

Bahrain Construction - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2020-2029

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Report description:

The Bahrain Construction Market size is estimated at USD 3.04 billion in 2024, and is expected to reach USD 3.73 billion by 2029, growing at a CAGR of 4.18% during the forecast period (2024-2029).

Key Highlights

-Strong government initiatives to invest in major construction projects are driving the market. Many labor market reforms backed by the economic development board may boost growth and improve productivity and output in the construction sector. Bahrain's construction industry shrunk in 2020 owing to the dual impact of the COVID-19 outbreak and a fall in oil prices. The cost of setting up and running a construction project in Bahrain is meager compared to other GCC countries. Bahrain is a 'free zone,' which allows 100% foreign ownership of the business and real estate and free movement of profits, capital, and dividends for the investors.

-In March 2021, the government released the budget for the Fiscal Years (FY) 2021-2022 (January 1, 2021, to December 31, 2022), which includes a project expenditure of BHD 600 million (USD1.6 billion) over the next two years. This includes allocations for projects in the infrastructure, housing, health, education, sports, culture, electricity, and water sectors, among others.

-Bahrain unveiled more than 22 critical infrastructure projects totaling more than USD 30 billion as part of its 2021 Economic Recovery Plan, including the creation of five artificial islands. Public-private partnerships model will be used to develop the majority of these projects. The Kingdom's Vision 2030 economic development strategy is congruent with the focus on construction that is being made. The strategy advocates diversification of the economy expanded privatization and industrialization, and training and education of Bahrain's national workforce to develop infrastructure, industry, housing, and connectivity.

-The process of project approval in Bahrain is very tedious and therefore discourages foreign companies from investing in construction projects here. Political instability threatens economic stability, thus adding more complications for foreign investors. Being an oil and gas-dependent economy, the price movements remain a source of risk as price changes affect every other

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sector, alarming foreign investors. Most of the labor and workers in Bahrain are unskilled, and the difficulty in obtaining visas discourages foreign labor.

Bahrain Construction Market Trends

Increase in the number of Construction Projects driving the market

Within Bahrain's Marassi Al Bahrain urban project, the Marassi Park complex is the largest of three contemporary and connected homes. This project spans two kilometers of shoreline and plenty of sandy beaches. It includes a variety of residential and commercial buildings situated on Diyar Al Muharraq's southern borders. The largest construction project in Bahrain, with a project value of USD 360 million, began in Q1 2022 on the Tatweer Petroleum - Well Head Compression for Non-Associated Gas Wells - Bahrain project. Manama city in Bahrain is the site of the Tatweer Petroleum - Well Head Compression for Non-Associated Gas Wells - Bahrain project, which was first announced in Q1 2020 and is scheduled to be finished in Q4 2023.

With project values of USD 270 million, 140 million, and 30 million dollars, the third-largest project was the Tatweer Petroleum - Non-Associated Gas Compression Station in Bahrain, followed by the Tatweer - Onshore Drilling Rig Works in Bahrain and the Bareeq - Wadi Al Riffa: 97 Villas in Bahrain respectively. Construction and real estate development would be fueled by ongoing and recently announced improvements to the nation's industrial base and a massive infrastructure development drive that includes a proposal to significantly increase Bahrain's land mass.

While new regions of the nation are being opened up for the freehold building of luxury properties, increased private sector support for the creation of affordable housing is being pushed through several initiatives. Infrastructure initiatives in tourism, transportation, and education are also available for private investment. Bahrain's hospitable regulatory environment may play a key role in luring the funding needed to meet the government's aims.

Increase in Urbanization is driving the market

Located in the Middle East in the Persian Gulf archipelago, Bahrain is a country consisting of more than 30 islands. Despite its rather small area, the country is densely populated. Since the early 1980s, the population of Bahrain, an island nation in the Persian Gulf has considerably increased and in 2022, it rose to 1.5 million. As urbanization and population density have both increased, so has the demand for land. Similar to other nations in the [Persian] Gulf, Bahrain has been forced to invest in large-scale land reclamation projects to expand its coastline due to fast population development, concurrent urbanization, and land shortages. The 25-kilometer stretch of road saw a record 2.5 million motor vehicle passengers in July 2022, according to news reports.

Since shallow coastal waters there have made it both technically and economically practical to produce new land from the seafloor, the north of the country is where change is most visible. In addition to existing islands being added, their size is also being increased. Aljenaid and colleagues found that built-up (urban) areas dominated the changes over this time, growing by 7.5% annually on average. The increase primarily resulted in wetlands and vegetated areas being displaced. Aljenaid emphasized the island's explosive growth, which has caused it to expand to a size of more than 60 square kilometres (23 square miles) northeast of Manama, the nation's capital. Similarly, the island of Nabih Saleh has undergone changes and lost its agricultural fields.

Bahrain Construction Industry Overview

The Bahrain construction market is fragmented and competitive, owing to the presence of major local and international players.

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Some major players include Nasser S. Al Hajri Corporation, Almoayyed Contracting Group, Nassir Bin Hazza Al Subaie & Brothers Company Limited, Nass Corporation, Mannai Holding, and many others. However, the market holds opportunities for small and medium players due to increasing government investments. The market presents opportunities for growth during the forecast period, which is expected to drive market competition further.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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