MALDIVES NATIONAL ASSOCIATION OF CONSTRUCTION INDUSTRY

INDUSTRY OUTLOOK & NATION BUILDING 2026





BUILDING THE NEXT MALDIVES

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Maldives National Association of Construction Industry (MNACI)

MALDIVES NATIONAL ASSOCIATION OF CONSTRUCTION INDUSTRY

INDUSTRY OUTLOOK & NATION BUILDING

2026

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Health and safety content.
Summaries of site safety standards are based on MACI's A Guide to Health and Safety at Construction Sites (2010). They are not a substitute for the original guide, current regulations or professional advice.

Currency and conventions.
Figures are in Maldivian rufiyaa (MVR) unless stated. Output figures are at constant 2019 prices.
Import figures are in current US dollars.

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CONTENTS

Foreword by His Excellency President Dr Mohamed Muizzu 04

Foreword by the President 06

About MNACI 08

MNACI's 19th Executive Committee 09

MNACI BUILDER AWARDS 12

The Inaugural 2023 Gala & Policy Reset 13

Raising the Bar: 2025 Builder Awards 15

Executive Summary 18

Output and National Accounts 20

Trade, Imports and Supply Chains 25

Finance, Credit and Government Schemes 28

Public Investment, Malé's Dewatering 32

Workforce, Welfare Safety and Health 38

Outlook and Recommendations 42

Foreword by His Excellency President Dr Mohamed Muizzu

بِسْمِ ٱللَّهِ ٱلرَّحْمَنِ ٱلرَّحِيمِ



President Dr Mohamed Muizzu

It gives me great pleasure to extend my warm congratulations to the Maldives National Association of Construction Industry (MNACI) on its Silver Jubilee and the publication of this 2026 Yearbook. For a quarter of a century, MNACI has stood as a vital institutional voice for our builders, engineers, and suppliers of the country.

Long before modern engineering reshaped our skyline, generations of Maldivian craftsmen built resilient island communities, coral-stone mosques, and harbours adapted to the realities of an ocean nation. Scattered across the Indian Ocean as an independent state, our survival and prosperity have always depended on the strength of our own hands. Our Islamic faith teaches us the value of honest labour, excellence in craft, and wise stewardship of the land Almighty Allah has entrusted to us.

> It is truly a source of pride to see how far our domestic industry has come. Today, local contractors and Maldivian companies are delivering complex resort developments, commercial housing, and large-scale real estate projects across every tier of the market.
> **— President Dr Mohamed Muizzu**

The global pandemic brought severe economic shockwaves that slowed work and tested the endurance of contractors. Yet the Maldivian spirit does not yield. Through disciplined Public Sector Investment Programme (PSIP) priorities, historic land reclamation at RasMalé, nationwide housing initiatives, and the first utility-scale renewable energy projects under the Special Economic Zone framework, we are laying the foundations for a developed, self-reliant Maldives.

A nation's strength lies in its own daughters and sons. That is why a national day has been inaugurated this year to celebrate Maldivian Engineers—honouring the technical minds designing our future—and why it is important to remain firm in localising key site roles so Maldivian professionals and domestic firms lead our growth.

It is truly a source of pride to see how far our domestic industry has come. Today, local contractors and Maldivian companies are delivering complex resort developments, commercial housing, and large-scale real estate projects across every tier of the market.
On this milestone anniversary, I pay special tribute to MNACI President Mohamed Ali Janah for his steadfast leadership, as well as past presidents Abdulla Mohamed, Ibrahim Waheed, and Adnan Haleem for their foundational service. Furthermore, I extend my sincere appreciation to the members of the 19th Executive Committee, every executive board that has served the industry over the past 25 years, and every builder across our islands.

May Almighty Allah bless your work and guide us as we build a proud, prosperous, and sovereign Maldives.

Mohamed Muizzu

Message by MNACI President Mohamed Ali Janah

بِسْمِ ٱللَّهِ ٱلرَّحْمَنِ ٱلرَّحِيمِ



Mohamed Ali Janah
President, Maldives National Association of Construction Industry (MNACI)

Construction is a tough sector, and the past seven years have tested it harder than most. In 2020 the pandemic cut real construction output roughly in half within twelve months. Recovery has been real but incomplete, and it has not been even.

Since 2001, MNACI has worked to raise the technical, contractual and ethical standing of Maldivian contractors to internationally accepted levels. We speak for the second-largest industry in the country, one that employs thousands of Maldivians and tens of thousands of expatriate workers, and that sits upstream of almost every other sector, from resorts to housing to harbours.

Our workforce—spanning 5,000 to 7,000 local professionals and 40,000 to 50,000 dedicated expatriates—is our greatest asset. As an association, MNACI maintains an uncompromising zero-tolerance stance against human trafficking and labor exploitation, actively lending its full support to government measures to regularize workers, protect rights, and ensure transparent, humane welfare standards for locals and foreigners alike. Furthermore, the introduction of government-facilitated financing schemes—such as the "Help to Build" and "Help to Buy" homeownership grants and low-interest construction loans capped at 5%—has provided a vital financial lifeline, easing equity hurdles for citizens and injecting much-needed liquidity into the market.

This Yearbook is our attempt to put the industry's numbers in one place, drawn from the Maldives Monetary Authority, the Maldives Bureau of Statistics, the Maldives Customs Service and the Malé City Council, and read alongside what our members tell us. Where the data is strong, we say so. Where it is thin, we say that too, because decisions made on weak numbers are expensive.

My thanks to every member, official and analyst whose data and judgement shaped this edition.

Mohamed Ali Janah
President, Maldives National Association of Construction Industry (MNACI)

A Tribute to the Builders of Maldives

As MNACI marks its Silver Jubilee, we pay tribute not only to the achievements of the past twenty-five years, but also to the generations of Maldivians whose skill, effort and determination built the foundations of our nation long before the association was established.

Long before modern machinery, large-scale infrastructure and contemporary construction methods, Maldivians were building homes, mosques, jetties, harbours and island communities adapted to the unique challenges of life across an ocean nation. Their craftsmanship, ingenuity and resilience laid the groundwork upon which today's construction industry stands.

Over time, those foundations have grown into airports, bridges, ports, hospitals, schools, housing developments and world-class tourism infrastructure. Every era has contributed its builders, engineers, technicians, craftsmen, consultants, entrepreneurs and workers, each adding to the story of national development.

This Silver Jubilee is therefore more than a celebration of an organisation. It is a recognition of the people who built before us, those who continue to build today, and the next generation who will shape the Maldives of the future.

To all who have helped transform islands into communities and visions into reality, we offer our deepest gratitude and respect.

Thank you to the builders of Maldives, past and present.

Maldives National Association of Construction Industry (MNACI)

About MNACI

The Maldives National Association of Construction Industry (MNACI) is the national body of the Maldivian construction industry.

It was established in 2001 by seven founder members: Mohamed Abdul Azeez, Jaufar Easa Adam, Hassan Waheed, Ibrahim Waheed, Abdulla Mohamed, Ibrahim Rasheed and Alau Ali.

It began as the Maldives Association of Construction Industry (MACI), and its 2010 health and safety guide was published under that name.

MNACI's mandate has two parts.
It promotes the industrial, contractual and technical interests of its members, and it works to raise the standing and standards of Maldivian contractors to internationally accepted levels. In 2020 it had 384 registered contractors, from small enterprises to the largest grades.

The association has a voice in national policy.
It is represented on several government boards, including the Construction Industry Development Board, and it engages regularly with the Ministry of Finance, the line ministry for construction and infrastructure, the Maldives Monetary Authority and the banks.

MNACI is also connected internationally.
Since 2008 it has been a member of the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA), the principal contractors' federation of the Asia-Pacific region, which has 19 member countries.
It is also a member of the National Federation of Maldivian Employers (NFME), which is recognised by the International Organisation of Employers.

Its president, Mohamed Ali Janah, has led all three bodies, serving as IFAWPCA's 45th president and as president of NFME.

Health and safety has been a long-standing priority. In 2010 the association published A Guide to Health and Safety at Construction Sites, the country's first guide of its kind, as a voluntary minimum standard. During the 2020 pandemic MNACI circulated a workplace action checklist (translated into Dhivehi), organised a business-owner awareness programme with the Health Protection Agency, compiled a list of at-risk sites for the authorities, and convened IFAWPCA's emergency board meeting, with more than 50 participants from 17 countries.

MNACI's 19th Executive Committee



Mohamed Ali Janah
President



Abdulla Salih
Vice President



Ahmed Alau Ali
Vice President



Adnan Haleem
Secretary General



Hassan Habeeb
Treasurer



Ameen Mohamed
Assistant Treasurer



Ayesha Nurain Janah
Member



Mohamed Salim Bin Hussain
Member



Ibrahim Aaidh Mohamed
Member



Ibrahim Nihad
Member



Mohamed Nazim
Member



Mohamed Shakir
Member



Anara Naeem
Member



Saudulla Hilmy
Member



Mazin Ibrahim Rafeeq
Member



Mohamed Jalal Waheed
Member



Ahmed Naseer
Member



Abdulla Sawad
Member



Ibrahim Muttalib
Member



Fathimath Maya Nasih
Member



Husham Al
Member



Abdulla Mohamed
Former President



Ibrahim Waheed
Former President



MNACI BUILDER AWARDS

As the MNACI Builder Awards are held biennially, with editions in December 2023 and December 2025, the 2026 MNACI Yearbook serves as the flagship publication documenting and celebrating the latest awards cycle.

THE INAUGURAL 2023 GALA & POLICY RESET



President Dr Mohamed Muizzu receives the inaugural Bodu Rasgefaanu title at the MNACI Builder Awards on 24 December 2023, in recognition of his contributions to the Maldivian construction sector during his tenure as Minister of Housing and Infrastructure.

On the evening of 24 December 2023, the Maldivian construction sector convened at Hotel JEN Malé for a watershed moment in its institutional history: the inaugural MNACI Builder Awards.

Conceived to establish a formal national benchmark for technical delivery and corporate stewardship, the gala united principal contractors, material suppliers, and senior policymakers and doubled as a platform for sweeping regulatory commitments designed to reshape the sector's operating landscape.



President Dr. @MMuizzu inspects the ongoing construction at the Thilamalé Bridge project site to review the latest progress.

Industry Recognition at the MNACI Builder Awards 2023

At the 2023 ceremony, MNACI honored President Dr. Mohamed Muizzu for his contributions to national infrastructure and engineering, marking a milestone in institutional collaboration between the state and the Maldivian construction industry.

The evening's supreme distinction, the prestigious Bodu Rasgefaanu title, was conferred for the first time upon President Dr Mohamed Muizzu in recognition of his longstanding service to the built environment, notably during his prior tenure as Minister of Housing and Infrastructure, when landmark projects including the China-Maldives Friendship Bridge and the 25-storey Dharumavantha Hospital took shape. Alongside the presidential honour, MNACI recognised the private-sector pioneers who steered the industry through decades of rapid urban and resort expansion, presenting Lifetime Achievement honours to Amin Group of Companies Chairman Abdulla Mohamed and MNACI President and Hotels and Resorts Investment Maldives Chairman Mohamed Ali Janah.

Behind the ceremony sat a deliberate commercial strategy to professionalise industry recognition. Earlier in June 2023, MNACI executed a six-year partnership agreement with Medium Events Pvt Ltd to institutionalise the awards alongside Buildex Maldives and Builders Magazine—creating a cohesive ecosystem linking trade exhibitions, industry journalism, and peer-reviewed excellence.

Yet it was President Muizzu's Chief Guest keynote address that gave the evening its sharpest commercial edge. Outlining a 20-year master plan to build domestic technical capacity and expand workforce inclusivity—including greater participation by Maldivian women—the President announced a cabinet decision to reserve three critical site-level roles exclusively for Maldivian nationals within a two-year transition window: building inspectors, site supervisors, and surveyors.

To bolster order books for domestic firms, the President further pledged procurement policy revisions designed to guarantee greater participation by local contractors in state-led infrastructure, specifically highlighting the flagship RasMalé eco-city reclamation scheme. Closing his remarks with a signal toward energy-transition investment, he also confirmed receipt of the Maldives' first Special Economic Zone (SEZ) proposal for a utility-scale solar power project —underscoring how national infrastructure policy and private-sector delivery remain inextricably linked.

RAISING THE BAR: HOW THE 2025 BUILDER AWARDS REFLECTED A MATURING SECTOR



MNACIhosted the second edition of the MNACI Builders Awards 2025 at Hotel JEN, Malé, celebrating excellence and outstanding contributions across the nation's construction sector.

Two years on from its debut, the MNACI Builder Awards returned on 18 December 2025 at Hotel JEN Malé—maturing from a foundational celebration into a rigorous, industry-wide audit of technical and commercial excellence. Operating on its established biennial cycle, the second edition reflected the growing specialisation of the Maldivian construction ecosystem, expanding dramatically from six inaugural honours to 19 distinct award categories across four core pillars: Contractors, Professional Firms, Project & Product Excellence, and Individual Leadership.

> Honoring excellence across the entire construction ecosystem—from primary contractors to specialized suppliers and pioneering individuals.
> **— Mohamed Ali Janah, President of MNACI, Chief Guest at the MNACI Builder Awards 2025**

Where the 2023 ceremony focused on macro-policy and industry pioneers, the 2025 edition widened the lens to acknowledge the full value chain required to deliver complex marine, resort, and urban developments. Alongside dedicated categories for SME, Infrastructure, Marine, Resort, Real Estate, and Foreign Contractors, the judging framework formally recognised architectural and design practices, specialist engineering consultants, project management firms, logistics operators, and material innovators.

Delivering the concluding Chief Guest keynote address, MNACI President Mohamed Ali Janah framed the expanded awards as an instrument of commercial accountability rather than mere celebration. Having consistently advocated for balanced public-private dialogue, regulatory stability, and structured skills transfer across the sector, Janah emphasised that industry recognition must drive measurable improvements in build quality, safety compliance, and timely project execution.

By introducing dedicated individual accolades—including the Young Builder Award and Outstanding Woman Leader in Construction alongside the Lifetime Achievement and MNACI President's Special Award—the 2025 gala also directly answered the industry's long-term human-capital imperative. As the sector enters its next phase of transformation ahead of the third biennial gala in late 2027, the 2025 Roll of Honour stands as a clear benchmark for firms competing on capability, governance, and delivery.



Scenes from the MNACI Builders Awards 2025 at Hotel JEN, Malé, bringing together industry leaders, innovators, and stakeholders.



Leaders and participants on stage during the MNACI Builder Awards

> “The construction industry has consistently seemed to be integrated into multiple ministries. Nevertheless, we are determined to propel the construction sector forward by creating a dedicated ministry encompassing this essential industry.”
> — **President Dr. Mohamed Muizzu** (following his election in 2023)


Recipients displaying their plaques at the MNACI Builder Awards

Executive Summary

The Maldivian construction industry is recovering in volume, but it has not returned to its 2018–19 scale, and it is paying considerably more for materials than it did.

Construction real GVA, 2025 (2019 prices)

MVR **4.51** billion



▼ 35% below pre-pandemic level

Construction real GVA, Jan–Aug 2026

MVR **3.58** billion



▲ Up 19.9% year on year

Construction price deflator, 2025

140.9 (2019 = 100)



▲ Prices up 40.9% in six years

Construction-related imports, 2025

USD **206.6** million



▲ Record high; 53.6% above 2019

Construction-related imports, Jan–Sep 2026

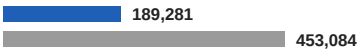
USD **136.9** million



▼ Down 12.8% year on year

Malé authorised floor area, 2025

189,281 sqm



▲ Up 79% on 2024 ▼ 58% below 2018

Five headlines

1. **Output has stabilised and is now accelerating.** After three flat years (2023–2025, within a MVR 4.3–4.5 billion band), 2026 is running about a fifth ahead of 2025.

2. **Volume and value have decoupled.** Real output is about two-thirds of its 2019 level, yet imports are at a record in dollar terms. Higher prices, a heavier materials mix and stock-building all contribute; the data cannot yet separate them.

3. **Imports stepped up in August 2024.** Monthly arrivals averaged about USD 10.1 million in January–July 2024 and about USD 16.5 million from August 2024 to September 2026. That is a level shift, not a blip.

4. **Malé's pipeline has refilled, but completions lag badly.** Authorisations and completions have diverged for most of the period, and the 2025 completion figure needs verification.

5. **The safety framework remains voluntary in character.** The industry's main reference remains MACI's 2010 guide.

About the Data

This edition draws on four series and one set of industry estimates.

- **Construction GVA (MMA/MBS):**
  monthly Gross Value Added at constant 2019 prices, sector "Secondary – Construction", January 2014 to August 2026. Annual totals here are sums of the twelve monthly values.

- **Construction price deflator (MMA/MBS):**
  annual implicit price deflator, 2019 = 100, 2003 to 2025.

- **Construction-related imports (MMA external sector, from Customs data):**
  monthly, US dollars, January 2004 to September 2026.

- **Malé building authorisations and completions (Malé City Council):**
  annual counts and floor area 2018–2025;
  monthly authorised floor area 2022–2025.

- **Industry estimates (MNACI):**
  the 2020 impact report, based on a survey of 11 contractors extrapolated to 384 registered members.

Two cautions apply throughout.
First, 2026 figures are part-year and are compared like for like with the same months of 2025.
Second, GVA is measured in rufiyaa at constant prices and imports in current US dollars, so the two should be compared in direction and timing, not as a ratio.



1 OUTPUT AND NATIONAL ACCOUNTS

Following years of steady growth that nearly doubled output by 2019, the construction sector plunged by half during the pandemic and has achieved only a partial recovery.

1.1 Construction output

Construction output expanded rapidly between 2014 and 2018, with real gross value added rising from MVR 3.76 billion to MVR 6.98 billion, almost doubling in four years. Growth slowed in 2019, when output was essentially unchanged, indicating that the sector had already reached a plateau before the Covid-19 pandemic.
The pandemic brought an abrupt reversal. Output fell by 50.9% in 2020 to MVR 3.43 billion, erasing much of the gains accumulated during the expansion period. While the initial shock was severe, the downturn did not end there. Output contracted by a further 5.8% in 2021, reaching MVR 3.23 billion, the lowest level recorded in the series.

Recovery began in 2022, when output increased by 34.2%. Growth continued in 2023, although at a much slower pace, before easing slightly in 2024. The sector regained momentum in 2025, with output rising 4.4% to MVR 4.51 billion.

Despite four years of recovery, construction activity remained substantially below its pre-pandemic peak. Real output in 2025 was approximately 35% lower than the 2018-19 high point of MVR 6.98 billion, highlighting the depth of the contraction and the length of the recovery process.

Preliminary estimates for January-August 2026 suggest a stronger expansion phase may be under way. Output for the period was 19.9% higher than in the corresponding months of 2025, indicating that the pace of recovery had accelerated.

KEY OBSERVATIONS

- *The peak occurred before the pandemic. Construction output reached MVR 6.98 billion in 2018 and remained at that level in 2019, showing that growth had already stalled before the external shock.*
- *The pandemic halved construction activity. The 50.9% decline recorded in 2020 closely matches reports from contractors and industry participants at the time that activity had fallen by about half.*
- *The weakest year was 2021, not 2020. Although the largest annual decline occurred in 2020, output continued to fall the following year, leaving the industry at its lowest output level of the decade.*
- *Recovery has been gradual and incomplete. By 2025, output had recovered part of the losses suffered during the pandemic but remained well below pre-pandemic levels.*
- *Recent data point to renewed momentum. The strong increase recorded during January-August 2026 suggests that construction activity may be entering a more sustained recovery phase.*

Source: Maldives Monetary Authority monthly GVA estimates (constant 2019 prices); eTruth.mv calculations.



MNACI Builders Awards

1.2 Where 2026 stands

Construction activity strengthened further in 2026. Output averaged MVR 447 million per month during January-August, compared with MVR 372 million in the corresponding period of 2025. July's output of MVR 539 million was the highest monthly reading since the pandemic, although the 2026 average remains 23% below the pre-pandemic monthly average of MVR 582 million in 2019.

The improvement is also evident in the quarterly series. Following four years in which output generally remained within a MVR 1.0-1.2 billion range, the second quarter of 2026 reached around MVR 1.39 billion. This was the first clear move above the post-pandemic range and provides further evidence that the sector's recovery is gathering momentum.

1.3 The deflator tells a story

The construction price deflator (2019 = 100) stood at 140.9 in 2025. Prices rose most sharply in 2020–22 (109.9, 125.3, 133.6) and have since risen more slowly (134.2, 136.5, 140.9).
Compounded, that is about 5.9% a year since 2019. Multiplying 2025 real output by the deflator gives an illustrative nominal figure of roughly MVR 6.35 billion, about 91% of 2019's nominal MVR 6.98 billion.
In plain terms, the industry's turnover in current rufiyaa is much closer to its old level than its volume is. Contractors are doing about a third less physical work for nearly the same money, which is consistent with the margin squeeze members report on fixed-price contracts.

1.4 Case study: the 2020 shock

The Covid-19 pandemic produced the most severe disruption to Maldives' construction industry. Within weeks of the border closure, project activity slowed sharply, private investment decisions were deferred, and uncertainty spread across the supply chain.

Government forecasts published in April 2020 anticipated a contraction of 11.5% in GDP and a 49% reduction in construction activity. Industry evidence collected by MNACI pointed to a similarly severe downturn. A survey covering 82 projects with a combined value exceeding MVR 3.6 billion found that contractors expected losses of MVR 226 million over a three-month period.

The impact extended beyond individual projects. New Public Sector Investment Programme (PSIP) awards worth MVR 7.2 billion were placed on hold, while only MVR 2.8 billion in active projects was allowed to continue. As both public and private clients delayed spending, contractors faced a sudden collapse in cash flow despite continuing obligations for staff, equipment, accommodation and finance costs.

Using the most conservative assumptions from the survey, the industry faced losses of at least MVR 617 million over three months, equivalent to about MVR 205 million per month. The scale of the disruption helps explain the historic fall in output recorded in national accounts data for 2020 and 2021.

2020 shock metric	Figure	Source
GDP contraction projected	−11.5%	MNACI / Ministry of Finance
Construction contraction projected	−49%	MNACI / Ministry of Finance
Immediate decline in activity	Approximately 50%	MNACI survey
Minimum sector loss (three months)	MVR 617 million	MNACI survey
Average monthly loss	MVR 205 million	MNACI survey
New PSIP projects suspended	MVR 7.2 billion	Government / MNACI
Active PSIP projects continued	MVR 2.8 billion	Government / MNACI

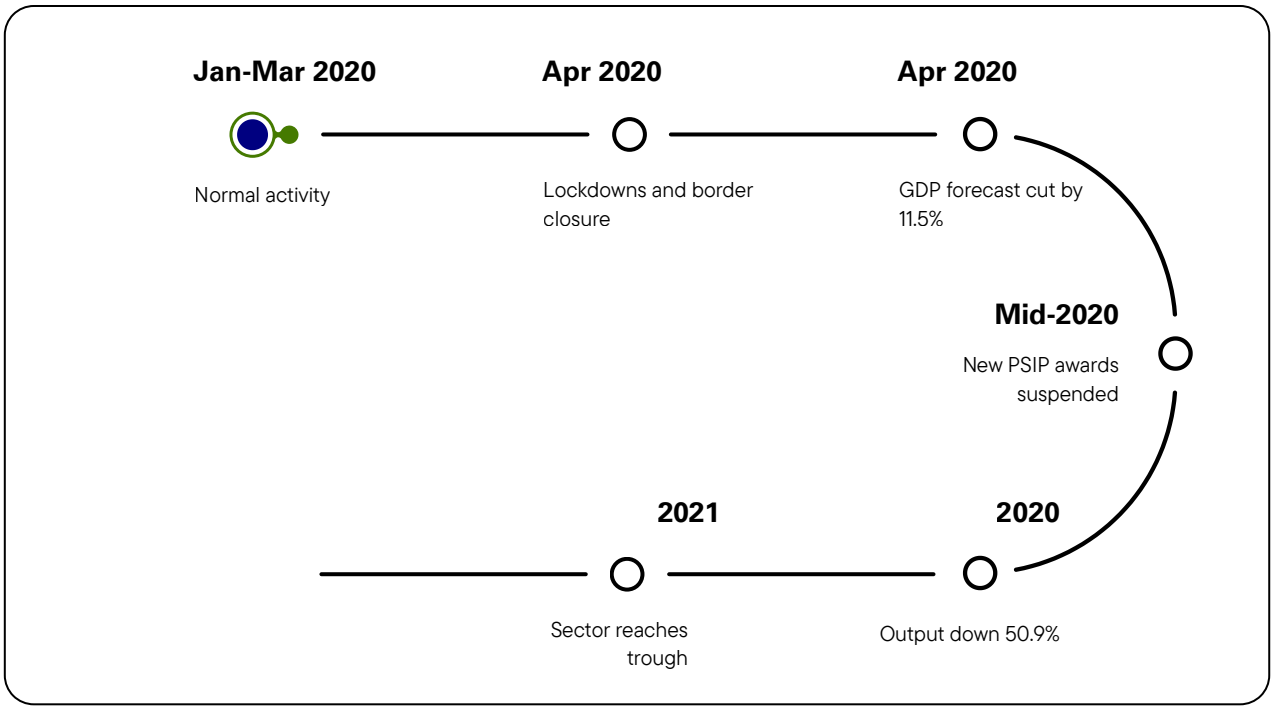
What the shock revealed

The 2020 downturn highlighted how dependent the construction industry is on a continuous flow of both private investment and public-sector projects. The suspension of MVR 7.2 billion in new PSIP awards occurred at the same time that private-sector activity slowed sharply, limiting the ability of either market to offset weakness in the other.

While project revenues fell abruptly, many operating costs remained in place. Contractors continued to face obligations for payroll, accommodation, equipment, financing and expatriate labour. As a result, the impact was not confined to project delays; it extended quickly to working capital, subcontractors and suppliers throughout the construction value chain.

The scale of losses reported in the MNACI survey helps explain the unprecedented decline in national construction output recorded in 2020 and 2021. The episode remains the clearest example in the series of how a disruption in the project pipeline can translate into a sector-wide contraction.

How the pandemic shock unfolded, 2020-2021



Nearly MVR 7.2 billion in new public projects was paused at the same time that private demand collapsed.



2

TRADE, IMPORTS AND SUPPLY CHAINS

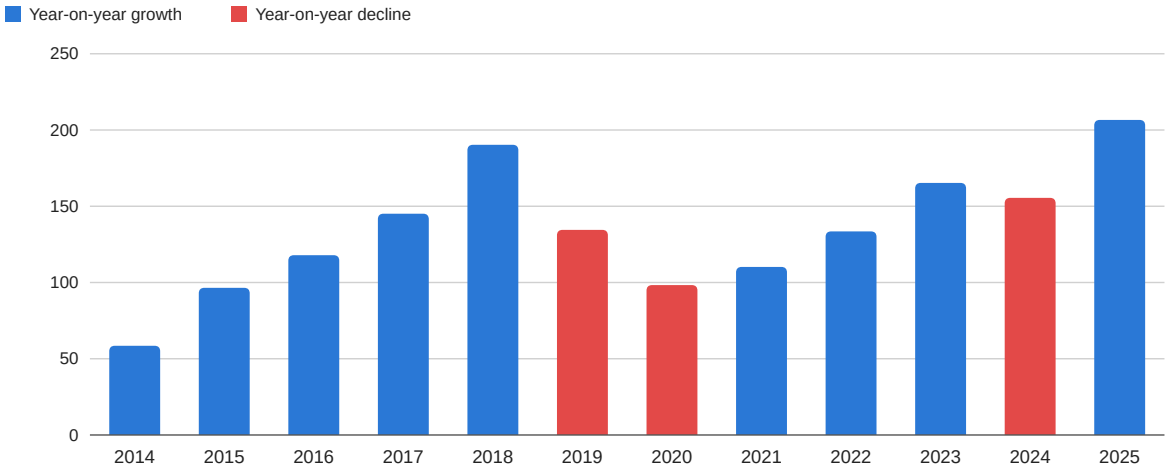
Producing virtually none of its own building materials and importing everything by sea, the Maldives relies on construction import figures as the industry's most reliable leading indicator.

2.1 Construction imports

The Maldives imports most of the materials and equipment used in construction. Consequently, construction-related imports serve as a useful leading indicator of industry activity, often reflecting changes in project demand before they appear in output statistics.

Imports, 2014-2025

USD million, annual



2025 imports
206.6
+32.9% year on year

2014 to 2025
3.5x
58.5 to 206.6

Jan-Sep 2026 (partial year)
136.9
−12.8% vs Jan-Sep 2025

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
USD m	58.5	96.5	117.9	145.1	190.3	134.5	98.3	110.2	133.5	165.3	155.5	206.6
YoY change	+31.1%	+64.9%	+22.2%	+23.1%	+31.2%	−29.3%	−26.9%	+12.1%	+21.1%	+23.8%	−6.0%	+32.9%

Source: MMA external sector statistics (Maldives Customs Service data); calculations.

Construction imports reached a record USD 206.6 million in 2025, exceeding the previous peak recorded in 2018.

This indicates that demand for imported building materials has fully recovered, even though real construction output remains below its pre-pandemic level.

Over 2014-2025, construction imports grew at an average compound rate of approximately 12.2% per year. The strongest single month in the series was March 2018, when imports reached USD 25.5 million, highlighting the volatility that can occur around large project mobilisations.

2.2 What the series says

The Maldives manufactures almost none of what it builds with. Cement, steel, timber, fittings and plants arrive by sea, so the construction import series is the sector's best early-warning gauge.

Imports led output down in 2019.
Imports signalled weakness before output did. Construction imports fell 29.3% in 2019 even though real output remained broadly unchanged. A year later, output contracted by 50.9%. While a single episode is insufficient to establish a rule, the experience suggests that sustained declines in imports may provide an early warning of weakening construction activity.

There was a step change in August 2024.
A higher import regime emerged in late 2024. Construction imports rose from USD 10.5 million in July 2024 to USD 17.2 million in August and have generally remained above USD 12 million since then. The data point to a structural shift in demand, although the underlying drivers cannot be identified from import data alone. Possible explanations include project mobilisation, inventory rebuilding, price effects or changes in commodity classification.

2026 imports are lower while output is higher.
Imports and output diverged in 2026. Construction imports during January-September 2026 were 12.8% lower than in the same period of 2025, even as real output increased by almost 20%. The divergence may indicate that materials imported in 2025 are being drawn down from inventory, or that current projects are less material-intensive than earlier phases of construction. The relationship will become clearer as additional data become available.

2.3 Resilience

The disruptions of 2020 demonstrated how quickly an import-dependent construction sector can stall. Shipping delays, freight-cost increases and permit bottlenecks restricted access to critical materials and equipment. In response, MNACI proposed a number of resilience measures that remain relevant today.

- Plan procurement while sites are closed, so that work resumes the day restrictions lift.
- Diversify sourcing corridors across reliable regional partners such as India, China and the UAE.
- Hold strategic buffers of critical materials for active public projects. Redeploy material from long-paused projects to live ones.



3

FINANCE, CREDIT AND GOVERNMENT SCHEMES

Driven primarily by commercial banks with over MVR 10.8 billion in total credit, Maldivian construction finance relies on state-backed housing schemes to bridge household equity gaps.

3.1 Bank lending to construction

Finance sets the pace of property development, commercial building and housing, and in the Maldives it runs mainly through the commercial banks, with the Maldives Monetary Authority (MMA) as regulator.
According to MMA statistics for Other Depository Corporations (ODCs), outstanding loans and advances to the private construction sector stand at about MVR 9.95 billion. Loans to public non-financial corporations for construction exceed MVR 862 million.
Private construction credit is classified into residential and housing, commercial buildings, property development and other. Residential and commercial real estate carry the largest shares of bank loan books.

3.2 Government-facilitated financing

Private lenders ask borrowers for equity, and many households cannot find it. The government has therefore backed several mechanisms, announced through the President's Office, that put liquidity directly into housing and building.

The design is sensible: grants attack the equity barrier, and the rate cap attacks the monthly repayment. The two are aimed at different sides of the market. Help to Build supports demand for contractors working directly for households. Help to Buy supports demand for developers' finished units, which is where PPP housing sits.

The test of the schemes is whether they show up in building activity. Malé's residential authorisations have fallen by about two-thirds since 2018 (Chapter 4), and the capital's limit is land more than money. The schemes are therefore more likely to move volumes where land is available, in Hulhumalé and the atolls, than inside Malé itself.

MNACI would welcome scheme-level data on grants approved, loans disbursed and units completed, by island group, so this can be tested.

Maldives Housing Support

Three supports to help build, buy and complete a home

1 Help to Build

up to MVR 200,000 · grant

WHO IT HELPS
Citizens building their own homes

SUPPORT
Grants of up to MVR 200,000 toward the equity requirement on a housing loan

EFFECT ON CONSTRUCTION
Unlocks owner-built and incremental housing that banks would otherwise decline

2 Help to Buy

up to MVR 250,000 · grant

WHO IT HELPS
First-time buyers of units in public-private partnerships (PPPs) or private developments

SUPPORT
Grants of up to MVR 250,000

EFFECT ON CONSTRUCTION
Supports demand for developer-built units, which feeds off-plan sales and project financing

3 Low-interest housing and construction loans

5% interest cap

WHO IT HELPS
Home completion and urban renovation borrowers

SUPPORT
Interest rate capped at 5% on lines with Bank of Maldives, Maldives Islamic Bank, HDFC and Maldives Finance and Leasing Company (MFLC)

EFFECT ON CONSTRUCTION
Lowers debt service on completion and renovation work

LENDING PARTNERS FOR 5% LOANS

Bank of Maldives · Maldives Islamic Bank · HDFC · MFLC

Source: President's Office programme announcements.

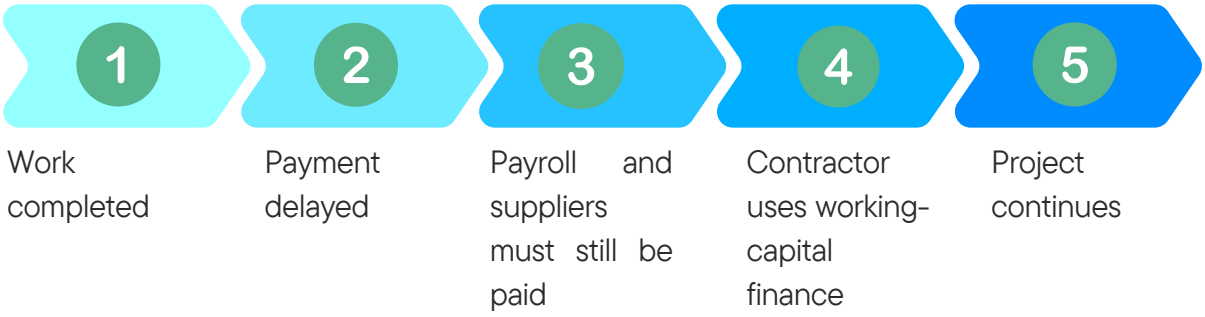
3.3 Why credit matters

A contractor's working capital is largely tied up in receivables. When payments are delayed, contractors must continue meeting payroll, supplier and equipment costs, often relying on short-term borrowing to bridge the gap. In MNACI's 2020 survey, delayed government payments emerged as a more significant concern for many firms than the immediate decline in demand.

The policy response included a six-month loan moratorium at Bank of Maldives, short-term working-capital facilities and emergency stimulus measures. MNACI also proposed a range of liquidity-support mechanisms, including payroll overdrafts, fee waivers, longer loan tenors and low-interest government-backed lending. The association estimated that the sector required at least MVR 205 million a month in concessional financing, with an emphasis on supporting small and medium-sized enterprises.

The rationale is similar to that underpinning the low-interest housing schemes discussed in Section 3.2. While those programmes aim to improve access to home ownership, a comparable gap remains on the contractor side. Dedicated low-cost working-capital facilities linked to certified invoices could help firms manage payment delays, maintain cash flow and sustain project delivery during periods of economic stress.

Why contractors borrow





4 PUBLIC INVESTMENT, MALÉ'S BUILDING PIPELINE AND DEWATERING

Because the Maldives sits above a shallow water table, construction projects require temporary groundwater extraction to keep excavations dry and structurally stable for foundation and basement work.

4.1 Public Sector Investment

PSIP is one of the principal drivers of construction activity in the Maldives, funding infrastructure and public-development projects including roads, land reclamation, harbours, housing schemes, schools, health facilities and government buildings. Because many of these projects are implemented by local contractors, the PSIP provides a relatively stable source of demand that can help sustain activity during periods of weaker private-sector investment.

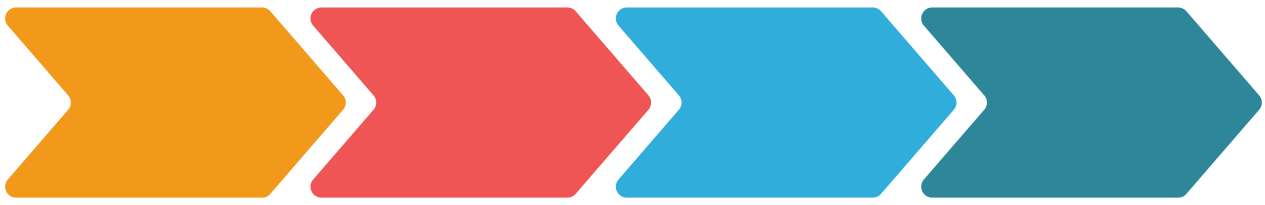
The importance of public investment became particularly evident during the Covid-19 disruption. In April 2020, active PSIP projects valued at MVR 2.795 billion were permitted to continue despite broader economic restrictions, from a budgeted PSIP portfolio of approximately MVR 10 billion. This ensured that a portion of the construction workforce and supply chain remained active even as other parts of the economy slowed.

The government also announced that construction contracts financed through its MVR 2.5 billion economic-relief package would be reserved for local firms. The measure was intended to channel public spending into the domestic construction industry, support contractor cash flow and preserve employment during a period of exceptional uncertainty.

The episode illustrates the stabilising role of public investment in the construction sector. While private development activity tends to fluctuate with market conditions, tourism performance and access to credit, PSIP expenditure can provide a more predictable pipeline of work, helping contractors retain capacity and maintain operations through economic downturns.

Key takeaway

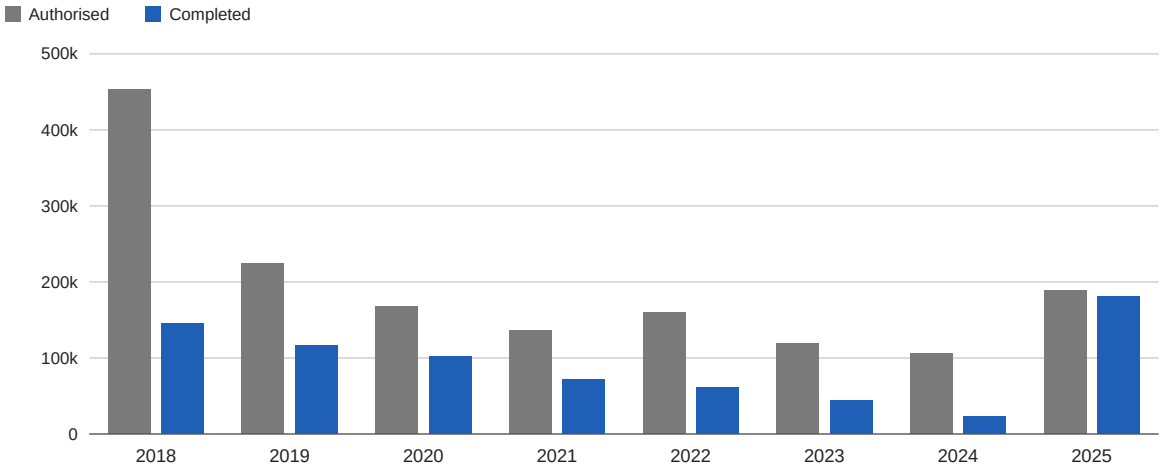
Public investment acted as a stabiliser during the pandemic. While many private projects were delayed or cancelled, PSIP-funded works and the MVR 2.5 billion relief package helped sustain contractor activity, employment and cash flow at a time of exceptional uncertainty.



4.2 Residential Development Activity

4.2 Residential development activity, 2018-2025

Authorised vs completed floor area, sqm



Year	Authorised		Completed		
	Dwellings	Floor area (sqm)	Dwellings	Floor area (sqm)	Completed as % of authorised area
2018	371	453,084	256	145,434	32%
2019	252	223,886	184	116,307	52%
2020	188	168,241	131	102,637	61%
2021	165	136,533	79	71,682	53%
2022	154	160,193	53	61,756	39%
2023	131	118,993	49	43,498	37%
2024	115	105,781	28	22,599	21%
2025	176	189,281	27	181,471	96%

Source: Malé City Council. Ratio based on own calculations and compares in-year flows, not individual permits.

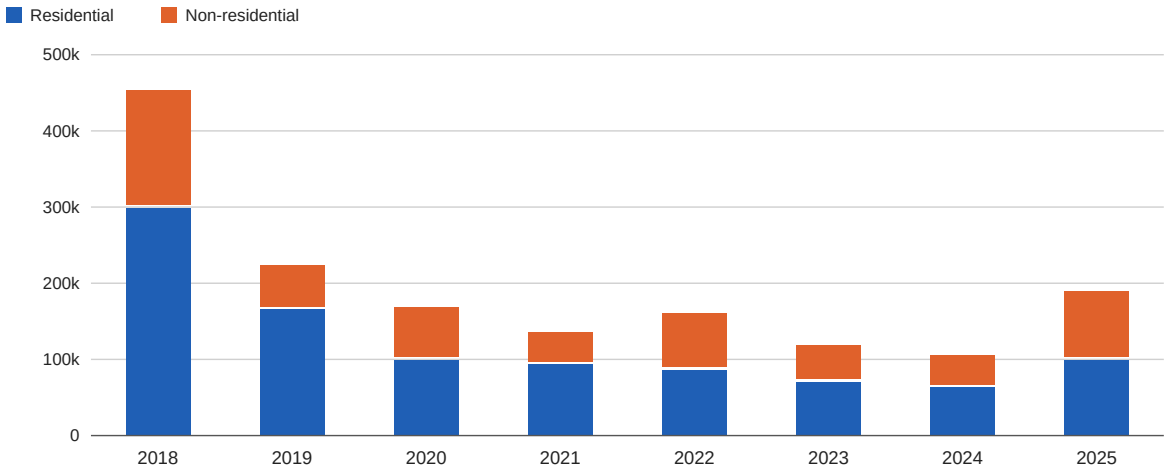
Male' City permit data point to a prolonged contraction in residential development between 2018 and 2024. Over the period, authorised dwellings fell from 371 to 115, while authorised floor area declined by 77% to 105,781 square metres. Completed dwellings also fell sharply, from 256 units in 2018 to just 28 in 2024.

Conditions improved in 2025. Authorised dwellings increased by 53% to 176, while authorised floor area rose to 189,281 square metres. Although the number of completed dwellings remained low at 27, completed floor area surged to 181,471 square metres, lifting the completion-to-authorisation ratio to 96%.

The divergence between dwelling counts and floor area suggests that development activity shifted towards larger, higher-density projects rather than smaller individual residential buildings.

Composition of authorised floor area, Malé City

Residential vs non-residential, sqm



Year	Residential (sqm)	Non-residential (sqm)	Non-residential share
2018	298,978	154,106	34%
2019	165,616	58,270	26%
2020	99,536	68,705	41%
2021	93,583	42,950	31%
2022	86,011	74,182	46%
2023	70,896	48,097	40%
2024	63,347	42,434	40%
2025	99,737	89,544	47%

Share is non-residential floor area as a % of total authorised floor area.

4.3 Interpreting the Male' permit data

A six-year slide, then a sharp rebound. Male' City permit data indicate a sustained contraction in development activity over recent years. Authorised floor area declined from 453,084 square metres in 2018 to 105,781 square metres in 2024, a fall of 77%. Although approvals recovered to 189,281 square metres in 2025, they remained 58% below the 2018 peak. The pattern suggests that development constraints in the capital are becoming increasingly structural rather than cyclical.

Development activity is gradually shifting towards commercial uses. The non-residential share of authorised floor area rose from 26% in 2019 to 47% in 2025. Over the same period, authorised residential floor area declined from 165,616 square metres to 99,737 square metres, while the number of authorised dwellings fell from 252 to 176.

Completions present a more mixed picture. Between 2021 and 2024, 251,500 square metres of floor area were authorised, compared with 199,535 square metres completed. This suggests that part of the recent increase in completions may reflect the delivery of projects approved in previous years. Even allowing for this lag, however, the number of completed dwellings fell sharply from 256 units in 2018 to just 27 in 2025, indicating a substantial reduction in new housing delivery within the capital.

4.4 Seasonality and lumpiness

Monthly approval data should be interpreted cautiously. Between 2022 and 2025, October, December and April recorded the highest average authorised floor area, while February was consistently the weakest month. A small number of large projects can heavily influence monthly totals. For example, approvals in December 2025 and July 2025 accounted for much of that year's rebound. As a result, annual totals provide a more reliable measure of underlying development activity.

4.5 Dewatering and policy gaps

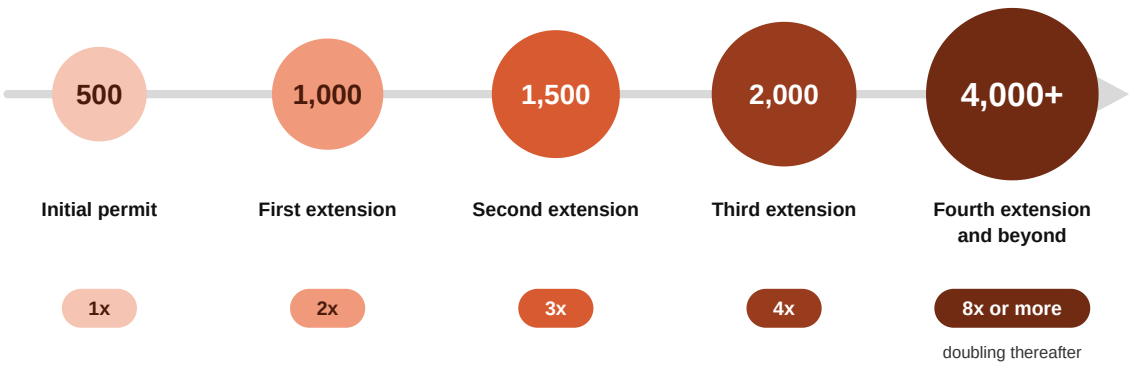
Foundation dewatering is one of the costliest hidden items in Malé construction, and the rules governing it add cost and delay that contractors cannot control. Every basement excavation below the water table has to pump groundwater out, and the water has to go somewhere.

How practice changed.
Until 2017, dewatering discharge was routinely routed into nearby municipal sewer lines. The rapid growth of high-rise buildings then caused constant blockages, surcharge and overflow in the city's sewage network, and direct sewer disposal was banned.

The current regime.
Dewatering is governed by the Utility Regulatory Authority (URA) under the Water and Sanitation Act, through Regulation No. 2021/R-20. A contractor must pre-test groundwater quality, submit a site engineering statement and obtain a permit before pumping starts. Compliance is priced by the day, and the price rises the longer a site takes.

Daily permit fee by stage

MVR per day, with the multiple of the base rate below each stage



The arithmetic shows why delay is the real cost. Thirty extra days of dewatering cost MVR 15,000 in permit fees at the base rate, MVR 60,000 at the third-extension rate and MVR 120,000 at MVR 4,000 a day. These are fees alone. Pump sets, hosing, fuel or power and round-the-clock monitoring labour come on top, and a landlocked site may need long pipe runs, sometimes with road-cutting, to reach a seawall outfall.

Basement work is exactly the kind that overruns, because it depends on ground conditions, shoring, material deliveries and approvals. The escalating schedule therefore lands hardest on the sites that are already in trouble. It also makes a stopped site more expensive to keep open: in the 2020 lockdown, MNACI gave the Ministry of Planning and Infrastructure a list of sites with excavated ground and interrupted dewatering, because uncontrolled groundwater movement can damage neighbouring buildings.

Policy gaps.

MNACI has repeatedly raised two problems.

- No municipal stormwater drainage network. Each contractor must design and build its own marine discharge pipeline across public thoroughfares, a cost that is repeated site after site.
- Permit delays count against the contractor. Slow approvals stall foundation work, and the extension penalties then run even where the authority's own delay caused the overrun.

What would help.

The case for reform is practical, and it does not weaken groundwater protection.

1. Build shared outfall corridors and a stormwater network, so that individual sites connect instead of laying their own pipelines.
2. Stop the permit clock, or waive extension penalties, when delay is caused by the authority or by lockdown-type restrictions.
3. Set a published service standard for permit and test-result turnaround.
4. Publish dewatering volumes, permits and fee revenue so that the true cost to the industry can be measured.



5 WORKFORCE, WELFARE AND OCCUPATIONAL SAFETY AND HEALTH

Heavily reliant on tens of thousands of expatriate workers, the Maldivian construction sector faces severe housing density challenges while enforcing strict measures against illegal recruitment and labor trafficking.

5.1 Who builds the Maldives

MNACI's 2020 estimate was 5,000–7,000 Maldivians and 40,000–50,000 expatriates directly employed by construction employers, the latter mostly from Bangladesh, India, Sri Lanka and Nepal. The same report put the total foreign workforce in the country above 150,000, about 40% of the resident population, and estimated more than 50,000 irregular workers with no employer of record.

The workforce is the industry's largest asset and its largest welfare risk. Housing density is the central problem, and the 2020 response showed it clearly: workers were housed project by project in crowded Malé accommodation, and employers who had arranged alternative lodging could not get permits to move them. Purpose-built accommodation at Thilafushi, Hulhumalé and K. Gulhifalhu was planned to ease this.

5.2 Against Human Trafficking

Aligned with national legislative frameworks and international monitoring standards (such as the Maldives' Tier 2 and Tier 2 Watch List standing under global Trafficking in Persons assessments), MNACI has maintained an uncompromising zero-tolerance stance against illegal labor trafficking and illicit recruitment practices.

5.3 Proactive Support

MNACI has actively raised its voice and lent its full institutional support to government measures aimed at regularizing foreign workers, streamlining repatriation for stranded or undocumented individuals, and cracking down on illegal brokers. By championing fair payment practices, proper documentation, and comprehensive welfare protection for both local professionals and foreign workers alike, MNACI continues to drive a transparent, humane, and sustainable future for the Maldivian construction industry.

5.4 Health and safety standards

MNACI published A Guide to Health and Safety at Construction Sites in 2010. At the time it was the first such document in the country, and it was explicitly a voluntary minimum standard for developers, main contractors and subcontractors, offered because no dedicated occupational health and safety act existed.

Core site safety requirements

Section numbers refer to the guide cited at the foot of the page

Employer duties — Section 3

Written safety policy and safety manual for every contractor; workers informed of hazards, with particular attention to young, newly engaged, illiterate and foreign workers

Public safety — Section 6

Defined pedestrian detours; supervised vehicle crossings; barriers and signs under suspended loads; fenced and lit excavations

PPE — Section 7

Contractor provides and trains: helmets, steel-toe boots, eye, hearing and respiratory protection, task-appropriate gloves

Hoarding — Section 8

Continuous hoarding of at least 1,800 mm; gantries where material could fall on the public

1,800 mm minimum

Site safety supervision — Section 5

Designated supervisor spending at least ten hours a week exclusively on safety

10 hours a week

Emergency planning — Section 4

At least one trained first-aider on site, accessible first-aid kit, emergency numbers displayed

Work at height (over 3 m) — Section 10

Guardrails 900–1,100 mm with mid-rail and toeboard, or nets, or fall arrest; rescue of a suspended worker within 20 minutes

900–1,100 mm guardrails **20 min rescue**

Scaffolding — Section 14

Competent-person inspection before use, weekly and after bad weather; scaffolds of 5 m or more erected under a competent scaffolder

5 m or more

Ladders — Section 13

Secured top and bottom; extend 1 m above the landing; foot placed one-quarter of working length from the base

1 m above landing

Electrical — Section 15–18

Residual current devices or equivalent in damp areas; tools inspected before first use and at least every three months; 4 m clearance from overhead lines without written consent

4 m clearance

Hot work and gases — Section 21

Cylinders upright and away from ignition; flash-back arrestors on each hose; daily hose checks; no oil or grease near oxygen

Cranes — Section 24

Weekly inspection and 12-monthly thorough examination; trained driver over 18; no loads over third-party property

12-monthly examination

Confined spaces — Section 25

Test air before entry; forced ventilation; watcher outside; rescue harnesses and winch

Demolition — Section 26

Services disconnected; public excluded; clear zone of 1.5 times wall height for pulled walls

1.5 × wall height

Source: MACI, A Guide to Health and Safety at Construction Sites (2010).

> “We stand uncompromising in our zero-tolerance against human trafficking, and proactive in championing a humane, fair, and sustainable future.” — MNACI

5.5 Post-pandemic protocols

MNACI's 2020 recovery work added a critical layer that the 2010 guide did not contain: pre-entry testing of workers where authorities require it, signed health declarations, entry and movement logs accessible to the Health Protection Agency (HPA), rules on shared tools and distancing at breaks, and a standard procedure for closing and isolating a site after a positive case. These measures should be formally folded into a revised national guide, prepared jointly with the HPA around five core operational pillars:

Core Components for the Revised National Site Safety Guide



Pre-Entry Screening & Health Declarations: Mandatory health declaration forms upon initial mobilization and rapid pre-entry testing whenever public health alerts are active.



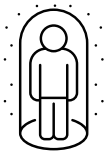
Digital Entry & Movement Logs: Standardized site attendance and visitor registries maintained in real time and accessible to the HPA for rapid contact tracing.



Tool Sanitation & Equipment Protocols: Strict prohibitions on unwashed tool sharing, supported by designated sanitization stations at site entry points and storage areas.



Zoned Break & Welfare Management: Staggered shift breaks, marked physical distancing zones in rest and dining areas, and improved ventilation in worker accommodation quarters.



Site Isolation & Outbreak Containment: A step-by-step standard operating procedure (SOP) governing temporary site suspension, zone isolation, deep cleaning, and clearance protocols following a confirmed positive case.



6 OUTLOOK AND RECOMMENDATIONS

Entering its third recovery stage, the construction sector shows rising volume alongside cost pressures, making data transparency, updated safety standards, and prompt payments vital for profitable transformation.

The evidence points to a sector that is recovering in volume but remains under pressure from costs, financing constraints and regulatory frictions. Construction output has strengthened since its pandemic trough, imports have returned to record levels and permit approvals improved during 2025. Yet delayed payments, rising input costs and operational bottlenecks continue to weigh on profitability.

The challenge is no longer restarting activity but sustaining recovery in a way that is productive, profitable and resilient.

The 2026 data supports cautious optimism on volume and continued concern on cost.

Five priorities emerge from the evidence presented in this report.

1. Improve transparency and payment visibility

Public investment remains one of the construction sector's most important sources of demand, yet contractors often have limited visibility over project pipelines and payment timelines. Publishing forward schedules for projects expected to start, continue, pause or complete would improve planning across the industry. Greater transparency should also extend to invoice ageing and payment performance. More predictable payment cycles would reduce financing costs and lower pressure on working capital throughout the supply chain.

2. Improve contractor liquidity

Access to working capital remains a structural challenge for construction firms. Contractors must continue meeting payroll, supplier, accommodation and equipment costs while waiting for invoices to be certified and paid. Consideration should be given to low-cost working-capital facilities linked to certified government invoices or approved project receivables. Such mechanisms would improve cash flow, reduce borrowing costs and support project continuity during periods of economic stress.

3. Strengthen construction-sector data

Several findings in this report highlight gaps in publicly available construction data. The sharp increase in imports from August 2024, the unusual 2025 completion figures and the concentration of permit data in Malé demonstrate the need for more complete reporting. Publishing commodity-level import breakdowns, validating completion statistics and extending permit datasets beyond the capital would provide a more accurate picture of national construction activity.

4. Modernise safety governance

Construction activity has recovered substantially since the pandemic, but the sector's safety framework has not evolved at the same pace. Existing guidance should be reviewed and updated to reflect current industry practices, project complexity and international standards. Stronger implementation through procurement requirements, contract conditions and inspections would help ensure that safety standards are applied consistently across the industry.

5. Reduce avoidable regulatory costs

The dewatering case study illustrates how delays and administrativeprocesses can significantly increase project costs. While environmental safeguards remain necessary, permitting systems should seek to minimise costs arising from avoidable delays and infrastructure gaps. Potential reforms include clearer service standards, improved permit turnaround times, investment in stormwater infrastructure and a review of fee structures where delays occur for reasons beyond a contractor's control.

Conclusion

Under MNACI's three-stage recovery framework, the industry has moved beyond the Maintain and Restart phases and entered the Reclaim and Transform stage. The evidence suggests that recovery is now less constrained by demand than by efficiency, financing and project delivery.

Future growth will depend on strengthening transparency, improving liquidity, enhancing data quality, modernising safety governance and reducing avoidable regulatory costs. The sector has demonstrated its capacity to recover. The next challenge is ensuring that recovery translates into sustainable profitability, stronger productivity and long-term growth.

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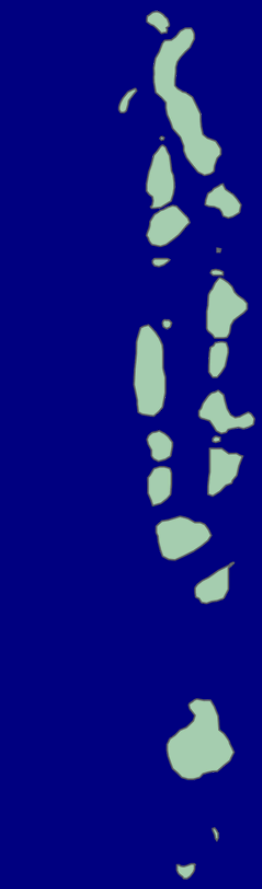
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MEMBER
IFAWPCA



Maldives National Association of Construction Industry (MNACI)