

UPG: CHARTING GROWTH IN THE GCC

Ognjen Sudzum, CEO of **UPG Engineering**, talks about the challenges faced by small service providers whilst seeking business stability amid current market conditions



What are your future plans and predictions for the Middle East's construction industry?

The construction market is currently reshaping at a very fast pace forcing the service providers to follow the market trends as well, or to close their businesses. New small to medium size projects are now very rare and all new megaprojects are now challenging and would require skilled engineers with a vast knowledge of the latest equipment, new materials, design software, BIM, and sometimes even the custom made project management and structural design tools and software.

We are in the engineering consultancy business since 2005 and have managed to survive the downturns by growing from a company that provides the basic architectural and structural engineering consultancy services to the one that offers contractual and insurance claims

consultancy services, buildings condition, and structural integrity inspections, risk surveys, construction losses root cause analysis, reverse engineering, project management, property valuation and value engineering. Simultaneously, our engineering teams are now specialised in BIM, façade design, blast load design studies, water treatment, and solar plants design, marine work design studies, steel design including Tekla modeling and engineering services.

What are some of the key projects UPG is working on at present?

Our office in Novi Sad, Serbia is currently working on a detailed façade design for Olaya Station, which is a part of the Riyadh Metro project. Our Abu Dhabi office is still busy with Midfield Terminal Building (MTB) at Abu Dhabi Airport Project and UAE Pavilion at Expo 2020 Dubai, where we have deployed our team of Tekla engineers for the main contractor. In

the GCC we are also working for several large EPC contractors, insurance companies, and loss adjusters, helping them to prepare insurance claim supporting documentation and to resolve their complex insurance claims. We are also engaged in resolving several large contractual claim disputes in the GCC.

UPG Surveying, which is also a part of our group of companies provides reverse engineering, and 3D modelling services on a couple of heritage projects in Abu Dhabi by using the latest surveying technology equipment, such as drones, laser scanners, and ground penetrating radars.

What were your key corporate milestones during 2018?

In 2018, we won façade design contracts for two major metro projects in the region, including Olaya Station in Riyadh, and to get first few insurance claims and contractual claims consultancy service



Ognjen Sudzum, UPG

contracts in Kuwait and Saudi Arabia. We have also started using our custom-made project profitability software made by Rationale Information Technologies, our long-term software partners who are well known in UAE for developing some of the most advanced tendering software for large organisations. The project profitability software has been made specifically for small to medium sized consultancy offices and by using that software we have increased the productivity and profitability on all our engineering projects. Last year was definitely the best one for us so far.

What were some of the major challenges faced by businesses in the Middle East, and what do you expect to face in 2020?

The main challenges for the consulting offices in the Middle East are the large competition and the lack of skilled engineers that are familiar with the new software and technologies used in the

construction, especially use of BIM 3D to BIM 5D software. The new projects are becoming more challenging and the design engineers and architects would need to follow the market trends by becoming familiar with the new technologies and software quickly or they would be out of the business.

Another challenge that local engineering consultancy offices are already facing is outsourcing. With the significant increase of the cost of living in the GCC the outsourcing has become very popular in the past few years. We have recently opened an office in India and our main challenge will be to adopt our business model to Indian market and to feed that office with the work from our other busy offices.

What is your take on recruitment and talent shortage in the industry?

The talent shortage in the Middle East was always the biggest challenge for all of

us in the industry. However, the available technology and the current market trends in the engineering consultancy services are giving us the opportunity to work and provide our services globally from the locations where the talented engineers are still available at less cost than the Middle East. Some companies would go for outsourcing, while we prefer to have our offices at outsourcing hub locations – Eastern Europe and Far East.

Where do you see yourself in the future?

After completion of the major construction projects in the UAE that are keeping us busy, such as Expo 2020 Dubai and Abu Dhabi's MTB, as well as other major construction projects in the GCC we expect the growth in the building maintenance projects and we have already prepared ourselves by having a team of experts that has previously worked on property condition surveys and reconstruction projects the UAE. 