



Hill plans to build on its existing business in Egypt, where the downtown Cairo area will offer a host of redevelopment and renovation opportunities in the long term



OPTIMISM IN THE FACE OF ADVERSITY

Despite the global pandemic and regional geopolitical issues, Hill International's CEO is confident about the outlook for 2021

Raouf Ghali, the CEO of US project management firm Hill International, is optimistic about the prospects for 2021. "The region went through a lot of difficulties in the past two or three years. There were geopolitical changes, the low price of oil and then the pandemic. Next year is going to bring stability and growth back to the region," he says.

Ghali's comments come as hopes grow globally that there will soon be a vaccine for Covid-19, and as long-standing geopolitical tensions in the region start to subside.

"Geopolitically, the UAE and Bahrain's new treaties with Israel are going to provide opportunities and stability. The peace deal in Libya will also bring more stability to the region," says Ghali.

Even outside the direct conflict zones, stability will have a positive impact on economic activity.

"Stability allows governments' focus to be more on internal issues rather than external. Opportunities will arise; where

and how is not yet clear, but we are confident it will happen," says Ghali.

As an established player in the region's construction sector, Hill has experienced business cycles before, but as the market looks for a recovery in 2021, the company is very different to the one that negotiated the market swings of the past. The big change came in 2016, when Hill completed a \$147m deal to divest its claims business, which now trades as HKA.

Narrowing focus

The move turned Hill, which operates extensively in the Middle East, into a pure project management business.

"It was something we did purposefully. We wanted to become a pure-play project manager and allow the claims business also to grow," says Ghali.

"We were starting to get a lot of conflicts because the success we had on the project management side conflicted the claims group, which traditionally

has contractors as its biggest clients, whereas our project management clients are usually owners."

One advantage that having a claims business brought was resilience. While project management performs well when the market is growing and new projects are starting, the claims business becomes busier as projects come to a close.

To address this, Hill has moved to offer new services. "We have replaced that resilience that the claims business brought with facilities management. It is downstream and follows the construction cycle. A lot of our clients operate their facilities, and many contract it out," says Ghali.

"It is a growing business. We started in North Africa, and are now having success with clients in the UAE and in Saudi Arabia, where we just got a major contract for 2,000 schools," he adds.

Building business

Resilience will also come from building business in existing markets such as the UAE, Saudi Arabia and Egypt.

"As a company, we are very cautious. We have a strategy now that we want to build locations to get critical mass. We already have a good footprint and we are really focused on existing countries.

"I am not saying we are not going to look at new markets, but we are going to be very careful," says Ghali.

Projects in Saudi Arabia are a key area of focus. "We feel the plans are now more realistic. We feel comfortable and confident that things will start moving," he says.

Another market that has performed well in recent years is Egypt. In September, Hill was appointed, as part of a consortium, for the project management and design review for the Greater Cairo monorail scheme. Then, in October, it secured a contract to provide project management services for the E\$5bn (\$320m) Kasr al-Ainy hospitals development project for Cairo University.



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"Egypt is refreshing news. The New Administrative Capital created a lot of potential, both on the infrastructure and the building side. The way things are being built is fast and that has required attention in all directions," says Ghali.

"The way Egypt looks at it, it is not building for today but building for the next 10-15 years, which is a wise thing to do," he says.

Longer term, Ghali expects more construction work redeveloping older areas of Cairo.

"The move for all the public facilities and ministries from Cairo to the New Administrative Capital is going to be a major shift. Once they do that, it will spur other opportunities, for the redevelopment and renovation of the downtown Cairo area, where all these ministries used to be. Cairo is an old city, so there is going to be demand, and a busy market there."

Colin Foreman