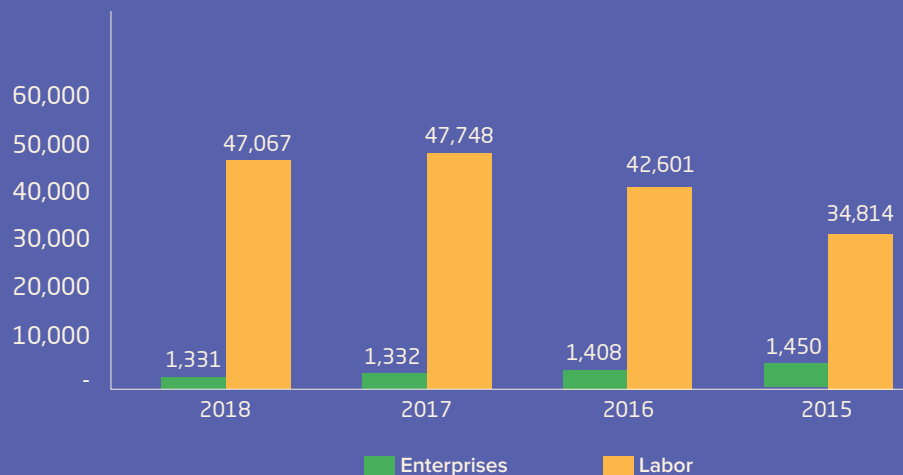
## Civil Engineering



Under the field of civil engineering, activities related to construction, operation and maintenance projects of infrastructure, which usually require high qualification and special requirements for the implementation of these works in addition to the inclusion of strategic projects.

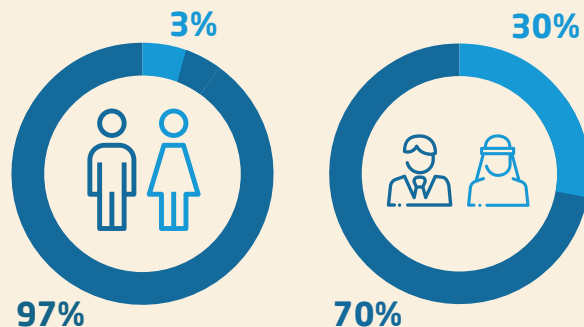
The field of civil engineering is one of the least fields in terms of the number of enterprises and laborers. In 2018, the percentage of enterprises and labor represented about 1% of the total number of enterprises and labor force in the sector. On the other hand, the field of civil engineering was not affected in terms of the number of enterprises operating in the activity compared to 2017 where the

number of enterprises during the two years was very close despite the impact of 2017, which witnessed a decrease of up to 5% in the number of enterprises compared to 2016. The number of laborers in the field decreased slightly in 2018 compared to 2017 by 1%, although 2017 witnessed a significant decrease in the number of laborers up to 12% compared to 2016.



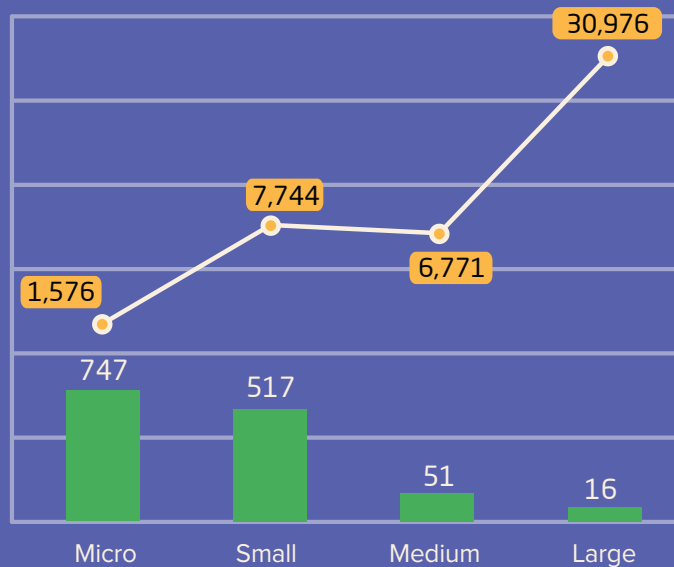
Percentage of Enterprises and Labor force in the Field of Civil Engineering 2015-2018

Approximately 14,200 Saudi workers are employed in the civil engineering field. On the other hand, there are approximately 33,000 foreign workers working in the field whereas 1,500 females work in the sector.



**Micro-enterprises** acquired the largest percentage of enterprises operating in the field of civil engineering by **56%**, followed by small enterprises by **39%**.

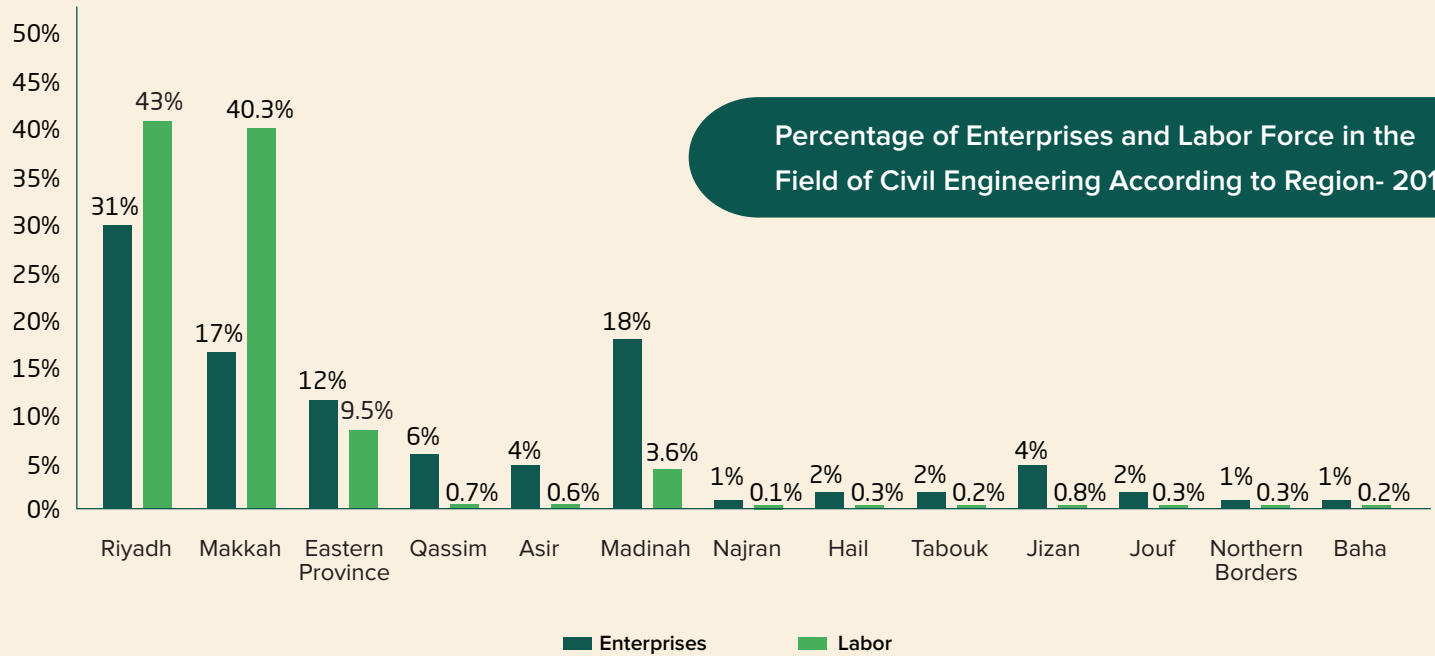
The **largest** enterprises acquired the largest number of laborers by **66%**, followed by small enterprises **17%**, then medium enterprises **14%** and lastly micro-enterprises **3%**.



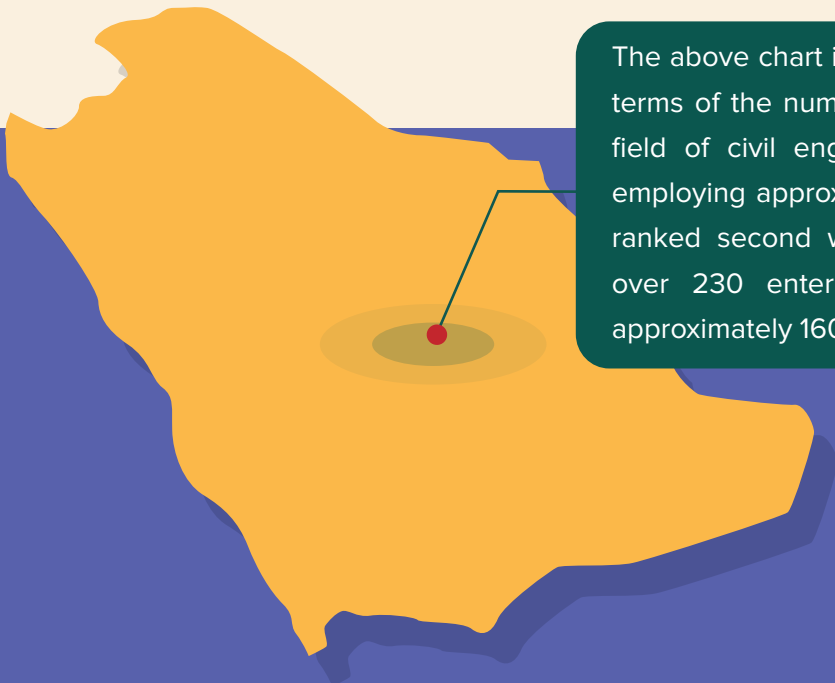
Percentage of Enterprises and Labor in the Field of Civil Engineering according to size of enterprise - 2018



Labor ● Enterprises ■



The above chart indicates that the **Riyadh** region is the largest in terms of the number of contractors and laborers working in the field of civil engineering with approximately 400 enterprises employing approximately 20,200 workers. Then, **Makkah** region ranked second with approximately 19,000 workers distributed over 230 enterprises. In the **Eastern Province**, there are approximately 160 enterprises and a total labor of 4,500 workers.

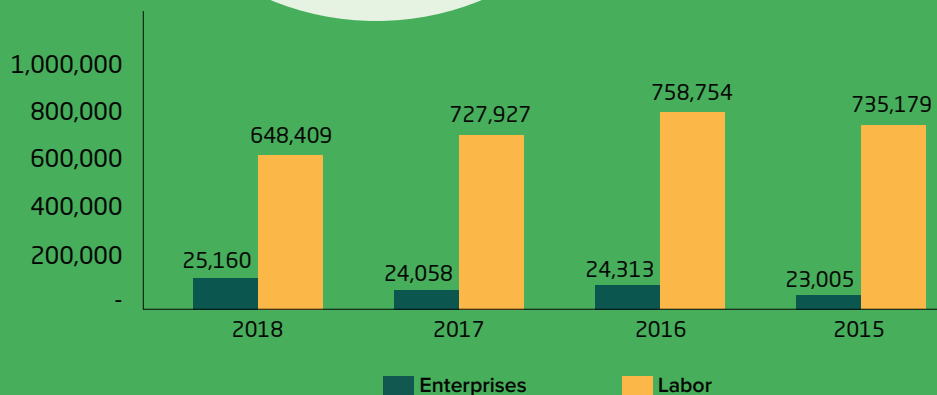


## Provision of Services to Buildings and Locations Adornment



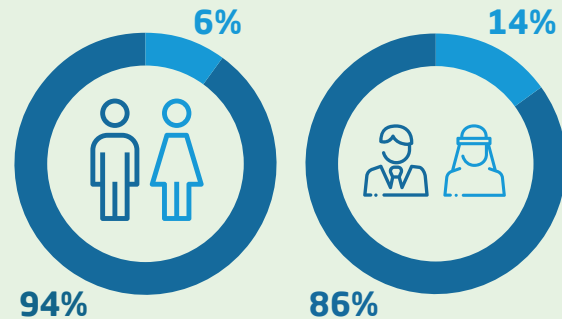
The field of **provision services to buildings** witnessed a remarkable growth during 2018 in the number of enterprises where the number of enterprises increased by **5%** compared to 2017. In spite of the increase in the number of enterprises, there was a significant decrease in the number of workers during the same period by **11%**.

This field is specialized in logistics and services support project in the operation and maintenance of buildings and utilities completely. It is also specialized in contracting works for the maintenance of arboreal cover, afforestation, irrigation, horticulture and the cleanliness of aesthetic sites, ponds and recreational facilities in public and private enterprises.



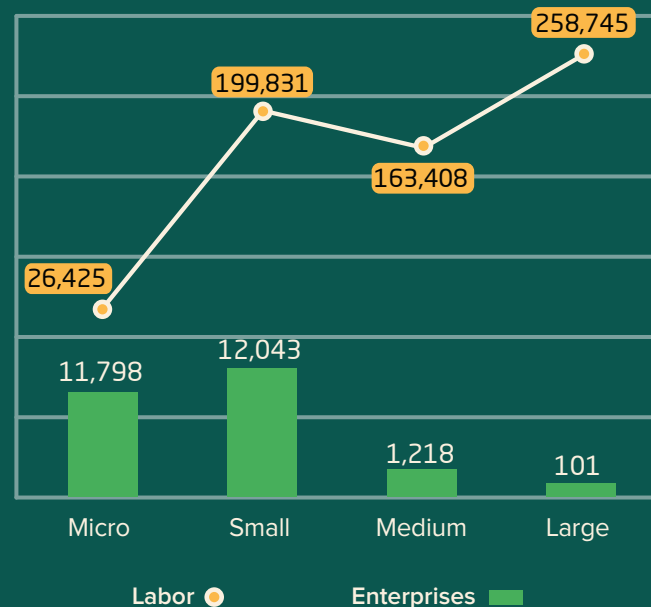
Number of Enterprises and Labor force in the Field of Provision of Services to Buildings 2015 - 2018

Non-Saudi labor force represents the largest percentage of the total number of employees, where approximately **560** thousand workers are working in the field. On the other hand, the number of Saudi labor force reached approximately **90** thousand workers whereas **40,300** female workers are working in the sector.



Small enterprises represent the largest percentage in terms of the number of enterprises working in the field of provision of services to buildings by **47%**, followed by **micro-enterprises** by about **48%**. **Medium** enterprises accounted for **5%**, and then large enterprises with less than **1%** employing the largest number of workers by up to **40%** of the total number of laborers. Also, **small** enterprises account for **31%** of the number of laborers in the activity, followed by **medium** enterprises **25%** whereas **4%** of the labor is working in **micro-enterprises**.

Number of Enterprises and Labor in the Field of Provision of Services to Buildings According to Size of Enterprise - 2018

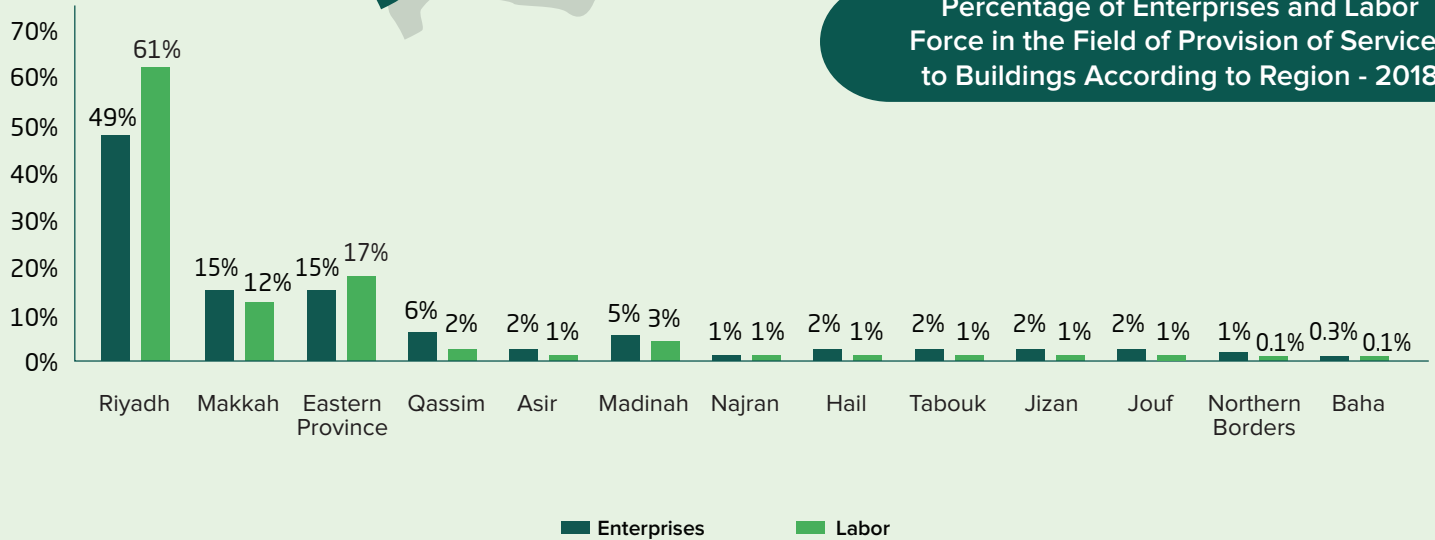




Riyadh region has the largest acquisition of enterprises and labor force with 12,200 enterprises employing approximately 400 thousand workers. Makkah region and the Eastern Province is the same in terms of the number of enterprises, with approximately 3,700 enterprises working in each region, while the Eastern Province surpasses in terms of the number of laborers where 111 thousand workers are working in the Province's enterprises whereas 78 thousand workers are working in Makkah region.



Percentage of Enterprises and Labor Force in the Field of Provision of Services to Buildings According to Region - 2018



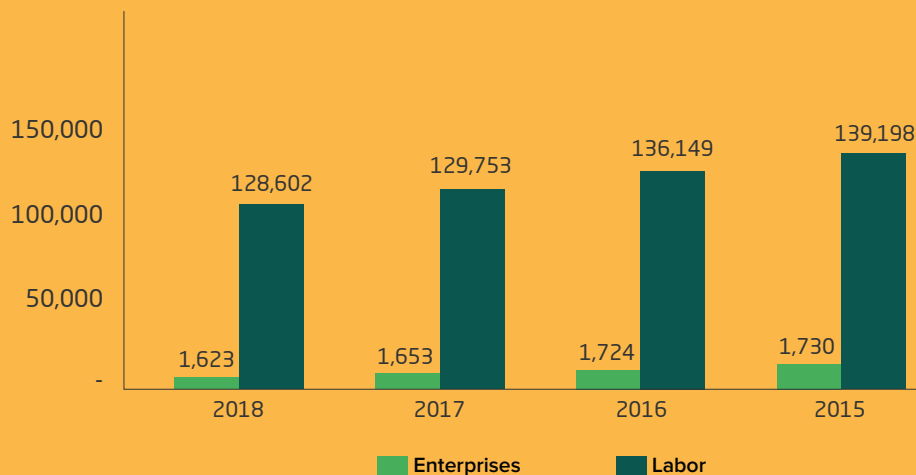
## Mining Support Services



This field includes the structural and logistics services related to the mining sector, which requires the contractor to perform the job within the work area. In some cases, contractor services fall under other tasks and in this case, we return to the original definition. Does the

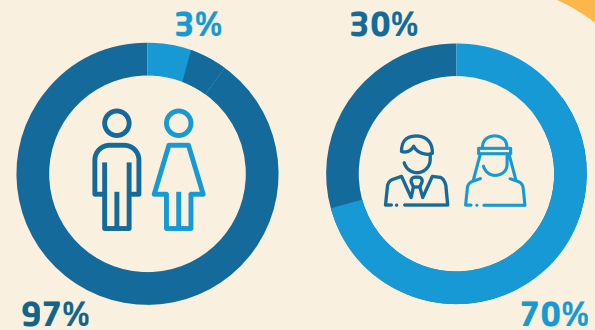
contractor perform a task within the work area or not, knowing that the preparation, planning and installation (such as scaffolding installation) are considered contractors. This activity includes sub-activities, for example, services related to oil and gas extraction except survey services.

The field of mining services witnessed a decrease in the number of enterprises and laborers by **5%** of the total number of enterprises and almost **1%** of the total number of laborers compared to 2017. Saudi enterprises represent the largest percentage in terms of the total number of enterprises reaching **1,560** enterprises and the number of foreign enterprises reached 26 enterprises and two enterprises classified as mixed.

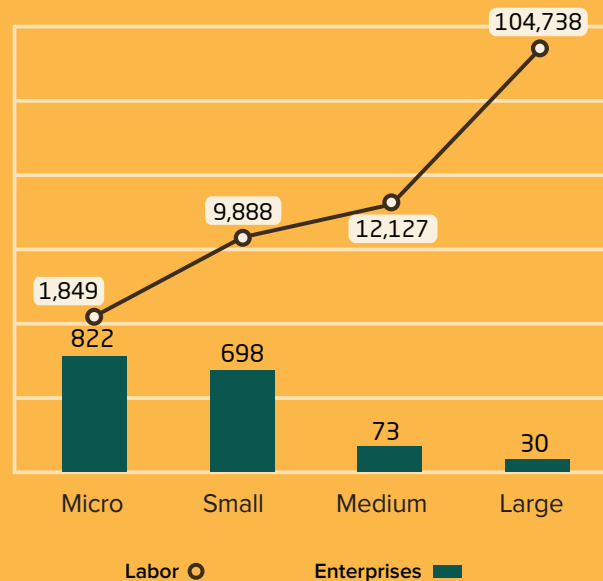


Number of Enterprises and Labor Force in the Field of Mining Services 2015 - 2018

Unlike other fields, field of mining services is considered one of the highest activities in terms of the number of Saudi laborers. The Saudis acquire the highest percentage where the number of workers in the activity reached 88,700 Saudi and the Non-Saudi laborers reached approximately 40 thousand workers. The number of females working in the field represents a small percentage of 4,300 females.



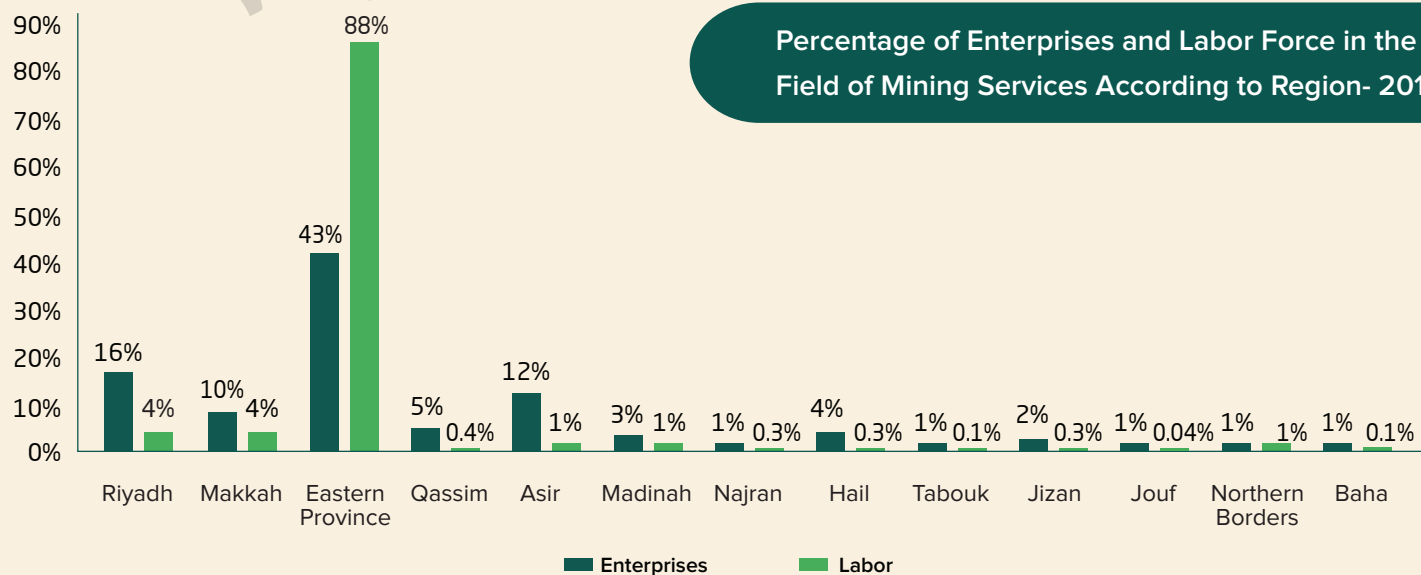
Despite the small number of **large** enterprises operating in the field of mining services, which amounts to **2%** of the total enterprises, it has the largest number of workers in the field by **81%**. The medium enterprises represent **4%** of the total enterprises working in mining services and employ up to 9% of the total laborers in the activity. **Micro-enterprises** represent the largest percentage in terms of the number of enterprises, reaching **51%** of the total enterprises, superior to **small** enterprises, which account for **43%** of the total enterprises in the field. However, small enterprises surpasses **micro-enterprises** in terms of the number of labor, where **small** enterprises work in **8%** of the total labor and **micro-enterprises** employ approximately **1%** of the total labor force in the field of mining services.



Percentage of Enterprises and Labor in the Field of Mining Services according to size of enterprise - 2018



Unlike other fields, **Riyadh** had the largest share in terms of the number of enterprises and laborers, the **Eastern Province** acquired the largest number of enterprises and laborers because of the presence of Saudi Aramco, which has mostly oil investments in the **Eastern Province**. In addition to the presence of Ma'aden Company, as it invests in the mining sector and is located in more than one location in the region. The number of enterprises operating in the **Eastern Province** is approximately 700 enterprises, employing 113,000 workers. It is followed by **Riyadh** region with 260 enterprises employing 5,500 employees. **Asir** region comes third thanks to mining projects in the region, and the number of enterprises reached 190 enterprises employing 1,200 workers.





## Notice


The information contained in this report is provided by the Saudi Contractors Authority for general information only. The Authority reserves the copyright and intellectual property rights to the contents of the report, including the Authority's logo. No part of this report may be used, reproduced or transmitted, in whole or in part, in any form or by any means, including copying and printing, without the written permission of the Authority.

The Authority makes no warranties or representations - explicit or implicit - about the completeness, accuracy, reliability, suitability or availability of any of the data or information contained in this report. The Authority shall not be liable for any loss or damage whatsoever arising from any use of, or reliance on, the information contained in this report as the total liability rests on the shoulder of its user.

The Authority encourages all users of this information to investigate the accuracy, completeness and relevance of their information, preferably to receive professional advice appropriate to their cases. It is prohibited to use the information contained in the report in illegal, fraudulent or harmful purposes or activities.



بناء المستقبل بثقة  
Building the future with **confidence**

 920 000 968

 info@sca.sa

 www.sca.sa

 SCA2030

 SCA2030F

 SCA2030

**SCA** 