

Business as Usual for Hill Plus More with GISI

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US-based Hill International recently completed a merger with GISI and expects the Middle East projects market to be robust in 2023

M EXCLUSIVE

US-based Hill International is looking forward to a strong 2023 after it completed its merger with another US-headquartered firm, Global Infrastructure Solutions Inc (GISI), in the final days of 2022.

The merger means Hill has become a privately held company as part of GISI. Hill will continue to serve its customers under the Hill International brand as part of GISI's Engineering & Consulting Services platform, along with sister companies The LiRo Group, GEI Consultants, J. Roger Preston Limited (JRP) and Asia Infrastructure Solutions.

“It is business as usual and more,” Raouf Ghali, CEO of Hill International, tells MEED. “We’re going to continue working independently, so that is the business as usual part of it. Nothing really changes with our vision, the way we do our business and the company culture. Our culture is very aligned with GISI.”

Merger benefits

The merger with GISI means Hill can offer more to its clients. “What enhances [Hill International] is the financial resources and balance sheet that we now have, which means we can go after bigger projects,” says Ghali. “We also have the resources to bring in the hires and invest in key people for specific markets, as we have done with aviation.”

GISI is a rapidly growing force in the global construction services market. It is led by executive chairman Dick Newman and executive vice-chairman John Dionisio. Newman was the founder of another US-based consultancy firm Aecom, and Dionisio was a founding shareholder. Aecom became one of the world’s largest construction consultancy firms through a series of acquisitions, including leading names such as Tischman Construction, Cansult, Maunsell, Davis Langdon and URS.

GISI expanded significantly with acquisitions in 2022. The completion of the merger with Hill International was GISI’s fifth strategic merger or acquisition in 2022.

For 2023, growth will not only come from acquisitions. “We are going to be managing acquisition with organic growth to give us a healthy growth process,” says Ghali.



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Raouf Ghali, CEO of Hill International

GISI has three different platforms. Hill is the largest part of the engineering and consulting services platform, which includes various companies that offer programme and construction management, engineering consulting and environmental services.

Construction services is one of the other two platforms. The STO Building Group has 13 companies and

construction services is one of the other two platforms. The CFC Building Group has 16 companies and over 4,000 employees located in offices throughout the US, Canada, the UK, and Ireland.

The other platform is global impact and sustainability, which operates under an entity known as Palladium. This platform employs over 2,500 people in 90 countries and assists entities such as the United States Agency for International Development, the UK Foreign, Commonwealth & Development Office and the Australian Department of Foreign Affairs and Trade.

While GISI's footprint is global, Ghali says it is a good time to be in construction in the Middle East. "The Middle East market is going to be robust for the next several years. We are expecting Saudi Arabia to be like everybody else is expecting. There's a lot of money coming in and a lot of projects are now being funded.

"In the UAE, some things are happening, but I don't think it's going to be tremendous growth there. In Qatar, we are waiting to see what is going to happen post-World Cup; they say they are going to reinvest. The Saudi market is so large it is going to overshadow any other growth within the GCC region and there's going to be a catalyst for good growth in the construction industry," he says.

Attracting talent

As construction activity ramps up in the Middle East, securing resources will be a challenge for all companies, and for consultants like Hill this means finding the right people.

"Looking for people is always a challenge because it is hard to find good people. In the Middle East, you can still find people. I think there will be a lot of demand for Western expats, particularly from the US and the UK. That is going to be challenging because the US labour market is very tight at the moment.

"I think a lot of the Westerners are going to be coming from the UK and Europe right now. It is very difficult to attract US-based middle management to come out of the US and go into the Middle East these days."

Egypt projects

Outside the GCC, another major market for Hill in recent years has been Egypt.

"Egypt continues to drive a lot of big projects. It is the first time I've seen Egypt have projects and programmes that rival the GCC, which is very unusual," says Ghali.

"Everybody is watching what the Central Bank will do with the currency and the exchange rate because, for many construction companies and us, it's great to get all these big contracts, but after we sign the

contract, the devaluations do not help our profitability. They also create a lot of insecurity because you have a lot of cash in the country that you cannot export, which makes it a very challenging environment

“We are bullish, but also very cautious because of the currency.”

Two other North African markets look promising for 2023. “Algeria and Morocco are also showing good signs of growth. For Morocco, it is mainly the hospitality sector and the GCC money is flowing in again. In Algeria, they are really starting to look at getting new blood into the oil and gas market, and there is also a focus on renewable energy. There will be a lot of investment in that,” says Ghali.

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