

Bahrain's Construction sector is the largest employer in the labor market. The sector has bounced back since the height of the pandemic in 2020 with the resumption of construction projects and the Bahrain Economic Recovery Plan, which saw the announcement of upcoming infrastructure developments such as the King Hamad Causeway, Road Maintenance Project and the Housing Projects.



Sector Opportunities & Trends

01. Green building

Increasing energy efficiency and the share of renewable energy in terms of the total energy mix will boost investment in renewable energy infrastructure. There are significant opportunities in Bahrain's construction sector for the following:

- Prefabrication and modular construction – A shift towards off-site construction: Prefabricated buildings are durable and dynamically constructed, thereby enhancing and increasing construction efficiency. Modular construction is also often commended for energy efficiency and sustainable construction.
- Energy-efficient architecture and construction, including district cooling, is another growth sub-sector.

02. Urban planning

The growing urban population in Bahrain increases the need for more housing, commercial buildings and social spaces. Opportunities can be found in repurposing older buildings and rehabilitating established neighborhoods, thereby creating more sustainable construction and communities.

03. Disruptive technology

Construction companies are increasingly relying on digital technologies to achieve competitive advantage. Success through technology implementation is about using the right solution that simplifies and standardizes processes and workflows, and ensuring that it is properly used by fully-trained employees. Examples of disruptive technology in construction include robotics, 3D printing, autonomous vehicles, drones, augmented reality and smart cities.

04. Renovation and retrofitting

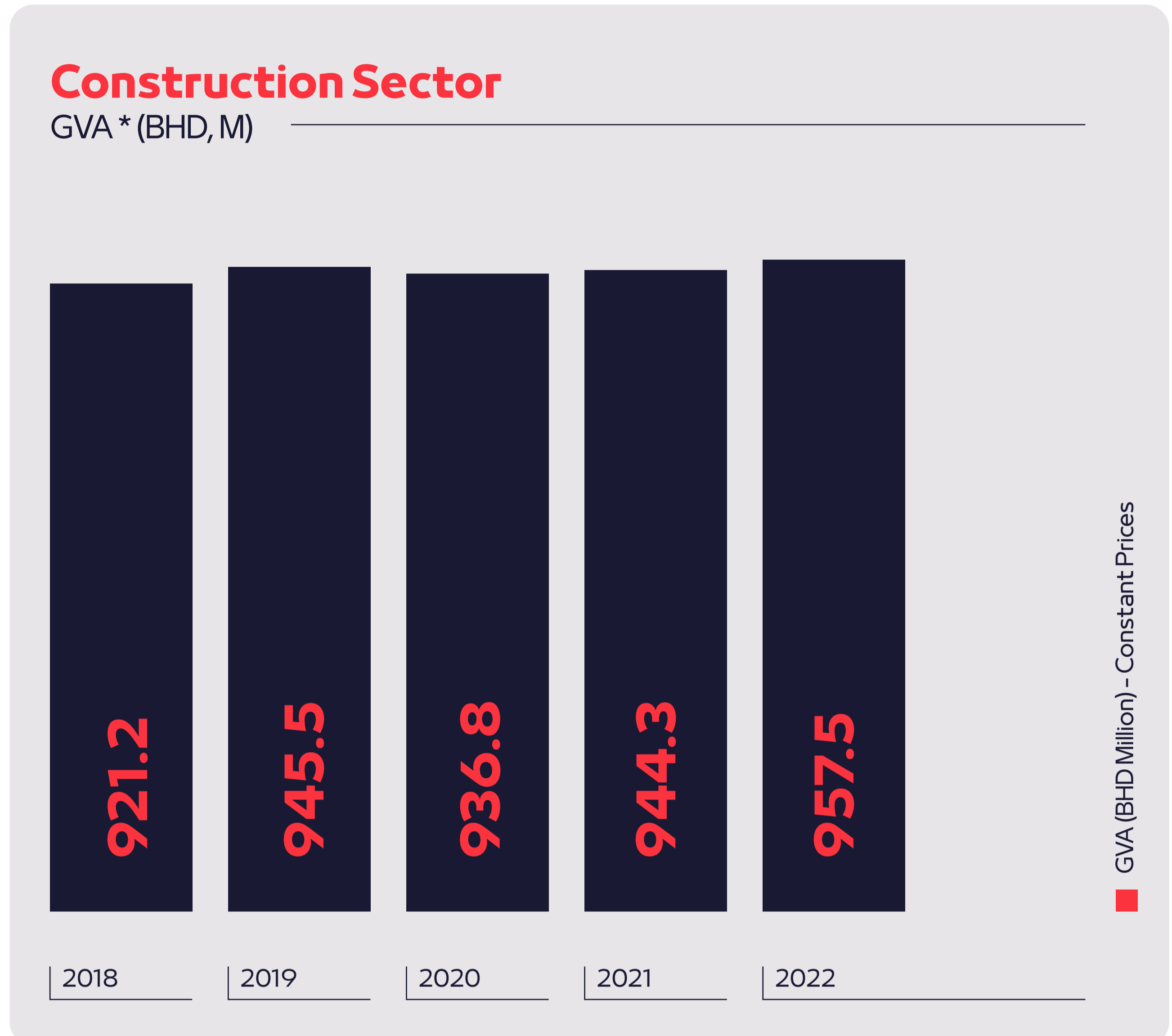
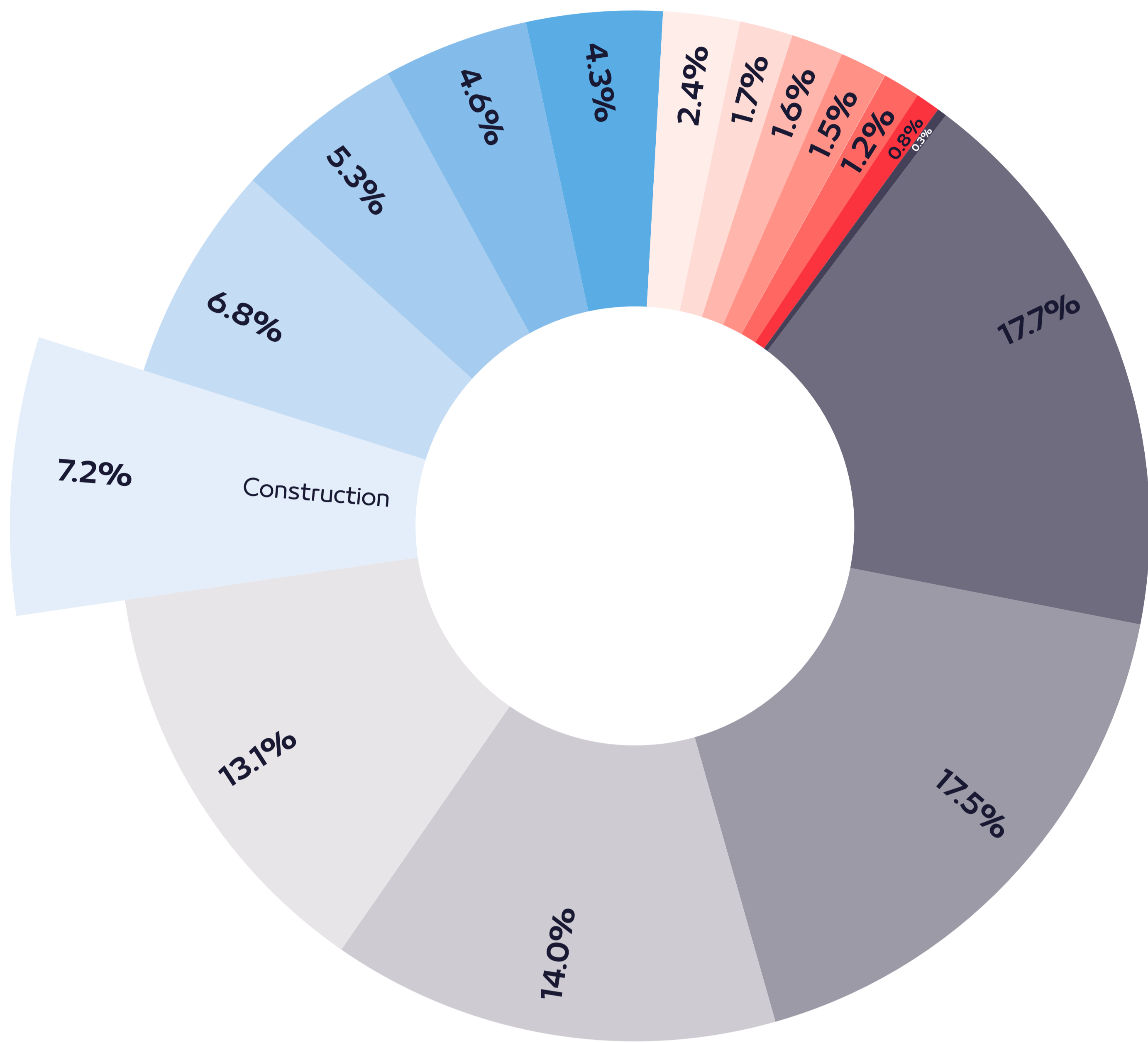
In Bahrain, the aging building stock presents an opportunity for construction companies to offer renovation and retrofitting services to improve energy efficiency, functionality and aesthetics. Retrofitting older buildings can help reduce energy consumption and operating costs while enhancing overall property value.

Construction Sector Economic Indicators

iGA-National Accounts, Q4-2022

Construction Sector Contribution to Real GDP

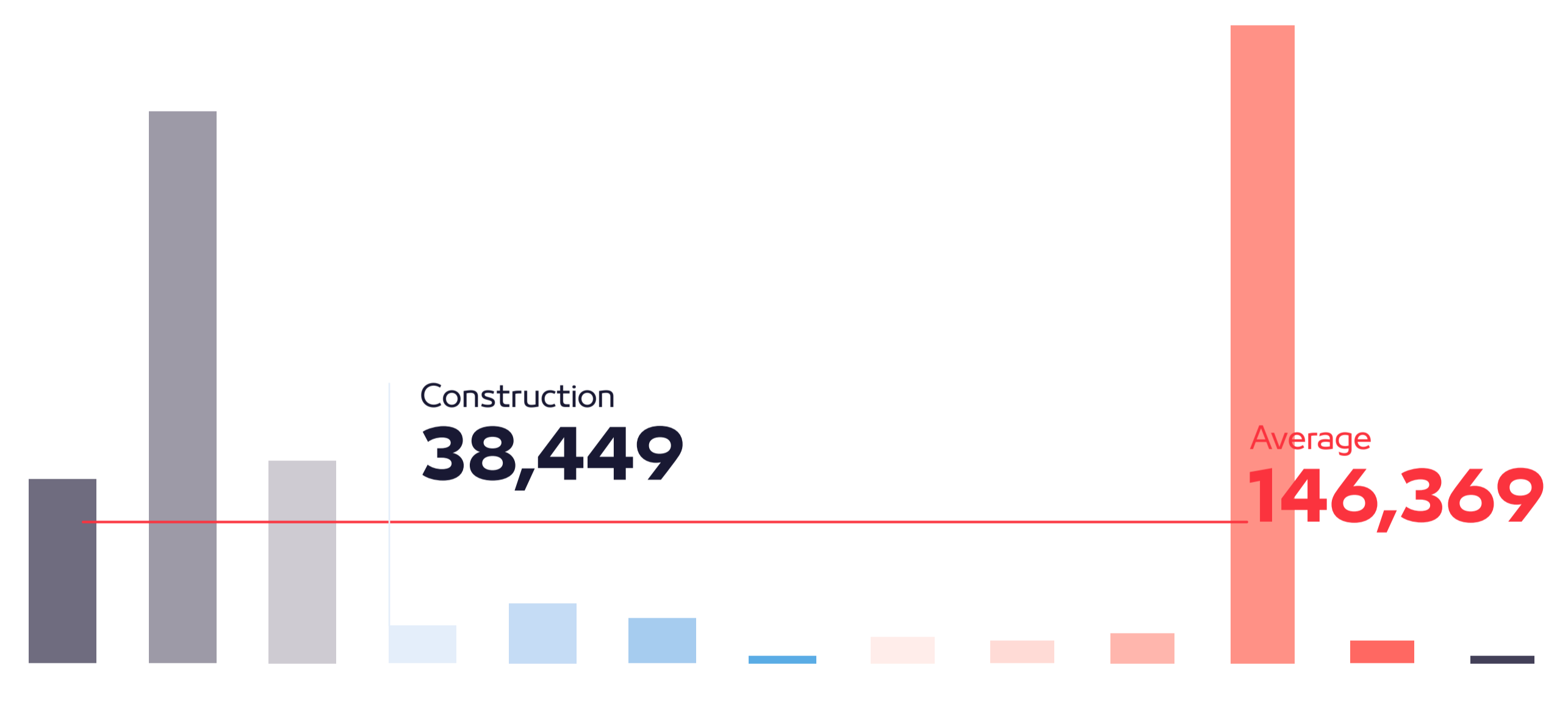
(%, Q4 2022)



Mining & Quarrying	17.7%	Trade	4.3%
Financial Corporations	17.5%	Private Education Services	2.4%
Manufacturing	14.0%	Hotels & Restaurants	1.7%
Government Services	13.1%	Other Social & Personal Services	1.6%
Construction	7.2%	Electricity & Water	1.5%
Transport and Communication	6.8%	Private Health Services	1.2%
Real Estate & Business Activities	5.3%	Others**	0.8%
Net tax on Products	4.6%	Agriculture & Fishing	0.3%

GVA per company

(BHD, Q4 2022)



*Gross Value added (GVA) measures the value of goods and services produced in an area, industry or sector of an economy
 **Others includes (Private Non-Profit Institutions, Households with Employed Persons)

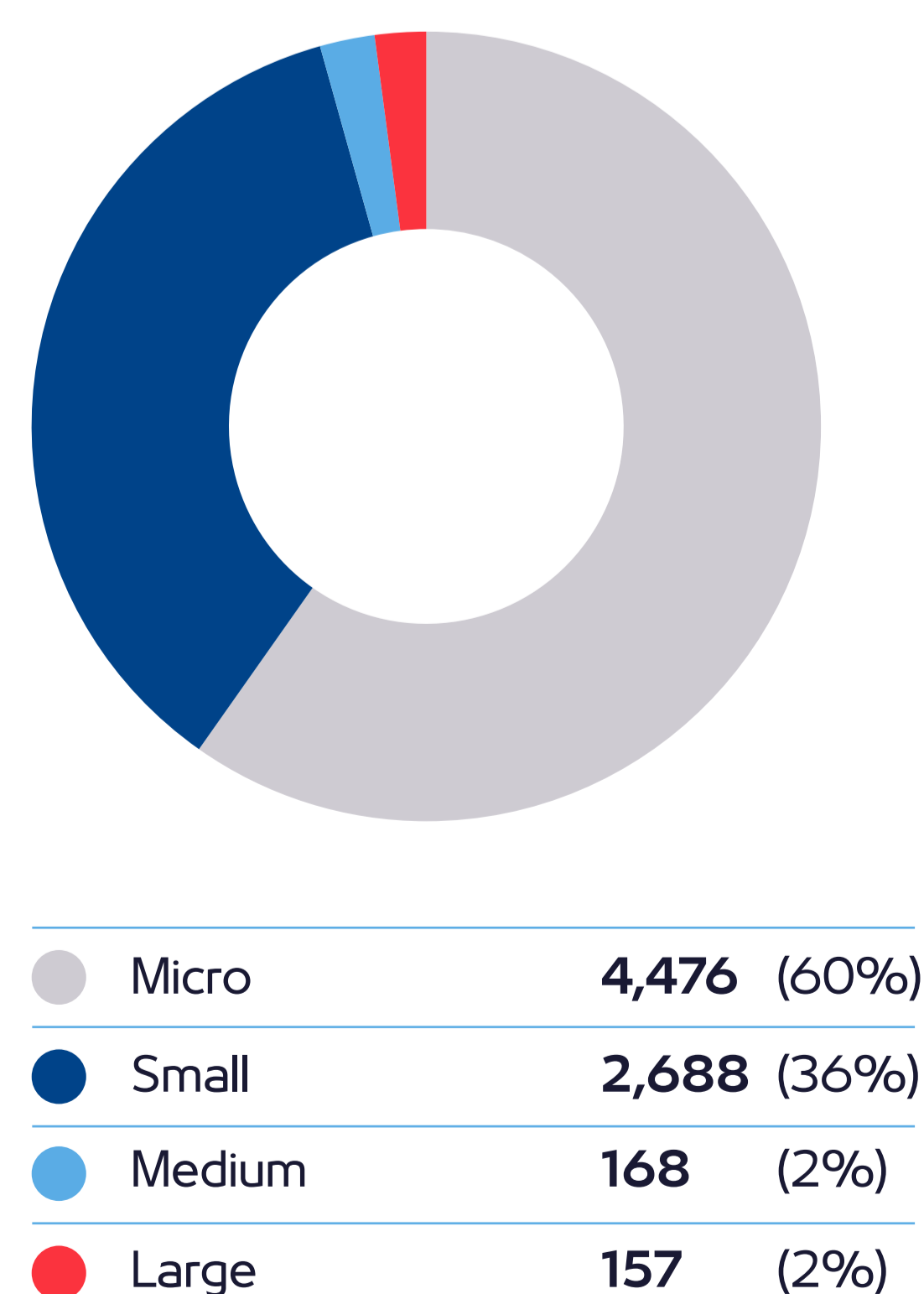
Construction Sector Enterprises

LMRA, 2022 - BLMI

7,489
Active CRs

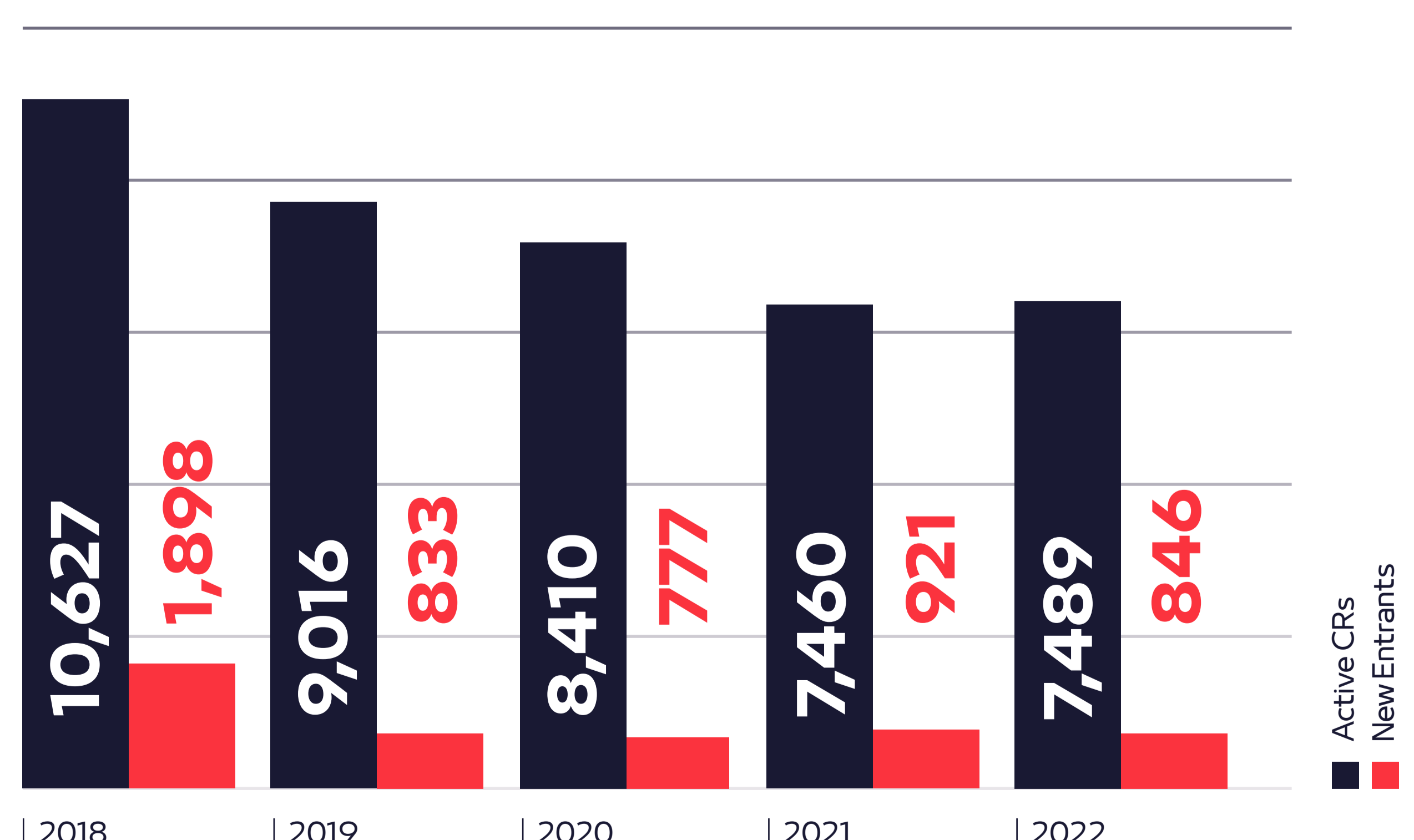
10%
of total Active CRs in Bahrain

Construction Sector by Enterprise Size (%, Q4 2022)



Construction Sector

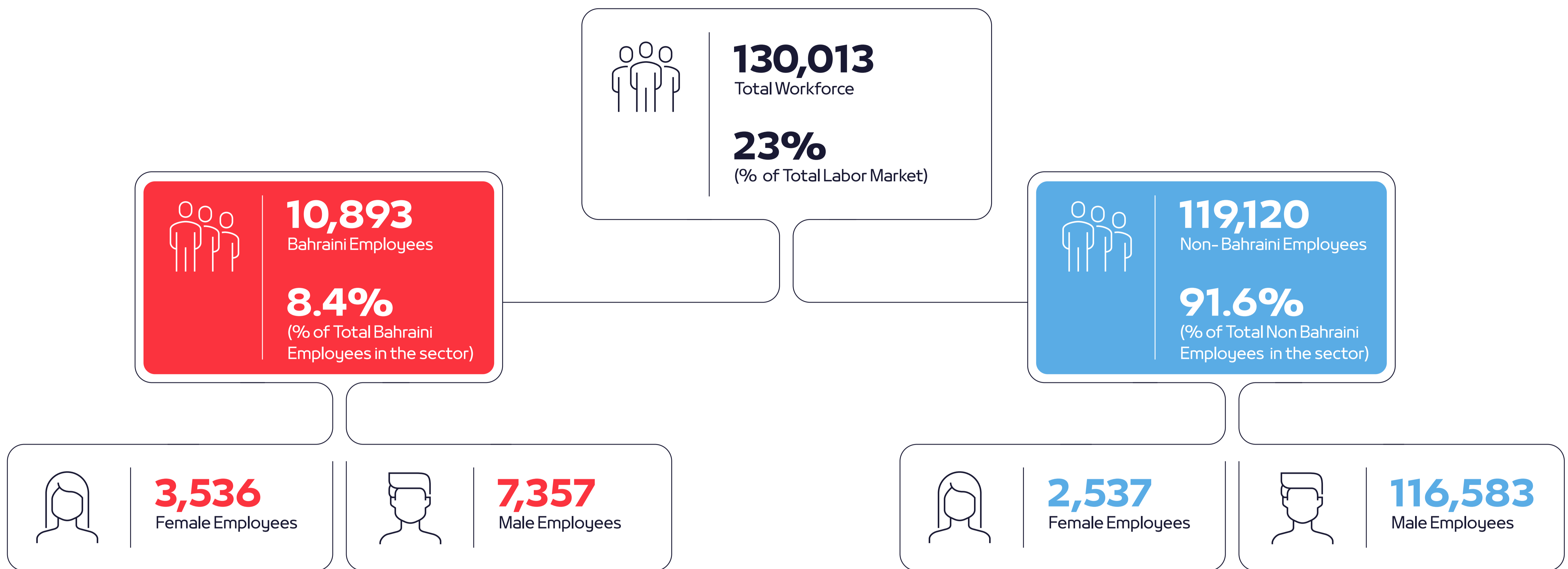
Active Commercial Registrations (2018 - 2022)



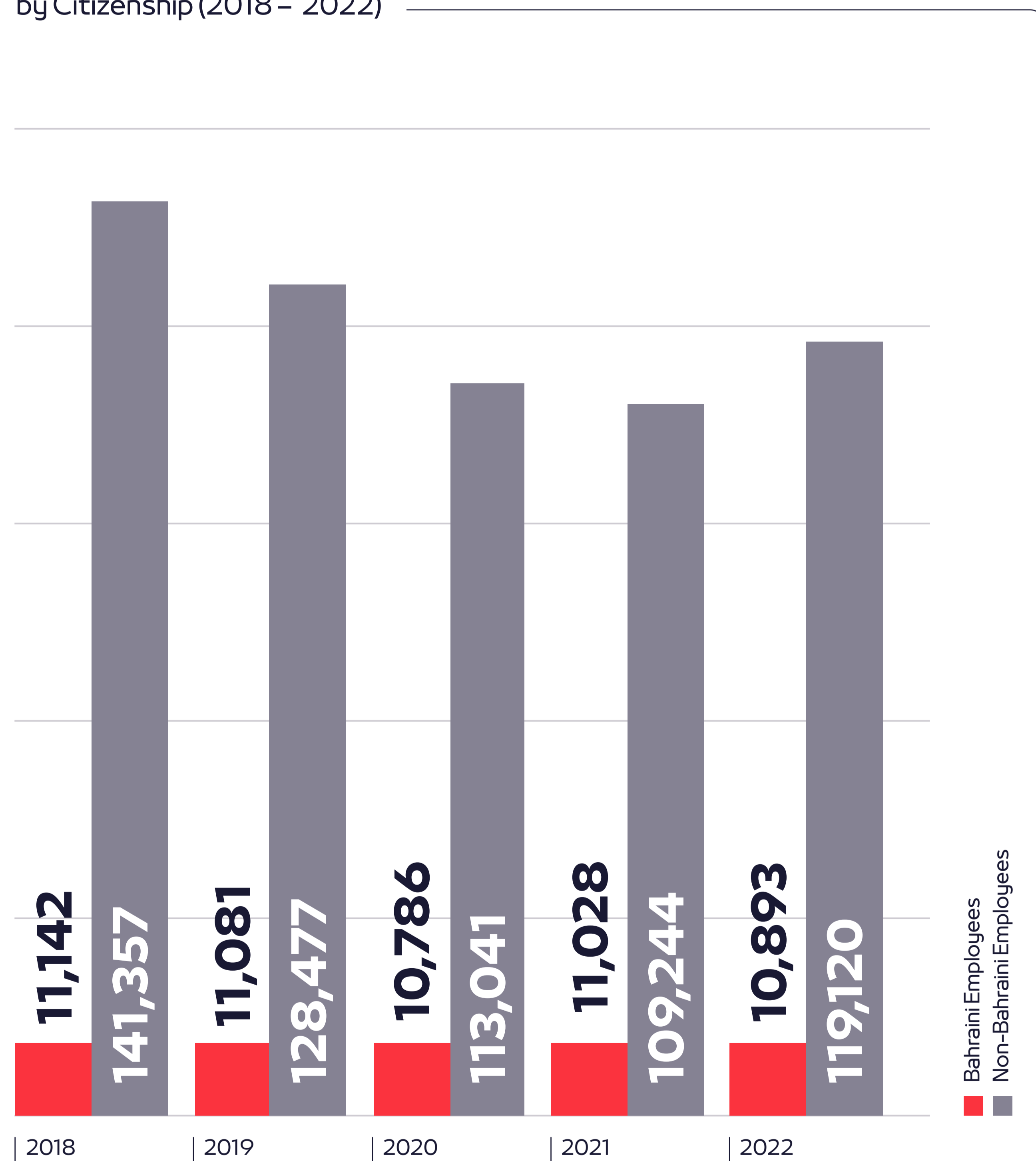
As per ISIC4 classification, the sector includes construction of buildings, civil engineering, and specialized construction activities.

Construction Sector Employment

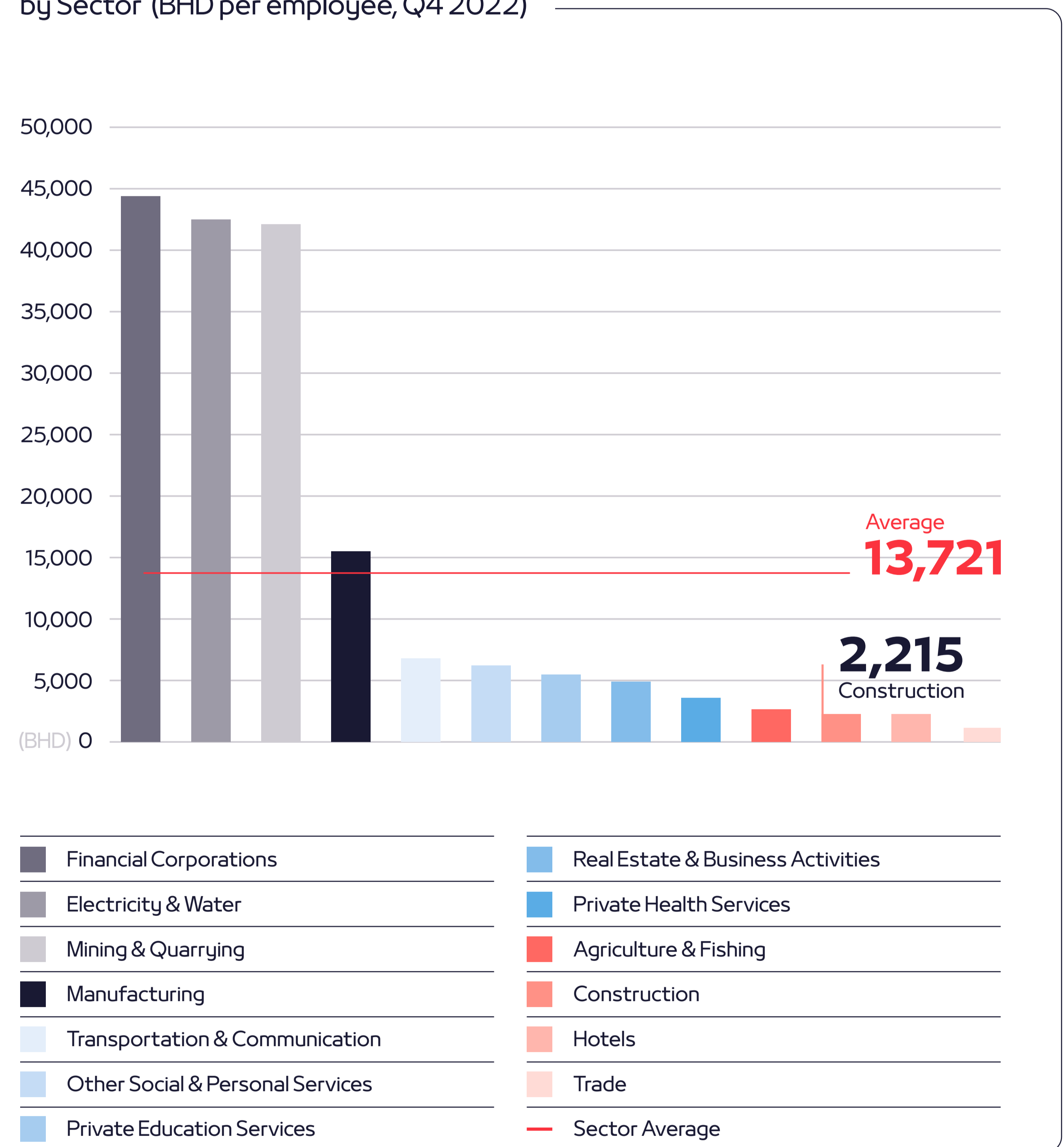
LMRA, Q4 2022- BLMI / iGA-National Accounts



Construction Sector Employees by Citizenship (2018 - 2022)



Construction Sector Labor Productivity by Sector (BHD per employee, Q4 2022)



Important notice

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