

PILING: Digging deep

REGIONAL

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With 500 towers either planned or under construction, Dubai has firmly established itself as foundations capital of the Middle East. "The Middle East is one of the busiest markets for the piling industry, and Dubai is one of the, if not the, busiest cities in the world," says a European plant manufacturer.

Local and international piling companies have risen to the challenge created by the unprecedented levels of growth and have increased their capabilities by purchasing new equipment and taking on new staff. Half a dozen firms have established themselves as main players: the local Middle East Foundations (MEF), NSCC and APCC; Dutch Foundations; Swissboring, part of Italy's Trevi Group; and Germany's Bauer. These companies now compete for work on almost every major project in Dubai.

The dominance of the big six has meant that even though the volumes of work available are substantial, opportunities for new players on major projects are limited. Unlike general contracting, which tends to be labour-intensive, piling relies on equipment and expertise. Dubai is now home to a substantial plant fleet and has proved it has the resources in place to tackle the biggest projects.

It also has the expertise. The complexity of many of the already completed projects in Dubai means the top six contractors now have the experience to rival contractors from anywhere in the world. Swissboring recently installed piles with a drilled depth of 58 metres that tested to 10,500 tonnes at the 23 Marina project, and a joint venture of MEF and Bauer executed the piling contract for what will become the world's tallest tower, the Burj Dubai.

Price is also crucial. A readily available pool of resources and the economies of scale generated by locally-based plant make pricing competitive.

Although it may be difficult for newcomers to break into the market, opportunities do exist. In recent months, smaller projects that do not attract the interest of the main players have been awarded to the local Stomek and Turkey's Zetas. With a growing number of private developers participating in major schemes such as Dubai Marina, Jumeirah Lake Towers and Business Bay, the opportunities are considerable and could lead to a pool of established second-tier contractors.

Several large building contractors have now established in-house piling divisions or have formed a joint venture with a foreign partner. The local/UK Dutco Balfour Beatty has re-established its piling division, and the local Al-Habtoor Engineering Enterprises has formed a joint venture with Turkey's STFA Soil Group. Such arrangements give contractors a turnkey capability that they sell to clients. In a market where resources are limited, this has proved to be a winning formula. The advantage for clients is considerable as it creates time savings. Awarding a project to a contractor on a turnkey basis eliminates the traditional handover period between foundations and the main construction package. Traditionally a piling contractor will work on site, and only once that package is complete will the main contractor mobilise and take over the site. If the same company is executing the piling and the main construction package, work on both packages can overlap. Confusion over scope and liability is also limited as one contractor is responsible for all the works. "An in-house piling capability eliminates many of the problems that occur between the piling contractor and the main contractor. It makes the overall project easier to manage," says a local general contractor.

Opportunities also exist for companies in more specialised fields, where local capability remains comparatively weak. Fields such as instrumented continuous flight auger (CFA) piling and marine works have to a certain degree been shunned by many of the big players, and several more technically-focused companies have carved out a niche for themselves in this sector.

The foundations sector has successfully met the demands placed on it over the past few years by Dubai's rampant construction industry, proving it can take on even the biggest of projects by itself. However, as the market continues to diversify, with more responsibility being handed over to contractors, an increasing number of small private developers and more specialised projects coming on stream, there is still room for new players. CF