Market Gap Study

The Market Gap Report

April 2010
The Market Gap report presented is commensurate to the completion of the Market Gap Study awarded by Tamkeen to D&B. The key objective of this Study was to conduct a thorough analysis across various sectors that make up the Bahraini Economy and identify, assess, evaluate and enumerate market gaps across these sector value chains. A Market Gap is defined as a sector/sub-sector where current level of market play (in terms of number of players and penetration levels) is deemed to be lower than Market Potential (assessed on the basis of expected near term growth rate). This Report sequentially follows the closure of Phases 1: Taxonomy Analysis & Industry Mapping; Phase 2: Sectoral Landscaping and Phase 3: Regional Benchmarking, which formed core inputs for the report. The Market Gap Identification report presents a thorough scan of 18 sectors entailing over 200 sub-sectors (that make up the economic landscape of Bahrain). Out of these sub-sectors, 99 are identified as market gaps (as defined), while the remaining subsectors are deemed to be overcrowded and saturated with limited capacity to sustain increased play (either through new entry or expansion of existing capacity) in the near term. Market Gaps identified are primarily of 2 types:
- Gaps in terms of sectors/sub-sectors that remain currently underpenetrated or underserviced vis-à-vis market potential
- Gaps in terms of sectors/sub-sectors which are virtually absent from the Bahraini landscape and with respect to the sectoral value chain; however could potentially exist, based on assessment of market feasibility and demand assessment. Subsequent to identification and assessment of market gaps identified at each sector level, D&B has also conducted a Relative Sub-Sector Prioritization to prioritize amongst the market gaps identified, sub-sectors that are deemed to be relatively more attractive and are associated with a relatively higher degree of ‘Bahrain readiness’.
Market Gap Report: *Background*

- Sectors / sub-sectors that are deemed to be unfeasible (at basic level) due to lack of competitiveness, enabling ecosystem, ‘natural input’ requirements, first mover’s advantage of imports / rivals; have not been considered as ‘market gaps’

- Market Gaps underpinned and discussed in the course of the following report have been indentified and assessed on the basis of a deep study of the industry incorporating:
  1. Taxonomy Analysis & Industry Mapping
  2. Sectoral landscaping
  3. Regional Benchmarking
  4. Key Industry leader engagements

- Steps 1, 2 and 3 are commensurate to Phases 1, 2 and 3 of the Market Gap Study
  - Inputs from these phases formed the framework and basis of the Market Gap Identification phase
  - As part of Step 4, key industry leaders were identified across the various sectors under study
  - Key industry leader discussions and focus group discussions were conducted to build industry knowledge, validate industry maps, ascertain Bahrain’s sectoral landscape, underpin industry gaps and assess root disablers / causal factors for such gaps to exist

**A total of 157 industry leader engagements were conducted and form the core input framework for the Market Gap Study**