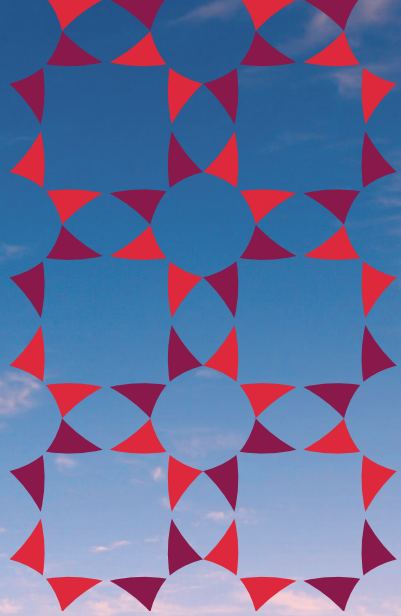


غرفة البحرين  
BAHRAIN CHAMBER



## Overview of the Local Economy

Q4 - 2024





# Report Content

**1** Executive Summary

Page 1

**2** GDP Growth and Contribution  
of Economic Sectors

Page 5

**3** Trade Exchange

Page 8

**4** Local Economic Outlook

Page 15

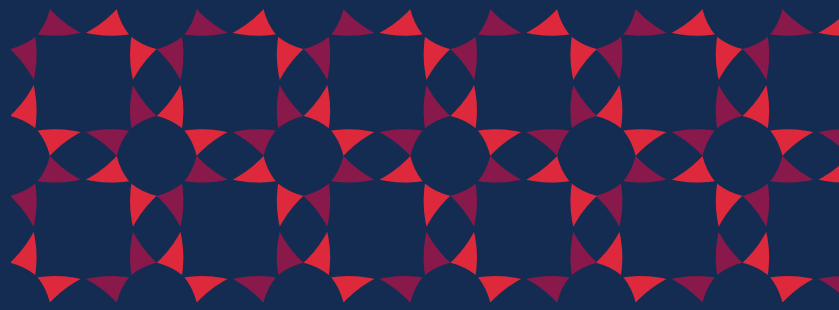
**5** Bahrain's Ranking in Global Indices

Page 22

**6** Global Economic Outlook

Page 25





1

# Executive Summary

## Introduction

Real GDP grew by 3.4% in Q4 2024 YoY, propelled by 4.6% growth in the non-oil sector. Some of the sectors that witnessed high real growth rates include Information and Communication at 12.4%, Transportation and Storage at 11%, and Manufacturing at 7%. The Financial and Insurance Activities is the highest contributor to real GDP at 17.3%.

Trade between Bahrain and GCC countries has decreased by 2% from 2.03 billion USD in Q4 2023 to 2.00 billion USD in Q4 2024.

Fawri+ transaction has increased by 12%, while POS transaction has increased by 14% in Q4 2024 compared to the same period in 2023.

Inflation (Average Consumer Prices) is expected to decrease to 2% in 2025 in the European Union, on the other hand GDP is expected to increase to 1.8% in 2025 in the Advanced Economies according to the IMF – World Economic Outlook October 2024.

# Key Indicators in Q4 2024

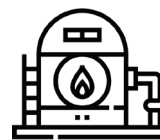
## GDP Growth (YoY)



**Real GDP Growth**  
+3.4%



**Non-Oil GDP Growth**  
+4.6%



**Oil GDP Growth**  
-3.5%

## Top Growing Non-Oil Activities (YoY)



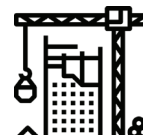
**Information and Communication**  
12.4%



**Transportation and Storage**  
11%



**Manufacturing**  
7%








**Construction**  
6.8%

## Trade Exchange

### Bahrain's Top Import Partners

Country	Total Value of Imports (USD)
 China	571,209,596
 Australia	420,261,257
 United Arab Emirates	302,585,623
 Brazil	276,271,185
 United States of America	252,505,387

### Bahrain's Top Export Partners

Country	Total Value of Exports (USD)
 Saudi Arabia	739,400,351
 United Arab Emirates	407,702,400
 United States of America	355,576,081
 Netherlands	215,354,476
 India	135,557,594

Source: Information and eGovernment Authority

# Key Indicators in Q4 2024

## Local Economic Outlook



POS Transactions

14% YoY



Fawri+ Transactions

12% YoY



CPI Dec 2024

+0.5% YoY

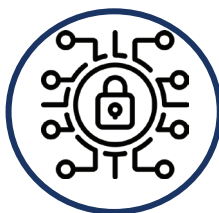
### Interest Rates on Business Loans Q4 2024

Sector	%
Construction & Real Estate	6.64%
Manufacturing	6.59%
Trade	6.43%
Other	6.56%

## Bahrain's Ranking on Global Indices



Manama ranks first globally in the financial index of the Global 150 Cities Index 2024.



Bahrain Leads as a Pioneering Model in the 2024 Global Cybersecurity Index



Bahrain Ranks First in the Arab World in the 2024 Economic Freedom of the World Index

## Global Economic Outlook



Inflation (Average Consumer Prices) is expected to decrease to 2% in 2025 in the European Union



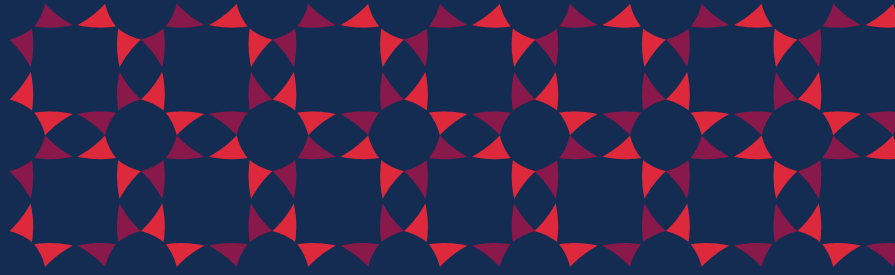
GPD is expected to increase to 1.8% in 2025 in the Advanced Economies

Oil Type	Price - Dec 2024
WTI	\$67.20
Brent	\$71.12

WTI and Brent Oil Price Change Dec 2024

-9% and -10% YoY

Source: Information and eGovernment Authority, SIO, IMF, CBB, Bloomberg



## 2

# Growth and GDP Contribution of Economic Sectors

# Information and Communication Activities is the fastest growing sector at 12.4% YoY in Q4 2024



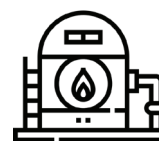
Real GDP Growth

+3.4%



Non-Oil GDP Growth

+4.6%



Oil GDP Growth

-3.5%

## Real GDP Growth by Non-oil Economic Activities –Q4 2024 (YoY)

Sector	YoY Growth
Information and Communication	▲ 12.4%
Transportation and Storage	▲ 11%
Manufacturing	▲ 7%
Construction	▲ 6.8%
Accommodation and Food Services	▲ 6.1%
Financial and Insurance Activities	▲ 4.8%
Public Administration	▲ 4.7%
Wholesale and Retail Trade	▲ 2.1%
Other	▲ 1.9%
Real Estate Activities	▲ 0.9%
Human Health and Social Work	▼ -2.5%
Education	▼ -2.7%

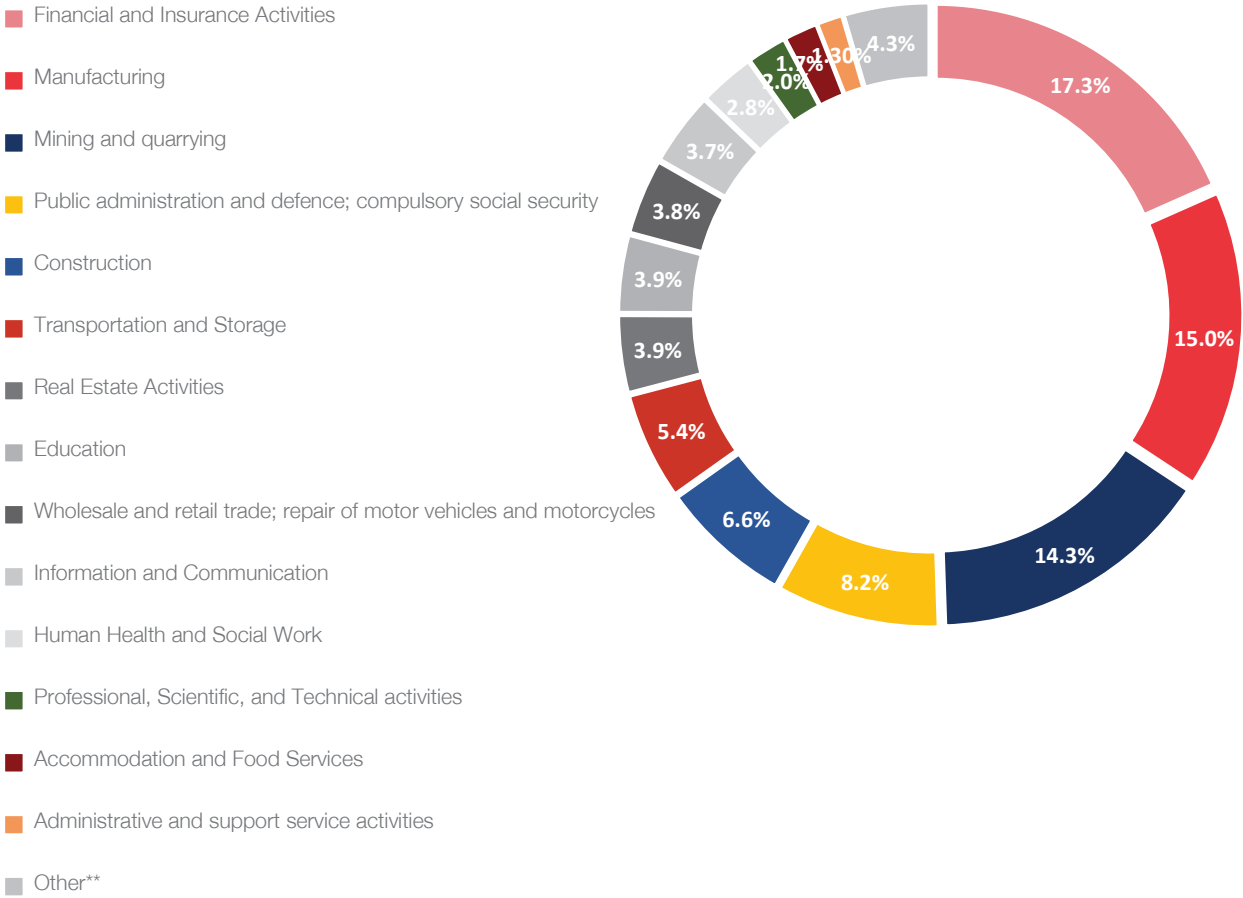
Bahrain's real GDP grew by 3.4% YoY in Q4 2024, propelled by a 4.6% growth in the non-oil sector and a -3.5% decrease in the oil sector. The Information and Communication witnessed the highest YoY growth by 12.4%. The second fastest growing activity was the Transportation and Storage at 11% YoY, followed by Manufacturing at 7% YoY.

Source: Information and eGovernment Authority - Ministry of Finance and National Economy



# Financial and Insurance Activities is the highest contributor to real GDP at 17.3% in Q4 2024

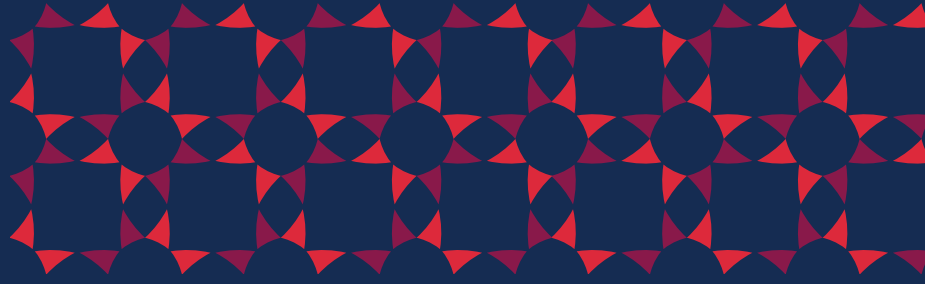
Economic Activities Contribution to Real GDP –Q4 2024



\*\* Includes Electricity and Gas, Activities of households as employers, Water supply, sewerage and waste management, Arts, entertainment and recreation, Agriculture, forestry and fishing, other service activities, and net taxes on products.

The Financial and Insurance Activities is the highest contributor to GDP in Q4 2024 at 17.3%, followed by the Manufacturing at 15%, and the Mining and quarrying at 14.3%.

Source: Information and eGovernment Authority - Ministry of Finance and National Economy

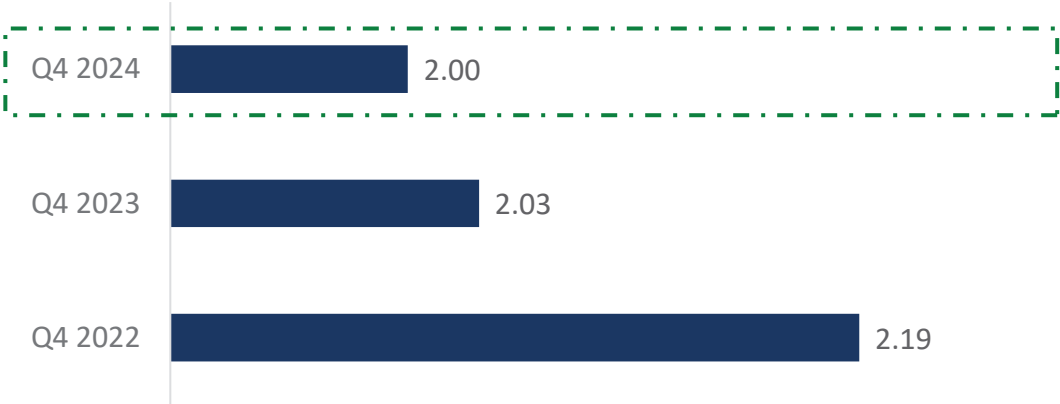


3

## Trade Exchange

# 2% Decrease in volume of trade between Bahrain and GCC countries in Q4 2024 YoY

Volume of Trade between Bahrain and GCC (billion USD)

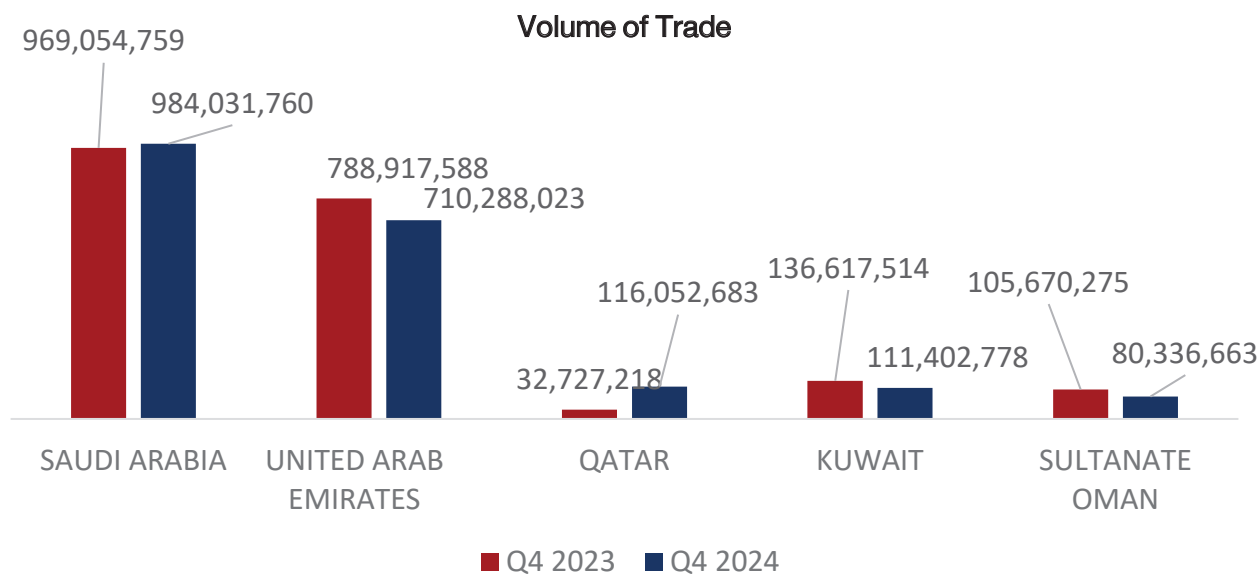


Q4 2022	Q4 2023	Q4 2024	% Change from 2023 to 2024
2,185,459,896	2,032,987,354	2,002,111,907	-2%

The volume of trade exchange between Bahrain and GCC countries has increased in Q4 2024 compared to the same period in 2023. Trade decreased by 2% from 2.03 billion USD in Q4 2023 to 2.00 billion USD in Q4 2024.

Source: Information and e-Government Authority

## 255% increase in the volume of trade between Bahrain and Qatar in Q4 2024



Country	Q4 2022	Q4 2023	Q4 2024	% Change from 2023 to 2024
SAUDI ARABIA	1,028,718,216	969,054,759	984,031,760	2%
UNITED ARAB EMIRATES	798,306,991	788,917,588	710,288,023	-10%
QATAR	13,875,258	32,727,218	116,052,683	255%
KUWAIT	145,700,944	136,617,514	111,402,778	-18%
SULTANATE OMAN	198,858,488	105,670,275	80,336,663	-24%

Source: Information and e-Government Authority



# 255% increase in the volume of trade between Bahrain and Qatar in Q4 2024

2%

## Saudi Arabia

Saudi Arabia had the highest volume of trade exchange with Bahrain in Q4 2024. The volume of trade between KSA and Bahrain was 969 million USD in Q4 2023 and increased by 2% to 984 million USD in Q4 2024.

-10%

## United Arab Emirates

The United Arab Emirates had the second-highest volume of trade exchange with Bahrain among GCC countries in Q4 2024. The volume of trade between the two countries has decreased by 10% from 789 million USD in Q4 2023 to 710 million USD in Q4 2024.

255%

## Qatar

Trade levels between Qatar and Bahrain have increased by 255%, from 33 million USD in Q4 2023 to 116 million USD in Q4 2024.

-18%

## Kuwait

Trade between Bahrain and Kuwait has decreased as well by 18% from 137 million USD in Q4 2023 to 111 million USD in Q4 2024.

-24%

## Oman

Trade between Bahrain and Oman decreased by 24% from 106 million USD in Q4 2023 to 80 million USD in Q4 2024.

Source: Information and e-Government Authority



## Bahrain's Top Import Partners in Q4 2024

Country	Total Value of Imports in Q4 2024 (USD)	Top Imported Commodity	Commodity Value (USD)	% of Total Imports from the Country
China	571,209,596	Smartphones	86,753,610	15%
Australia	420,261,257	Other Aluminum Oxide	391,107,872	93%
United Arab Emirates	302,585,623	Gold Ingots	59,817,254	20%
Brazil	276,271,185	Non-Agglomerated Iron Ores and Concentrates	249,654,254	90%
United States of America	252,505,387	Parts for Aircraft Engines	40,704,022	16%

### China maintains its position as Bahrain's top import partner in Q4 2024

China is still Bahrain's top import partner with a total import value of 571 million USD. The top imported commodity was smartphones, with a total value of 87 million USD. This commodity accounts for 15% of total imports from China.

Australia was second largest import partner with an imports value of 420 million USD in Q4 2024. The top imported commodity was Other Aluminum Oxide, valued at 391 million USD and constituting 93% of total imports from Australia.

United Arab Emirates was the third top import partner in Q4 2024, with the total value of imports reaching 303 million USD. The top imported commodity was Gold Ingots, valued at 60 million USD, and it accounts for 20% of total imports.

Brazil was Bahrain's fourth import market with total import amount of 276 million USD. The top imported commodity was Non-Agglomerated Iron Ores and Concentrates, valued at 250 million USD and accounting for 90% of total imports from Brazil.

The United States of America was Bahrain's fifth import market, with a total import amount of 253 million USD. The top commodity imported was Parts for Aircraft Engines at 41 million USD and it accounts for 16% of imports from the US.

Source: Information and e-Government Authority

## Bahrain's Top Export Partners in Q4 2024

Country	Total Value of Exports in Q4 2024 (USD)	Top Exported Commodity	Commodity Value (USD)	% of Total Exports from the Country
Saudi Arabia	739,400,351	Agglomerated Iron Ores and Concentrates	109,062,185	15%
United Arab Emirates	407,702,400	Gold Ingots	49,168,436	12%
United States of America	355,576,081	Unwrought Aluminum Alloys	163,582,989	46%
Netherlands	215,354,476	Unwrought Aluminum not Alloyed	105,439,897	49%
India	135,557,594	Urea, Whether Or Not In Aqueous Solution	42,226,875	31%

### Saudi Arabia maintains its position as Bahrain's top export partner in Q4 2024

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q4 2024, with the total value of exports reaching 470 million USD. The top exported commodity was Agglomerated Iron Ores and Concentrates at 109 million USD, accounting for 15% of total exports to Saudi Arabia.

The United Arab Emirates was Bahrain's second largest export partner, with a total value of exports of 408 million USD. The top exported commodity was Gold Ingots at 49 million USD, accounting for 12% of exports.

The United States was Bahrain's third largest export partner with the total value of exports reaching 356 million USD. The top exported commodity was Unwrought Aluminum Alloys at 164 million USD, accounting for 46% of exports to the US.

Total exports to Netherlands amounted to 215 million USD. The top exported commodity was Unwrought Aluminum not Alloyed at 105 million USD, which constitutes 49% of total exports to Netherlands.

India was Bahrain's fifth largest export partner in Q4 2024, with the total value of exports reaching 136 million USD. The top exported commodity was Urea, Whether Or Not In Aqueous Solution at 42 million USD, and it accounts for 31% of total exports.

Source: Information and e-Government Authority

# Bahrain's Top Traded Commodities in Q4 2024

## Top Imports in Bahrain

Commodity	Import Value (USD)
OTHER ALUMINIUM OXIDE	395,141,192
NON-AGGLOMERATED IRON ORES AND CONCENTRATES	297,746,595
PARTS FOR AIRCRAFT ENGINES	175,621,429
Smartphones	100,815,643
JEWELLERY OF GOLD	85,177,962

The top imported commodity in Q4 2024 was OTHER ALUMINIUM OXIDE with the total value of imports reaching 395 million USD. This is followed by Non-Agglomerated Iron Ores And Concentrates and Parts for Aircraft Engines, with the total value of imports reaching 298 million USD and 176 million USD, respectively.

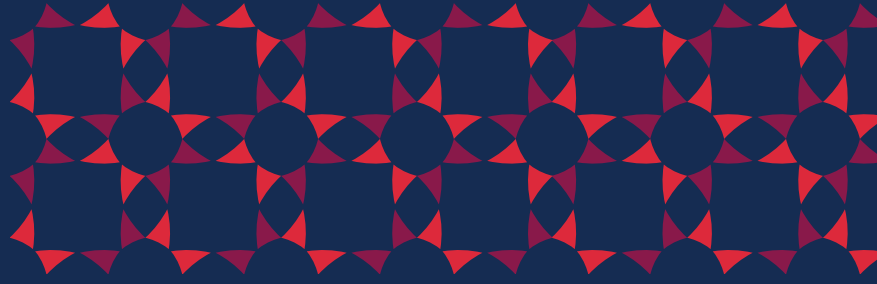
## Top Exports from Bahrain

Commodity	Export Value (USD)
UNWROUGHT ALUMINIUM ALLOYS	743,343,615
AGGLOMERATED IRON ORES AND CONCENTRATES	318,423,997
UNWROUGHT ALUMINIUM, NOT ALLOYED	212,930,502
ALUMINUM WIRE, NOT ALLOYED, OVER 7 MM THICK	142,792,214
PROCESSED CHEESE, NOT GRATED OR POWDERED	120,701,463

The top exported commodity in Q4 2024 was Unwrought Aluminium Alloys, with the total value of exports reaching 743 million USD. The second and third top exported commodities were Agglomerated Iron Ores and Concentrates and Unwrought Aluminum, Not Alloyed, with the total value of exports reaching 318 million USD and 213 million USD, respectively.

Source: Information and e-Government Authority



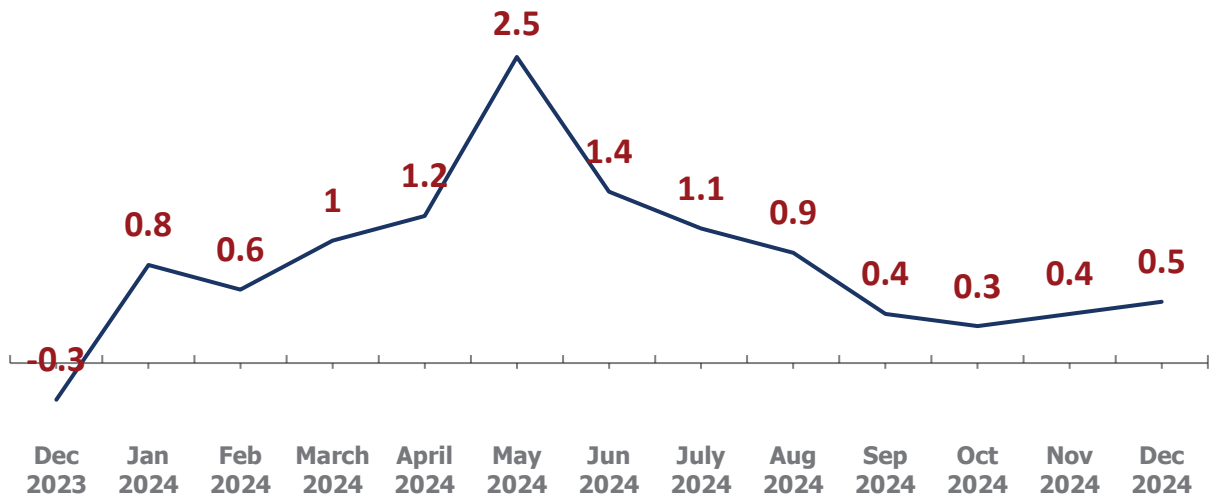


# 4

## Local Economic Outlook

# 0.5% increase in Consumer Price Index (CPI) in December 2024 compared to December 2023

Consumer Price Index, Annual Change (%)



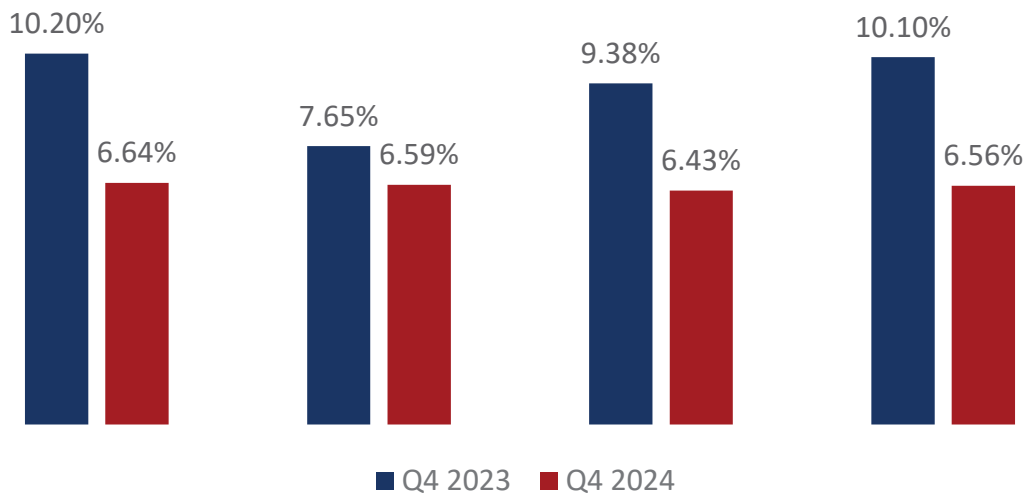
The consumer price index increased in December 2024 compared to December of last year by 0.5%. The most notable changes in the year were:

- +3.3% Increase in Miscellaneous Goods and Services Group
- +3% Increase in Restaurants and Hotels Group
- +2.9% Increase in Communication Group .
- -1.7% Decrease in Furnishings, Household Equipment and Routine Household Maintenance Group

Source: Information and e-Government Authority

# Decrease in interest rates on all of business loans in all sectors in Q4 2024 YoY

Interest Rates on Business Loans YoY



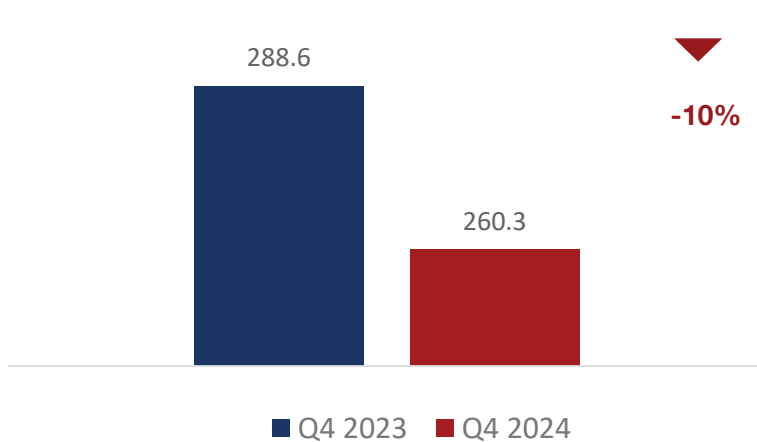
In the Construction and Real Estate sector, the interest rate decreased from 10.20% in Q4 2023 to 6.64% in Q4 2024. Also, the interest rate in the Manufacturing sector decreased from 7.65% in Q4 2023 to 5.59% in Q4 2024, interest rates also decreased in the Trade sector from 9.38% in Q4 2023 to 6.43% in Q4 2024.

Source: Central Bank of Bahrain



## 10% decrease in ATM withdrawal values in Q4 2024 compared to the same period in 2023

Value of ATM Withdrawals (Million BHD)

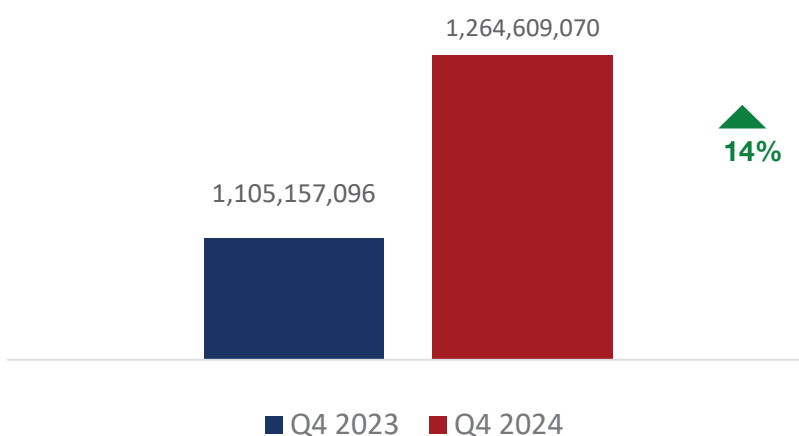


The value of ATM withdrawals decreased by 10%, from 288.6 million BHD in Q4 2023 to 260.3 million BHD in Q4 2024.

Source: Central Bank of Bahrain

## 14% increase in the value of POS transactions recorded in Q4 2024 compared to the same period in 2023

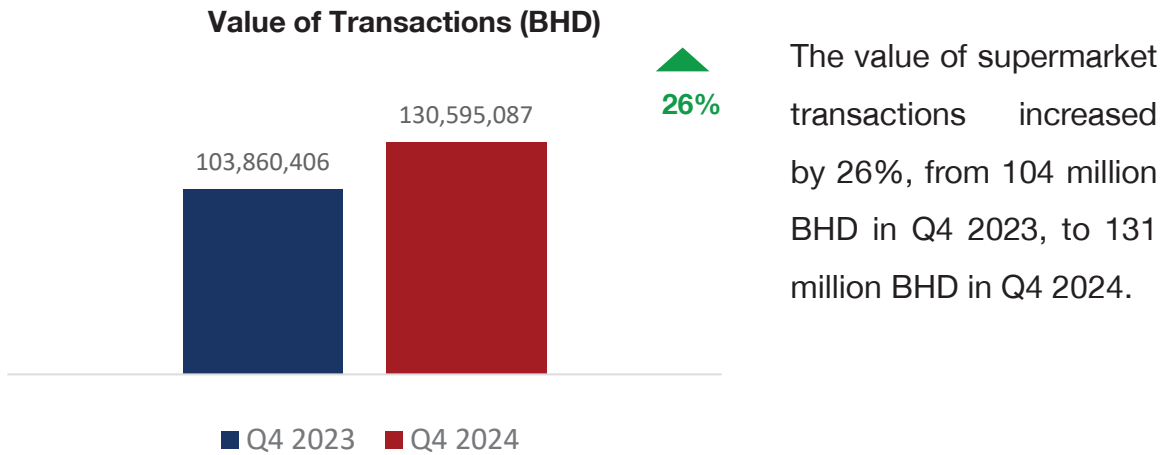
Value of POS Transactions (BHD)



The value of POS transactions increased by 14%, from 1.105 billion BHD in Q4 2023 to 1.265 billion BHD in Q4 2024.

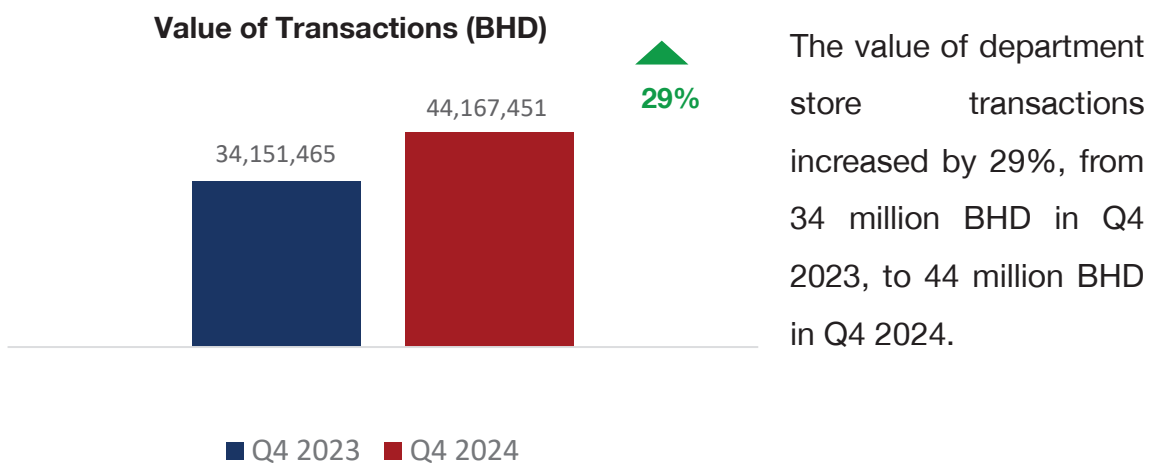
Source: Central Bank of Bahrain

## 26% increase in the value of supermarket transactions in Q4 2024 compared to the same period in 2023



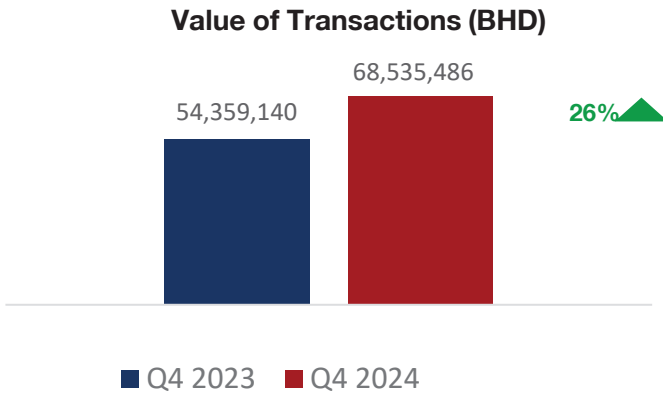
Source: Central Bank of Bahrain

## 29% increase in the value of department store transactions in Q4 2024 compared to the same period in 2023



Source: Central Bank of Bahrain

## 26% increase in the value of jewelry store transactions in Q4 2024 compared to the same period in 2023

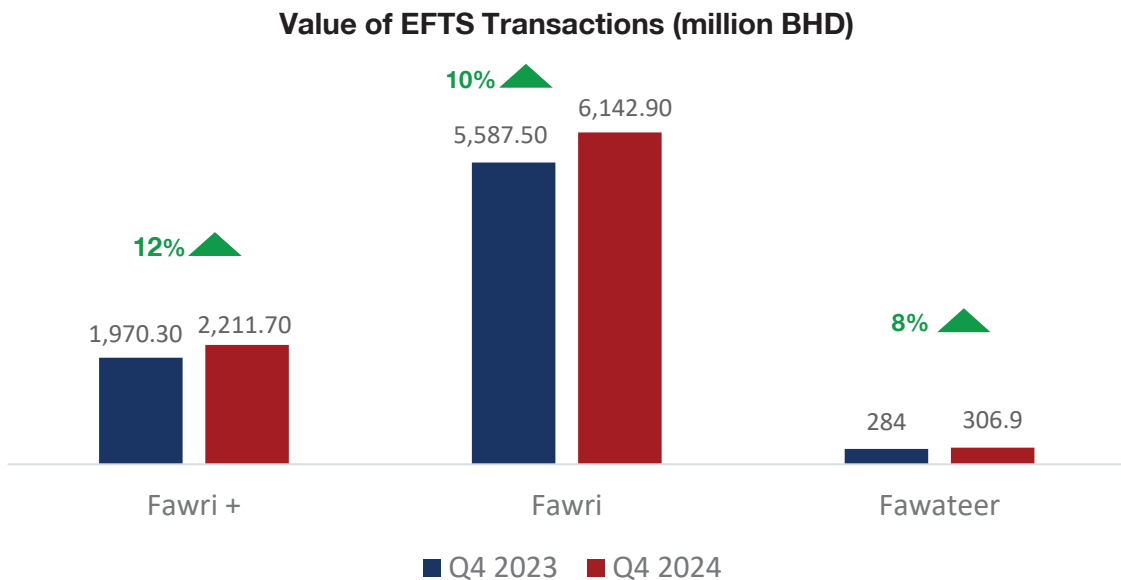


The value of transactions in the jewelry stores sector increased by 26%, from 54 million BHD in Q4 2023, to 69 million BHD in Q4 2024.

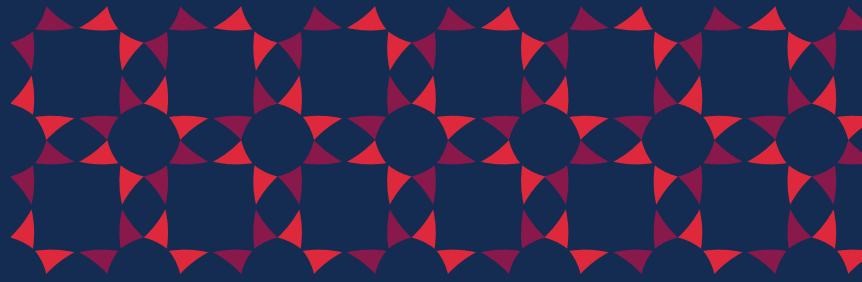
Source: Central Bank of Bahrain

## 12% increase in transfers via Fawri+ in Q4 2024 compared to the same period in 2023

The value of EFTS transactions through the Fawri+ system increased by 12% from 2 billion BHD in Q4 2023 to 2.2 billion BHD in Q4 2024. The value of EFTS transactions through the Fawri system increased by 10% as well from 5.6 billion BHD in Q4 2023 to 6.1 billion BHD in Q4 2024. Fawateer transactions increased by 8% from 284 million BHD in Q4 2023 to 306.9 million BHD in Q4 2024.



Source: Central Bank of Bahrain



# 5

## Bahrain's Ranking in Global Indices



# Manama ranks first globally in the financial index of the Global 150 Cities Index 2024.

For the second consecutive year, Manama has maintained its position as the world's top city in the financial index of the **AIRINC Global 150 Cities Index 2024**. This ranking highlights Bahrain's strong economic environment and competitive standing as an ideal destination for individuals and businesses.

The financial index ranking is based on several key factors, including wage levels, the tax environment, and balanced living costs. The report's methodology involves a comprehensive assessment of wages across various sectors, tax policies, and the cost of essential goods and services—factors that continue to reinforce Manama's leading position in this category.

## Ranking of the Top 6 Cities Globally in the Financial Index

city	Global Ranking
Manama	1st
Georgetown (Cayman Islands)	2nd
Zurich (Switzerland)	3rd
Macau (China)	4th
Guatemala City (Guatemala)	5th
Geneva (Switzerland)	6th

## Ranking of GCC Cities in the Financial Index

city	Global Ranking
Manama	1st
Kuwait City	7th
Riyadh	9th
Abu Dhabi	10th
Dubai	17th
Doha	19th
Muscat	21st

Source: AIRINC's 2024 Global 150 Cities Index

# Bahrain Leads as a Pioneering Model in the 2024 Global Cybersecurity Index

The Kingdom of Bahrain has achieved a significant milestone in the 2024 Global Cybersecurity Index, where it was ranked in the highest category "Role-Modeling" globally. This accomplishment reaffirms Bahrain's steadfast commitment to developing a secure digital economy.

The Global Cybersecurity Index, established by the International Telecommunication Union (ITU), aims to assist countries in identifying areas for improvement and encourages them to build their cybersecurity capabilities. The index evaluates the commitment of 194 countries to cybersecurity based on five key pillars: legal, technical, organizational, capacity development, and cooperation, using 20 indicators. Countries are classified into five categories, with "Role-Modeling" being the highest level.

## GCC Countries' Ranking in the 2024 Global Cybersecurity Index

Country	Global Ranking
Bahrain	Role-Modeling-Top Tier
Saudi Arabia	Role-Modeling-Top Tier
UAE	Role-Modeling-Top Tier
Kuwait	Establishing-3rd Tier
Qatar	Role-Modeling-Top Tier
Oman	Role-Modeling-Top Tier

Source: Global Cybersecurity Index 2024



# Bahrain Ranks First in the Arab World in the 2024 Economic Freedom of the World Index

The Kingdom of Bahrain has emerged as the leader in the Arab world in the **Fraser Institute's Economic Freedom of the World Index 2024**, ranking 34th globally. This reflects the kingdom's commitment to policies that support economic growth and stability.

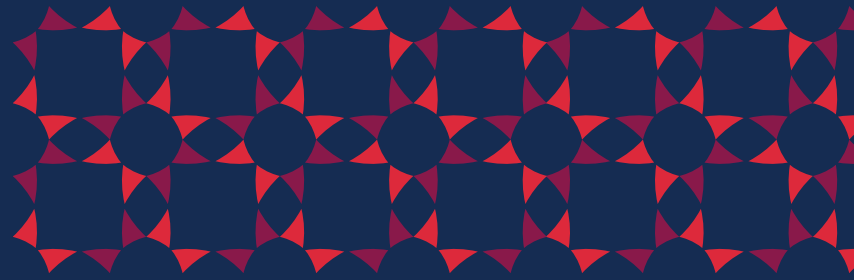
The Economic Freedom Index measures the extent to which individuals are free to make their own economic decisions by evaluating the policies and institutions across 165 countries. The index focuses on five key areas: size of government, legal system and property rights, sound money, freedom to international trade, and regulation.

## GCC Countries' Ranking in the 2024 Economic Freedom Index

Country	Global Ranking
Bahrain	34
UAE	45
Saudi Arabia	58
Qatar	78
Kuwait	92
Oman	95

Source: Economic Freedom of the World, 2024 - Fraser Institute



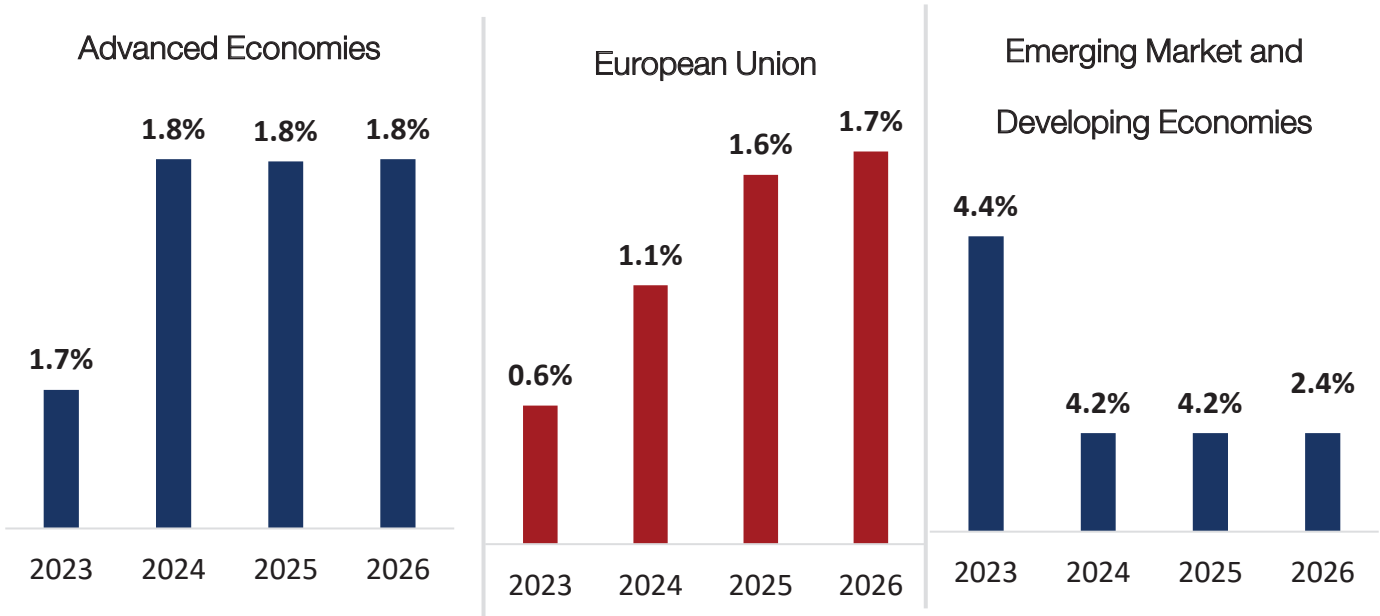


# 6

## Global Economic Outlook

# GPD is expected to increase to 1.8% in 2025 in the Advanced Economies

## Gross domestic product (Constant Prices)



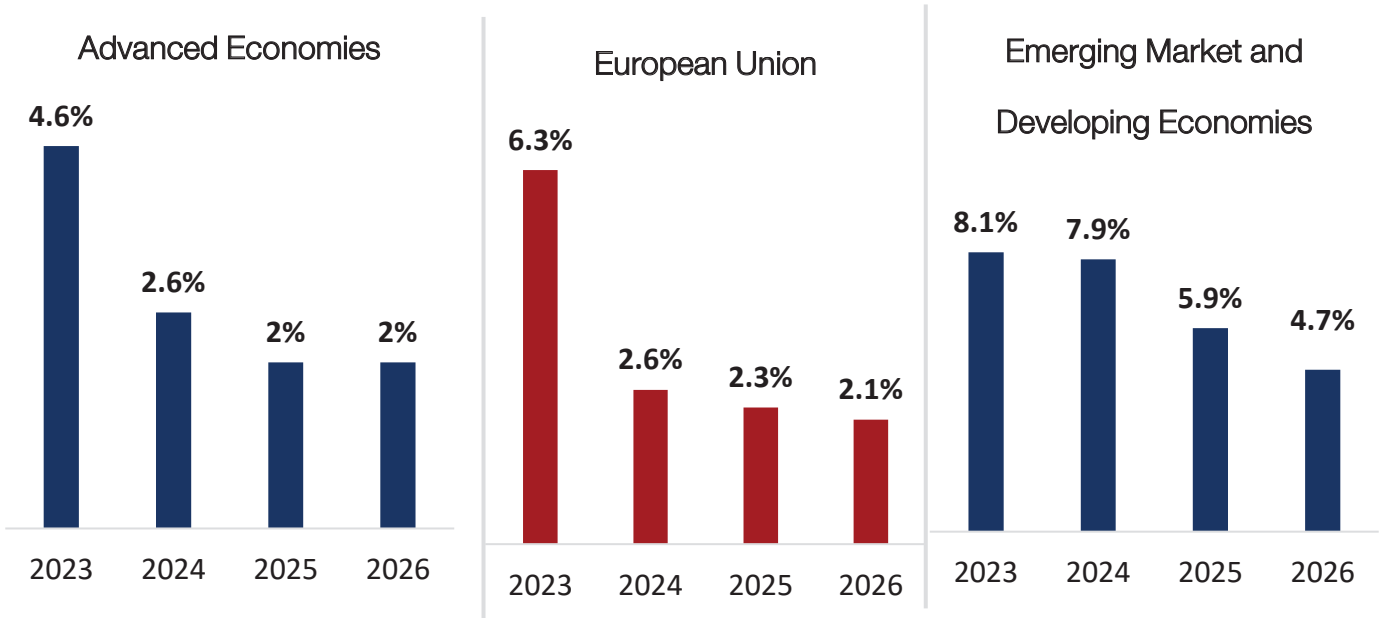
According to the IMF’s “World Economic Outlook” report released in October 2024, the Gross Domestic Product (at Constant Prices) in the Advanced Economies increased from 1.7% in 2023 to 1.8% in 2024 and expected to be constant at 1.8% in 2025 and 2026. In the European Union, it increase from 0.6% in 2023 to 1.1% in 2024 and expected to increase to 1.6% and 1.7% 2025 and 2026. While in Emerging Market and Developing Economies, it decreased from 4.4% in 2023 to 4.2% in 2024 and expected to be constant at 4.2% in 2025 and 2026.

Source: IMF – World Economic Outlook October 2024



# Inflation (Average Consumer Prices) is expected to decrease to 2% in 2025 in the European Union

Inflation (Average Consumer Prices)



According to the IMF’s “World Economic Outlook” report released in October 2024, the Inflation (Average Consumer Prices) in the Advanced Economies decreased from 1.74.6 in 2023 to 2.6% in 2024 and expected to decrease to 2% in 2025 and 2026. In the European Union, it decreased as well from 6.3% in 2023 to 2.6% in 2024 and expected to decrease more to 2.3% and 2.1% 2025 and 2026. While in Emerging Market and Developing Economies, it decreased slightly from 8.1% in 2023 to 7.9% in 2024 and expected to decrease to 5.9% and 4.7% in 2025 and 2026.

Source: IMF – World Economic Outlook October 2024



## 10% Decrease in Brent oil price in Dec 2024 YoY

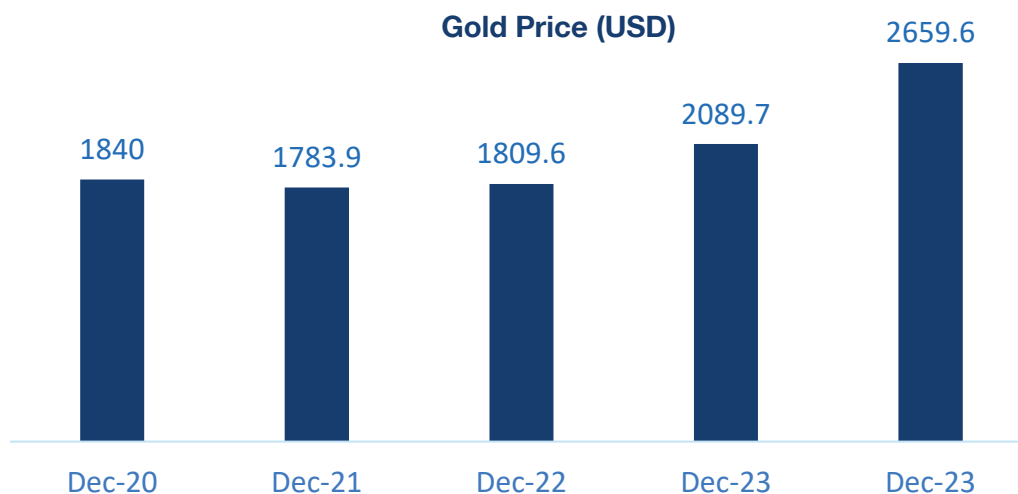
Oil Prices (USD per barrel)

Oil Type	Dec 2023	Dec 2024	Percentage Change
WTI	\$74.07	\$67.20	-9% ▼
Brent	\$78.88	\$71.12	-10% ▼

The price of a barrel of WTI crude oil has decreased by 9% in Dec 2024 compared to Sep 2023. The price of a barrel of WTI crude oil has decreased from \$74.07 per barrel in 2023 to \$67.20 per barrel in 2024. Also, the price of Brent crude oil has decreased from \$78.88 per barrel in 2023 to \$71.12 per barrel in 2024.

Source: Bloomberg

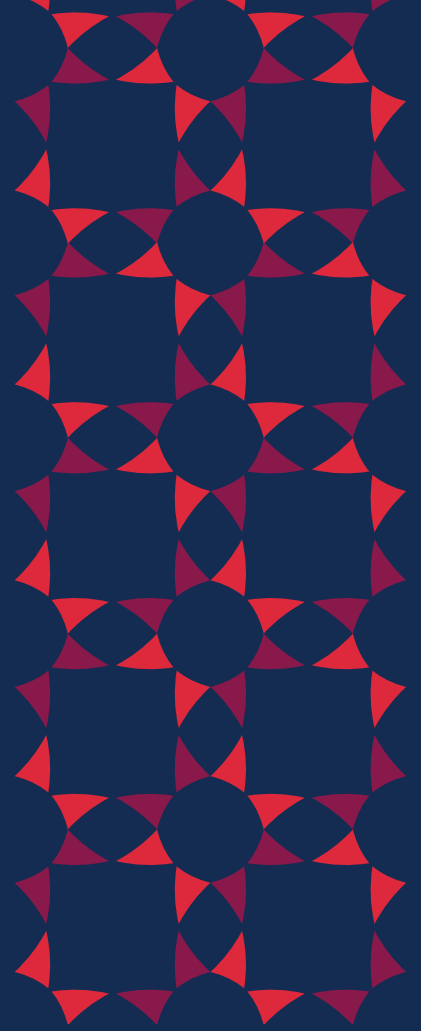
## 45% increase in gold price over 5-year period



The price of gold reached \$2659.6 USD in Dec 2024, an increase of 45% compared to \$ 1840 USD in Dec 2020.

Source: Bloomberg





## غرفة البحرين BAHRAIN CHAMBER

Since its inception in 1939, the Bahrain Chamber of Commerce and Industry (BCCI) played a prominent role in shaping the national economy of Bahrain and creating a vigorous private sector.

It has kept abreast of the fast-paced economic and social developments, and consolidated its efforts to stimulate the growth and expansion of the private sector and empower its role in the economic development of the country alongside the public sector.

The confidence bestowed upon the chamber by the wise leadership reinforced its influence on economic decisions and streamlined its endeavor to create an attractive ecosystem that fosters the flourish of businesses. In addition, the growing base of its members contributed to reinstating its standing as the sole representative of the private sector and an advocate of its interest.