



Mr. Karem Akawi, Area General Manager, Drake & Scull Qatar

Drake & Scull Qatar: Poised for Expansion

Drake and Scull International PJSC is a global industry leader delivering state-of-the-art projects and solutions for more than 130 years across its five main high-performance sectors including: General Contracting, Engineering, Rail, Oil and Gas, Infrastructure development, and Water and Wastewater treatment. The company is highly active in the Qatari market implementing its know-how to perform integrated design, with smooth functionality and efficiency from start to finish. From Infrastructure Development, Waste to Energy, Data Centres Development, Mechanical Electrical and Plumbing (MEP) to Renewable Energy, Drake & Scull is ready for complex projects on offer in Qatar for the next decade and beyond, with interests in a multitude of projects including rail and stadia. **The following interview was conducted with Karem Akawi, Area General Manager, Drake & Scull Qatar, exclusively for Why Qatar magazine.**

Q. Of the integrated design, engineering and construction disciplines for Drake & Scull Qatar, which areas will be the most active leading 2022 and beyond in Qatar?

A. An important sector related to the 2022 World Cup is the infrastructure development which will eventually support this iconic event. Drake & Scull Qatar (DSI Qatar) is focusing on MEP works related to stadia and infrastructure works related to urban planning which consists of sewage water treatment and disposal. The fact that the Qatari government has major infrastructure plans for the run-up to the 2022 World Cup combined with investment spending to pick up between 2014 to 2018 will mean DSI Qatar will witness one of the active periods in its growth.

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Q. Is the Company a preferred partner for major government infrastructure projects, including rail, stadia and others? Please explain and expand.

A. Yes, DSI Qatar is one of the preferred partner for such jobs. It has the strength, capability, financial back-up, technological resources and expert know-how coupled with strong ties with governmental development entities and local property developers.

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The company has well established, well-structured and financially robust services and it's impeccable Quality, Health, Safety and Environment (QHSE) track record. DSI also has a legacy of delivering challenging construction and infrastructure projects across MENA region which puts us in a very competitive position when it comes to proving we are the right fit for a job. These factors have made us a preferred partner for many of Qatar's key construction projects. We are confident and looking forward to strengthen our balance sheet and reduce costs to deliver on our growing backlog while we strive towards meeting the needs of Qatar's infrastructure development.

Q. Is the MEP picture clear enough for the world cup stadia so as to venture into an assured bid without further, perhaps costly complications?

A. Our engineering capabilities makes us one of the best suited for any infrastructure related projects including the Stadia. We have optimally leveraged our expertise and unique ability to adapt to market complexities and dynamics of the Qatari market. We have a very clear picture in mind on how we would go about bidding and executing jobs for the world cup stadia. I am proud to say we have thoroughly done our homework to foresee and anticipate unexpected challenges and avoid any costly complications thereof.

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Q. Can you expand on your ambitions to win rail related projects?

A. DSI has specialized expertise and extensive experience in transportation projects, including rail and metro development, airports, seaports and tunneling projects. They constitute a major component of the transportation master plan in addition to the construction and upgrading of various road networks across the country. Right now,

we are targeting several projects attached to Qatar's transportation master plan. We believe that the level of attention that Qatar has generated from major contractors worldwide will ultimately enable the country to realize its key objectives in terms of quality, schedule and technological innovation.

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We anticipate positive developments in the Qatari rail sector. We have cemented strategic alliances with leading international rail experts to address the challenges and needs of Qatar Rail. Qatar Integrated Rail, the transport set to be delivered by 2026, includes 300 km of rail in Doha, a metro and light rail network, a passenger and freight railway linking Ras Laffan and Messaieed via Doha, a high-speed rail link between the New Doha International Airport, Doha City Centre and Bahrain via a planned causeway, and a freight rail to be linked to a planned GCC network.

Q. Is the Qatari construction market moving at a quick enough pace in terms of both contract bidding and awarding and regulatory framework so as to maximize Drake and Skull's operation in terms of mobilizing both human and material assets?

A. Qatar is aggressively investing in large-scale infrastructure development initiatives such as the transportation master plan as part of the government's strategy to establish a strong foundation for the country's long-term socio-economic development agenda. The construction sector is witnessing a robust expansion of 10.6%, with an increased government spending on infrastructure, which is a primary growth driver in this sector. These infrastructure projects include the construction of the Qatar Rail Development Program (Doha metro rail network, and the expansion of the road network) and are estimated to be worth 14.8% of GDP in 2014.

The country is currently a regional hotbed for construction and related services as it



prepares to host the 2022 FIFA World Cup and strengthen its infrastructure to meet the goals of its National Vision 2030. DSI views the World Cup as a stimulating economic activity in the Qatari construction sector.

Q. How has the experience Drake and Scull Qatar had in other construction heavy countries like the UAE, Saudi Arabia and Africa helped the company grow in Qatar?

A. The excellent quality of services and domain expertise that DSI Qatar has demonstrated through its involvement in the various projects in the country has enabled us to reaffirm our commitment to support the country's continuing transformation as one of the most progressive and technologically advanced societies in the world. DSI's Q1 2014 revenues were sustained compared to last year and closed at AED 1.25 billion, driven by a solid contribution from the KSA, UAE, Algeria, Jordan and Qatar.

Since the beginning of 2014, DSI has secured major projects like the AED 328 Million

King Saud University Endowment in KSA, the AED 375 Million Pointe development in UAE, the AED 68 Million Sheikh Jaber Cultural Centre in Kuwait, The AED 110 Million Plaza View complex in Abu Dhabi and the AED 259 Million MEP contract on the Saraya Aqaba project in Jordan.

Q. How different is Qatar from its neighboring countries, especially the UAE, when it comes to competition, bidding and awarding, regulatory environment and risks (country, financial and otherwise)?

A. The Qatari government is particularly keen on partnering with contractors that have solid experience and expertise in transport and related projects. For these reasons, Qatar has virtually emerged as one of the most lucrative markets for global specialist firms. This level of attention has given the government greater leverage to choose the most competent and qualified candidates for the numerous transport projects that have been announced. Industry experts forecast real GDP growth of 6.8% in 2014 as

growth drivers' shift in the direction of large-scale infrastructure spending by the government as part of the build-up towards the 2022 World Cup. Qatar's successful bid to hold the football world cup has come as a golden opportunity for the recession-hit contractors in the GCC.

Q. What is Drake & Scull Qatar's USP in the Qatari market?

A. The USP of DSI Qatar lies in its strategic position as the market leader in the Qatari market. We offer specialized services in integrated design, engineering and construction discipline, encompassing segments such as General Contracting, MEP, Water and Wastewater treatment, Power, Rail, and Oil and Gas. We have the capacity, finances, technologies and manpower to undertake mega-projects across a wide range of industries, including residential, commercial, healthcare, industrial, education and hospitality.

Q. How will the company adjust to the much talked about price inflation possibility in Qatar?

A. Qatar's cost inflation could be aggravated as activity in Dubai ramps up to deliver Expo 2020. Inflation is expected to average up to 3.5% in 2014 due to rising rental costs, while inflationary pressures are unlikely to subside this year. Qatar's GDP would grow 5.1 percent in 2014 and inflation would reach 4%; whereas fiscal surpluses are expected to remain firm at 3.8% of GDP in 2014.

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The substantial increase in demand for materials to support Qatar's infrastructure programs for the Football World Cup are expected to generate inflation in construction costs which could affect overall project delivery costs. DSI Qatar will have to meticulously adjust to a perceived increase in price. However, we remain

true to our commitment of providing premier yet cost-efficient services of development of world class infrastructure in the country.

Q. Is the Mall of Qatar one of the biggest projects you won? How important is that project and will it open up similar opportunities in the region?

A. DSI Qatar's winning of the MEP contract for an approximate value of QAR 400 million for the upcoming Mall of Qatar in the Al Rayyan district of Qatar, is the latest in a series of multi-million commercial and residential deals signed by the company in 2013. Yes, it is one of the biggest win so far. The project is important to us since we are going to showcase many innovative value added engineering solutions which will truly make this project a very important one. We expect future projects to follow the strict guidelines of LEED / Green Building and Qatar Green Building Council (QGBC) and DSI Qatar with its engineering innovation and capabilities is perched in a comfortable position to take on projects that are similar.

Q. What has been your single most important contribution to D&SQ since you joined the company?

A. As you may know, DSI is one of the biggest contractors in the market and every engineer in our field wants to be part of this large corporation. I consider myself fortunate to have seized this opportunity when I joined the company in 2011. As the Area Manager of DSI Qatar, I feel that I have made a valuable contribution to the company as a qualified and experienced industry veteran by handling some of the most complex operations. Here, I would like to state that I am leading a competent workforce which is critical in delivering some of the region's most prestigious projects and on time. 

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