

GCC Construction Equipment/Machinery Rental Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The GCC Construction Equipment/Machinery Rental Market was valued at USD 4.07 billion in 2021, and it is expected to reach USD 5.81 billion by 2027, registering a CAGR of 6.15% during the forecast period (2023 - 2028).

The COVID-19 pandemic hindered the growth of the construction machinery/equipment market across the GCC region due to the shut down of manufacturing facilities and halt of investments in the infrastructure sector. However, post-pandemic, as economic activities resumed, the market is expected to gain momentum during the forecast period.

Some of the major factors driving the growth of the market are the growing construction industry, increasing demand for cranes, and developing trends toward automation and telematics. The renting or leasing of construction equipment has been on the rise, owing to an effort to lower the equipment purchase and maintenance expenses.

The renting or leasing of construction equipment has been on the rise, owing to an effort to lower the equipment purchase and maintenance expenses. Apart from the cost, there are also other benefits associated with renting the construction equipment. Rental companies provide the machinery, along with the required professional machine operators and drivers, thereby ensuring a hassle-free operation.

The construction sector is witnessing growth in GCC countries such as the United Arab Emirates, the Kingdom of Saudi Arabia, Qatar, and Bahrain, due to the rise in the construction projects related to roads, buildings, hotels, stadiums, and other infrastructure. Moreover, advancements in the rental method of construction machinery, such as digital platforms, are providing ease to the consumer, further acting as a big factor for the growth of the construction machinery market in GCC countries.

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GCC Construction Equipment Rental Market Trends

Earthmoving Equipment Segment Expected to Dominate the Market

In recent years, renting earthmoving equipment, such as excavators, motor graders, and loaders, is increasing due to growing infrastructural projects related to road and highway networks in countries such as Saudi Arabia and the UAE and due to the penetration of more construction contractors in the view of Saudi Vision 2030. For instance,

In February 2020, Saudi Crown Prince Mohammed bin Salman ordered the development of main roads in the heart of Riyadh to upgrade the city's transportation system.

The project's objective is to transform Riyadh into a major hub in providing sustainable transportation services and logistics services in the Middle East. The program will work on developing junctions between Riyadh's ring roads and main routes. It will develop 400 kilometers of the road network by adding new roads and upgrading existing junctions.

Several rental companies are expanding their rental fleet and are designing plans to upgrade their product portfolio to strengthen their position in the market. For instance,

In August 2021, Al Faris Group strengthened its fleet by adding a total of five new 8-axle low loaders by Faymonville to deal with difficult terrain, narrow job construction sites, and winding platforms.

In September 2020, Dubai-based Salim Equipment Rental took delivery of two Liebherr HS 8130.1 duty cycle crawler cranes as part of its fleet expansion to offer services to the specialized foundation industry in the region.

Owing to the aforementioned instances and developments, the trend of renting construction machinery is to rise and is anticipated to witness healthy growth over the forecast period.

United Arab Emirates Likely to Lead the GCC Construction Machinery Rental Market

The construction market is a key driver of the UAE economy, but the sector has come under substantial pressure due to the prolonged slump in oil prices in 2019 and COVID-19. However, as economic activities resume across the UAE, demand for renting construction machinery is likely to pick up the pace.

This growth in the rental market is mainly due to the growing construction sector as well as government initiatives toward rising infrastructure spending for World Expo 2020. Increasing construction projects in the commercial and residential verticals would further fuel demand in the UAE. For instance,

In January 2020, the government of Fujairah announced the construction of a 44 km road network project that covers 11 main areas in the United Arab Emirates. In October 2019, the government announced the construction of 64 km of internal roads that cover the major cities in the country.

In April 2020, Target Engineering, a subsidiary of Arabtec Holding, received two contracts worth USD 57 million in the country, and the projects aimed to be completed by the first quarter of 2022.

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Several players in the market are adopting growth strategies such as expansion and partnerships to strengthen their market position. For instance,

In July 2021, Sudhir Power Ltd, a construction equipment and power generator rental business company, announced its joint venture with Fuel Buddy, an Indian doorstep fuel-delivery service startup, inaugurating its business in the UAE and Saudi Arabia.

Such factors are likely to create significant demand for construction machinery, which is likely to benefit the construction machinery rental market in the United Arab Emirates.

GCC Construction Equipment Rental Market Competitor Analysis

The GCC construction equipment/machinery rental market is fragmented as several local players hold some notable share across the region due to their local dealership network and local procurement capabilities. The rental companies are investing significantly in the GCC region to have the edge over their competitors. While some of the other key players in the market are focusing on investments, product development, partnerships, etc., to gain a competitive edge over other players in the market. For instance,

In February 2021, Mohammed Abdulrahman Al-Bahar announced the launch of a wide range of SEM Machines, including wheel loaders, motor graders, and track-type tractors. It has obtained the sole distribution rights for SEM products in the United Arab Emirates, Qatar, Bahrain, Kuwait, and Oman.

In June 2021, Al Faris Group executed the complete logistics chain, including receiving, storing, transporting, and lifting 30 overflow tanks, which are part of the ongoing Mohammed Bin Rashid Al Maktoum Solar Park project.

In February 2021, Johnson Arabia, a leading aerial work platforms company in the GCC region that boasts over 250 mobile cranes and 700 ariel work platforms (AWP), expanded its ariel work platforms fleet with the launch of its second branch in Oman.

Some of the major players in the market include Al Faris, Bin Quraya, Arabian Machinery & Heavy Equipment Co. (AMHEC), Byrne Equipment Rental, and Mohamed Abdulrahman Al-Bahar LLC.

Additional Benefits:

The market estimate (ME) sheet in Excel format
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