



From delays to lessons learned: Understanding the impact of Covid-19 on the construction of oil and gas projects in the Middle East

[First published in World Pipelines](#), Volume 23 Number 12 – December 2023

The Covid-19 pandemic may have peaked and receded, but its consequences are still being felt in the construction industry. As many projects were delayed and disrupted by the outbreak, construction companies face disputes over the impact of the pandemic. This article drawn from my personal experience, discusses key delay issues arising from Covid-19, identified on a significant number of oil and gas projects in the Middle East.

- **Enforced lockdowns** were imposed either by governmental authorities or by the Contractor and/or Employer due to increasing Covid-19 cases, resulting in the suspension of construction activities to limit the spread of the virus, in turn causing a significant loss of time and resources.
- **Quarantine of workers:** The need to quarantine workers in contact with someone testing positive for Covid-19, resulted in a decrease in workforce that impacted daily productivity, causing disruption, and leading to further critical delay. In addition, the extensive testing of the workforce for Covid-19 led to a significant loss of person-hours that further disrupted daily operations.
- **New health and safety requirements** were introduced including social distancing, use of personal protective equipment, decreased vehicle capacity, mandatory vaccination, and the screening of workers for symptoms of the virus. These measures also delayed and



disrupted the construction process since they contributed to a significant loss in productive hours and caused additional costs.

- **Availability of workers:** The Middle East relies heavily on migrant workers from countries such as India, Pakistan, and Bangladesh but due to the ban on flights from certain countries following Covid-19 outbreaks, the ability to travel was severely impacted. This resulted in Contractor inability to achieve the planned mobilisation. From my experience gained from working on several projects affected by Covid-19, there is a strong correlation between delay in the mobilisation of personnel, disruption, and project critical delay.
- **Visa restrictions:** The closure of embassies and consulates resulted in delays in the processing of visa applications for workers. More importantly, amendments to Government regulations restricted the issue of entry visas that prevented the mobilisation of additional workforce. This resulted in a shortage of skilled labour and severely delayed projects.
- **Disruption of the supply chain:** The outbreak of Covid-19 resulted in delay in the delivery of materials and equipment to construction sites. This was caused by a combination of factors such as port closures, border restrictions, and reduced capacity in logistics and transportation. These disruptions resulted in a shortage of materials and equipment, which further slowed down the construction process.

“The lack of accurate records was a significant issue for many construction companies in the Middle East during the pandemic.”

As a source of reference, the [HKA CRUX Fifth Annual Insight Report](#)¹ revealed that, on average, contractors in the Middle East claimed 462 days of extension of time (EOT) on oil and gas projects executed during the Covid-19 pandemic. This represents, an average of almost 45% of the planned construction period, suggesting significant delays to project timelines. Although COVID-19 was not the sole cause of these delays, the report identified it as a significant contributor. Specifically, the CRUX report identified “*Force Majeure due to Covid-19*” and “*Change in Law due to Covid-19*” as causes of delay. Other factors recorded in the report as causing delay that may be related to Covid-19 include “*Restricted or delayed access to the worksite*”² and “*Shortages of skilled and non-skilled workers*”.³

The Covid-19 pandemic also put contractors’ record-keeping systems to the test. Although the above issues disrupted the progress of both critical and non-critical activities, assessing the actual impact of each event without proper record-keeping systems presented challenges. For instance, tracking and recording the number of workers infected with Covid-19, the duration of their quarantine, and the resulting loss of workforce. Similarly, maintaining detailed records of the implementation of new health and safety measures, such as social distancing and mandatory vaccination, and how they impacted the daily productivity of the construction site. Moreover, the availability and mobilisation of personnel and the delivery of materials and equipment also required meticulous record-keeping.

¹ HKA’s integrated research programme that analyse and report on the causes of claims and disputed on major infrastructure projects worldwide.

² Which may be related to the enforced lockdowns?

³ Which may be related to the availability of workers?



The lack of accurate records was a significant issue for many construction companies in the Middle East during the pandemic. This lack of data made it difficult for contractors to demonstrate to Employers the impact of Covid-19 on their projects and to claim extensions of time or additional costs.

In summary, the outbreak of Covid-19 has had a significant impact on the construction of oil and gas projects in the Middle East. The availability of workers, stoppage of construction activities, visa restrictions, camps lockdowns, movements restrictions, new health and safety requirements, quarantine of personnel, ban on flights from certain countries, and mandatory vaccinations caused disruption and delay, leading to significant time and cost overruns for contractors and owners.

There is a risk of re-emergence of Covid-19 or other pandemics, with the potential to impact construction projects in the Middle East, and it is therefore crucial for contractors and owners to reflect on lessons learned. Contracts signed post-lockdown may therefore revise risk allocation that limit entitlement to extensions of time, exposing contractors to greater risk in the event of future pandemic-related delays, requiring contractors to thoroughly review and negotiate contract terms to mitigate such risks.

HKA service offering

Find out more about HKA's [services](#) and how we can help you.

About the author

Haris Katostaras is a Chartered Civil Engineer with more than 15 years of construction and engineering industry experience. He has been appointed as a delay expert on five occasions.

Haris has acted as an independent delay expert in adjudication and litigation and has contributed to expert reports for adjudication, arbitration, mediation, and litigation purposes. He has assisted the named expert on numerous occasions in relation to buildings, infrastructure and energy projects.

Contact details



Haris Katostaras
Principal
hariskatostaras@hka.com
T: +44 77 6257 0582
[Expert Profile](#)

This article presents the views, thoughts, or opinions only of the author and not those of any HKA entity. While we take care at the time of publication to confirm the accuracy of the information presented, the content is not intended to deal with all aspects of the subject referred to, should not be relied upon as the basis for business decisions, and does not constitute professional advice of any kind. This article is protected by copyright © 2023 HKA Global Ltd.