

ANALYSIS: IS THE END NIGH FOR SAUDI CONSTRUCTION'S GOOD TIMES?

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FACE TO FACE

KING OF THE HILL

**DAVID L RICHTER REVEALS HOW DUBAI HAS BECOME US-BASED HILL INTERNATIONAL'S
MOST IMPORTANT MARKET AND BIGGEST REVENUE GENERATOR IN RECENT YEARS**

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FACE TO FACE

DAVID L RICHTER

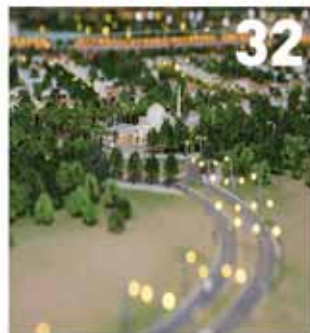
Hill International's new CEO talks to *Construction Week* about Dubai's growth potential



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A professional portrait of David L. Richter, a man with short brown hair, smiling. He is wearing a dark blue pinstriped suit jacket, a light blue and white striped dress shirt, and a dark blue tie with white polka dots. The background is a dark blue, abstract, swirling pattern.

FACE TO FACE

**“We are the firm that
gets called in when the
biggest, most complex
projects are in trouble”**

David L. Richter, Hill International

RICHTER SCALES UP

American project management firm Hill International has been based in the Middle East for three decades, and has worked on multiple infrastructure, residential, commercial, healthcare and hospitality projects from Oman to Libya. David L Richter, the president and CEO, speaks exclusively to *Construction Week*.

Paromita Dey reports.

FACE TO FACE

David L. Richter's recent visit to Dubai was his first international trip as Hill's CEO and president. He told *Construction Week* that he wanted the UAE to be his first stop-over since it is the company's most important market in the world. "We see huge opportunities, and expect to be a major player here, hope to grow and achieve major success."

It perhaps comes as a surprise to some that Hill International, despite being based in the US, derives about half of its global revenues from its Middle East operations. The American project management and construction claims services company, which was formed in 1976, earns just about 20% of total sales from its home market.

Hill International's Middle East arm, which employs more than 2,000 people today, is also its first and largest overseas venture. The company started out in the region by setting up an office for construction related claims in 1985 in Abu Dhabi. "I believe we are the most competitive [industry player] in the region. We started here quite early by opening our very first office outside the US, which, in hindsight, was a really good choice," Richter says.

While initially the company dealt in settling claims related to the Abu Dhabi Department of Public Works, it entered the project management sector after 10 years. Richter says the 1990s was an "ideal time" to break into Dubai, as the oil and gas industry was booming, offering businesses ample opportunities to grow.

Hill International has since worked on many projects in both Dubai and Abu Dhabi, including iconic works such as the Palm Jumeirah and the World Islands in Dubai, and the Grand Mosque and Shams Abu Dhabi in the UAE capital. It has also managed grand projects outside the UAE, such as the billion-dollar Grand Egyptian Museum near Cairo and the National Museum of Qatar.

Prior to 2008, Hill International primarily managed residential, commercial, hotel and high-rise projects for private-sector companies. However, after the economic recession struck the UAE, the company revised its business model to focus on infrastructure developments by the government and public sector bodies.

"We have been involved in managing airports, rail lines, hospitals and schools. The public sector always has the money to pay you and offers long-term projects.



RICHTER'S LEADERSHIP CREDENTIALS

Given his career to date and his degree in law, David Richter, the president and CEO of Hill International, says he has been asked many times about his choice of leading a project management business.

"I went to a law school and was a lawyer for nine years. So I believe that construction is not necessarily about bricks and steel; it's about

contracts and managing risks," he opines.

He continues by saying: "Someone asked me recently, which experience gave me better training for the role of CEO at Hill International - going to engineering school or going to law school? I think everybody presumed the answer would be engineering school, but it wasn't.

"In engineering

school, they teach you to find the final right answer. Law school teaches you to find the right question. And being the CEO is more about asking the right questions."

Richter's proven leadership skills has helped Hill to bag not just an array of projects in the region, but also to cement its position as a project management market leader.



Hill International provided project management services for Bahrain International Airport

In 2012 we won quite a number of infrastructure projects. Things then really started to grow quickly in this region," says Richter. He claims that even during the years of the recession, the company grew steadily, by about 6% annually, and has achieved double-digit growth during the last two years.

Much of the company's recent growth can be attributed to the visionary leadership of Richter, who assumed control of Hill International's operations from his father, Irvin E. Richter, in December 2014. "It was easy because I really didn't have to step into his shoes. I was the Chief Operating Officer for almost a decade since 2004," he says.

Family ties remain strong for Richter, himself now a father of four young daughters – a role he describes as the toughest and the most rewarding job that he has ever done to date.

Asked about how he leads the company, Richter describes himself as a "natural entrepreneur" and says: "I think now it's even more 'business as usual' than it was under my dad. For me, I don't want Hill to become the 'Jack of all trades'. I just want to keep doing what we are best at – stay focussed and get more clients."

Among the initial steps that Richter took as CEO was a concerted effort to recognise and reward excellence within the organisation, in order to promote talent and efficiency. "I set up a programme called the Project Manager of the Year, and Consultant of the Year. We identify and publicly recognise the best among us for their efforts" he says.

"I just want to keep doing what we are best at – stay focussed and get more clients"

David L Richter, Hill Int.

REGIONAL PROJECTS GALORE

Hill International is presently working on a slew of mega infrastructure projects across the region. It is managing the Green Line of the Doha Metro, as well as three out of six lines of the Riyadh Metro project. The company has also bagged a project from the Saudi Ministry of Health to manage 13 hospitals in the Kingdom.

With regards to airport projects, Hill International already has to its credit project management of the new midfield terminal of Abu Dhabi International Airport and the international airports in Muscat and Salalah, Oman.

"Big complex projects take a long time," Richter says. "We have over 350 people working on the Muscat airport. In a booming market like the Middle East, I think finding skilled labour will always remain a challenge. It is the job of the contractor to provide the blue-collar labour, while we provide the white-collar employees to manage the process, to oversee the budget and inspect the work. We had to staff up in a very short period of time [for Muscat airport], and went from 0 to 350 people in a matter of about 90 days."

Business isn't always easy, especially for a global company, with operations in as many as 50 countries. Throughout its existence, Hill International has had to face the challenges of: rising establishment costs in unyielding markets; the global economic recession of 2008 that affected its business in Europe and the UAE; and the ongoing crises in Libya and Iraq. "You don't know which markets will be booming next year and which ones are going to be drying out," comments Richter on the vagaries of the global economy.

"But we remain committed and we want to be wherever construction is happening. We have got to be in all places simultaneously," he says of his geographical diversification strategy.

Hill International recently expanded in Turkey by acquiring a local company named IMS in April, allowing the company quickly to achieve a staff presence of 130. "We have made a long term commitment to that market. I think we are going to do great things in Turkey," Richter says.

Besides that deal, the firm is also eyeing acquisitions in the US and Asia – mainly India and China – where Richter sees 'great opportunities in the future'.

For the year 2015, Hill International is projected to grow between 13% to 17%, the third year in a row of double-digit growth.

However, at a regional as well as global level, the company faces stiff competition from other American, British and Arabian firms. But Richter stresses the fact that Hill International focuses exclusively on project management, unlike its larger engineering and construction counterparts, which, Richter claims, treat it as a "side business". Project management makes up about 75% of Hill's core business; construction claims services accounting for the remaining quarter.

"We are the firm that gets called in when the biggest and most complex projects are in trouble. When big firms get entangled in litigation, they call us. This has given us a reputation of almost being like a construction think-tank," Richter explains.

"The decision to hire a project manager is because they don't want their project to be late or go off budget and certainly don't want to spend more time in court. Our in-house expertise makes us manage them in an effective way," he claims. □



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