

Overview of the Local Economy

Q1 2021



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Executive Summary



Employees in Various Economic Sectors

- Number of private sector employees in 2020 decreased by 6% compared to 2015, and by 9% compared to 2019 due to pandemic.
- A decrease in the number of employees of most economic sectors since 2015, and the largest decrease was in the agriculture, fishing, forestry, and related activities sector by -34%.
- The largest increase was in the number of employees in the health and social work sector by 138%.



Trade Exchange

- The total volume of trade (oil and non-oil) in Bahrain decreased by -12% from 33.5 billion US dollars in 2010 to 29.6 billion US dollars in 2020.
- A 2.7% decrease in the volume of non-oil trade during 2020 compared to 2019.
- A decrease in the volume of trade with the Gulf States during 2020 compared to 2019. The most prominent decrease was with the United Arab Emirates by 21.6%, and with Kuwait by 17%.



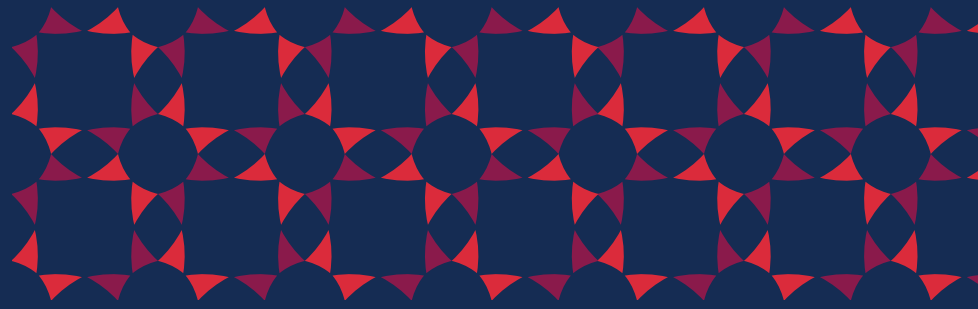
Local Economic Statistics

- The economy is expected to recover in 2021, as the real GDP growth is expected to reach approximately 3.3%.
- The consumer price index fell by 2.3% in 2020 compared to 2019.
- Bahrain ranks 39th internationally in the Productive Capacities Index.
- Bahrain ranks 49th internationally in the Food Security Index.



The Impact of the Pandemic on Various Sectors

- A 424% increase in Fawri + remittances during February 2021.
- An increase in the number of electronic payment transactions by 15.5% and the value of transactions by 2.6% during February 2021.
- 5% decrease in the number of ATM withdrawals in 2020 compared to 2019.
- 118% increase in the value of point of sales and ecommerce transactions in the supermarket sector.
- 45% decrease in the value of point of sales and ecommerce transactions in the jewelry sector.
- The number of inbound visitors for tourism in Bahrain decreased by 83%, from 11.1 million visitors in 2019 to 1.9 million visitors in 2020.
- Total inbound tourism revenues decreased by 80% in 2020 from BD 1.5 million to BD 0.3 million.
- 494% increase in the cybercrimes during the past year.
- The coronavirus pandemic reduced classroom training courses by 80%.



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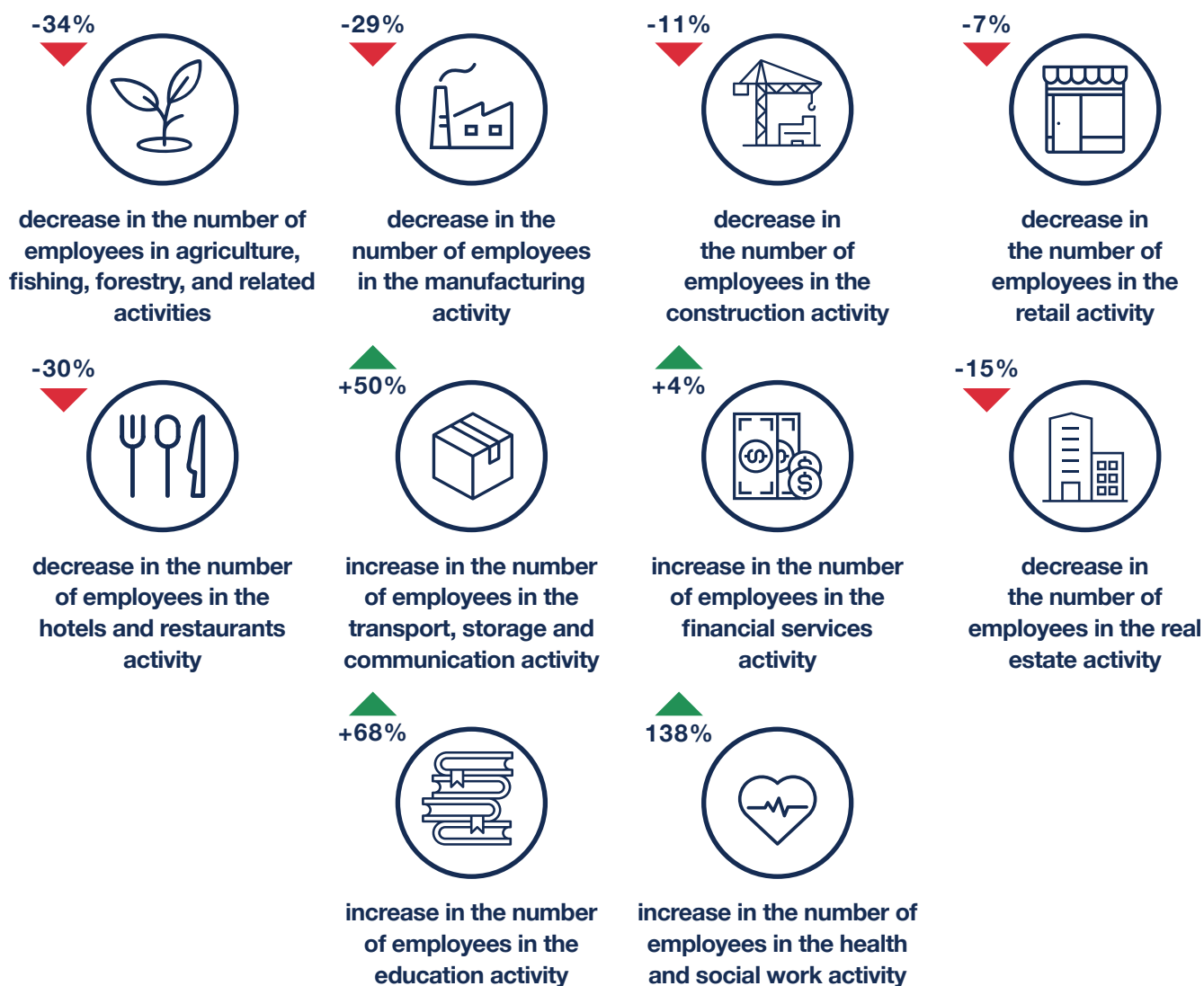
Employees in Various Economic Sectors

Number of private sector employees in 2020 decreased by 6% compared to 2015, and by 9% compared to 2019 due to pandemic

The negative repercussions of the coronavirus pandemic have impacted all aspects of life. The global economy has been affected by the lockdown imposed by several countries, and the negative impact has lingered despite the gradual easing of restrictions. Many sectors have been subjected to a near-total closure to date, which caused an increase in unemployment rates.

The commercial sectors in the Kingdom of Bahrain were not protected from the adverse effects of COVID-19, and many employers laid off employees. The total number of employees in various sectors decreased by 9% from 563,447 in 2019 to 515,155 in 2020. This is larger than the decrease in employees over the past 5 years which amounts to 6%. This highlights the significant impact of the coronavirus pandemic on employment rates. The agriculture, fishing, forestry, and related activities sector was the most impacted sector over the past 5 years, with a 34% decrease in employees.

Change in the number of employees over 5 years



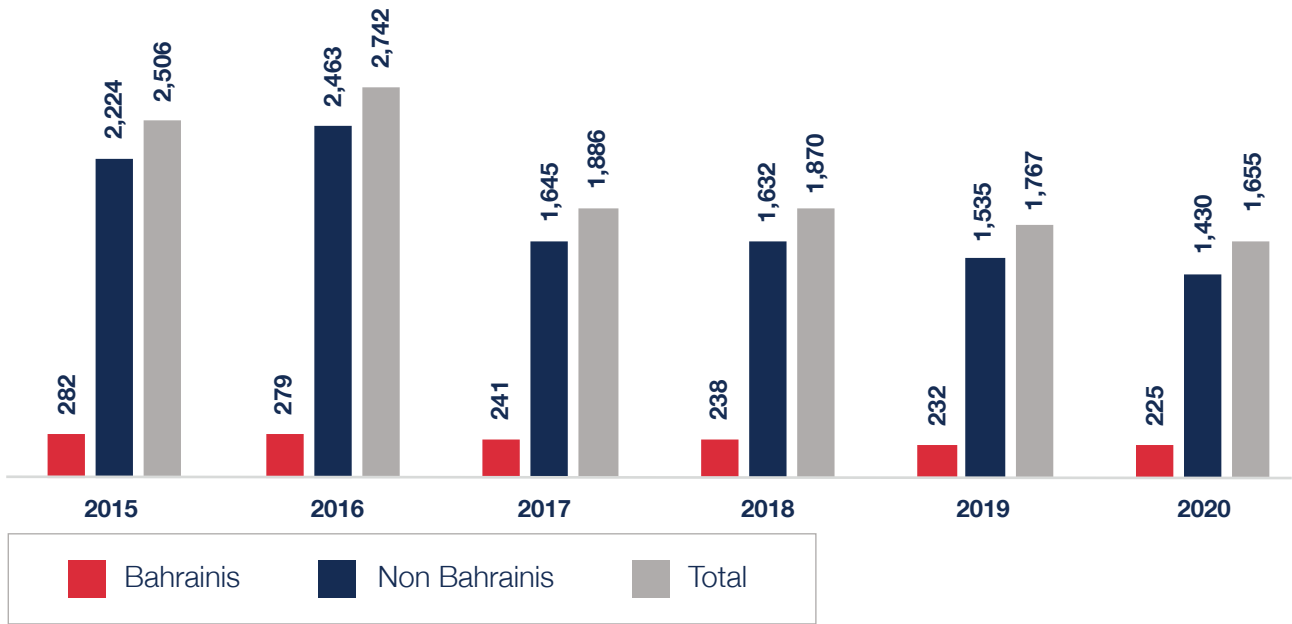
Change in number of employees in various economic sectors

-34%



The total number of employees in the agriculture, agriculture, fishing, forestry, and related activities decreased by -34% during the past five years, from 2,506 employees in 2015 to 1,655 employees in 2020.

Employees in the agriculture, fishing and forestry activity

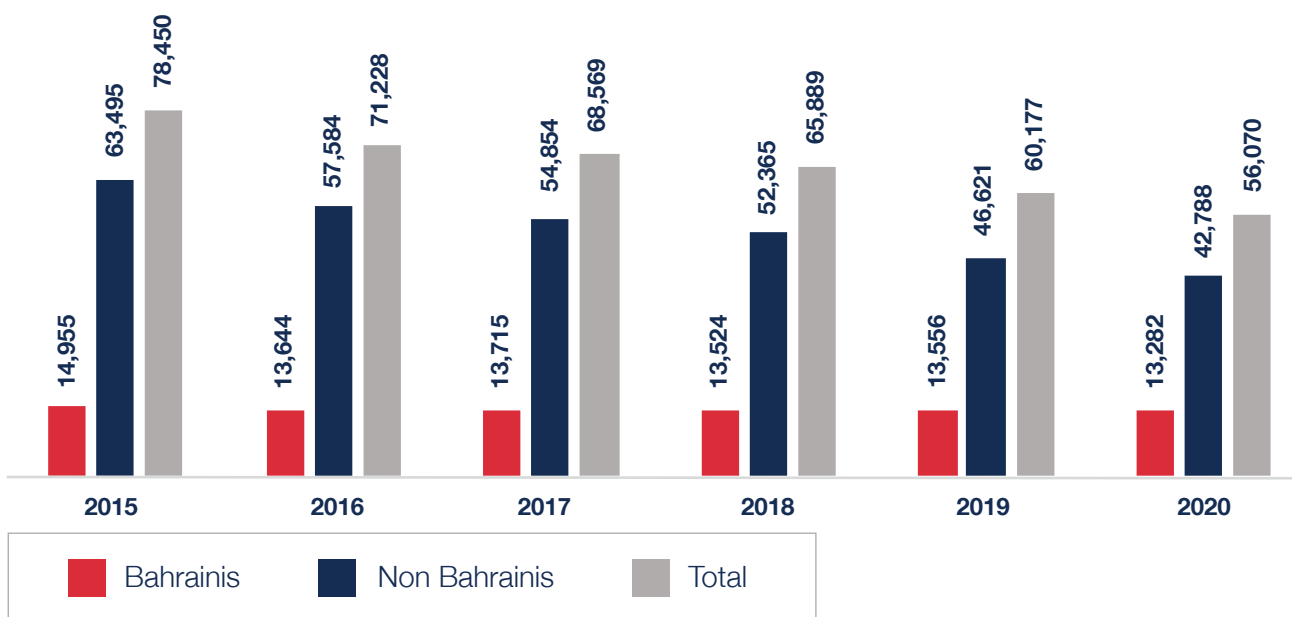


-29%



The total number of employees in the manufacturing activity decreased by -29% during the past five years from 78,450 employees in 2015 to 56,070 employees in 2020.

Employees in the manufacturing activity

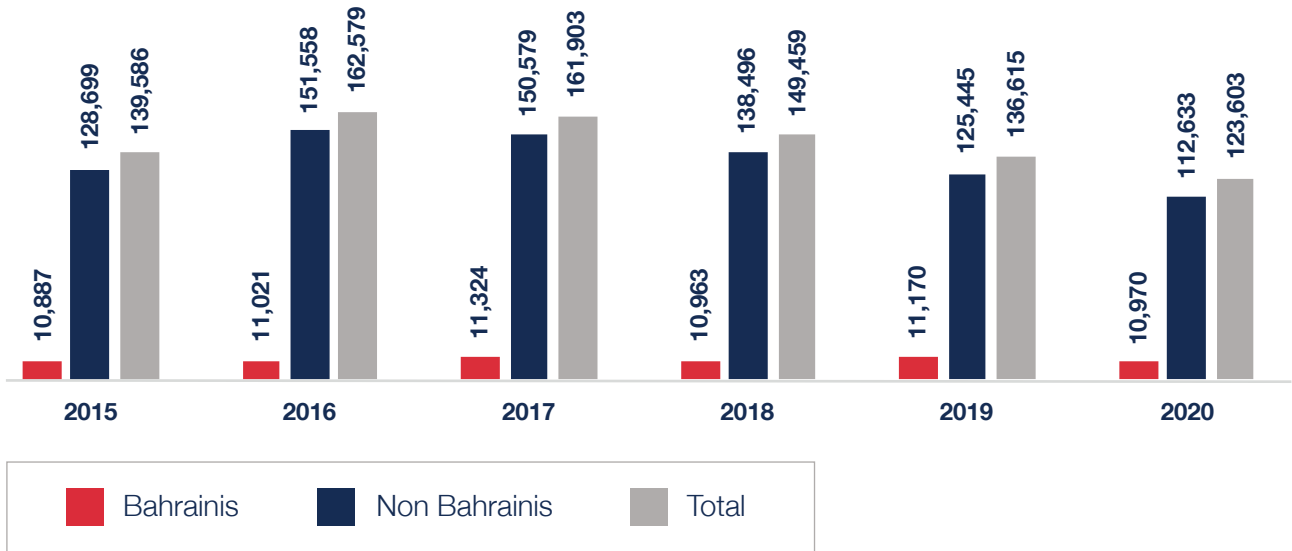


-11%



The total number of employees in the construction activity decreased by -11% during the past five years, from approximately 140,000 employees in 2015 to 124,000 employees in 2020.

Employees in the construction activity

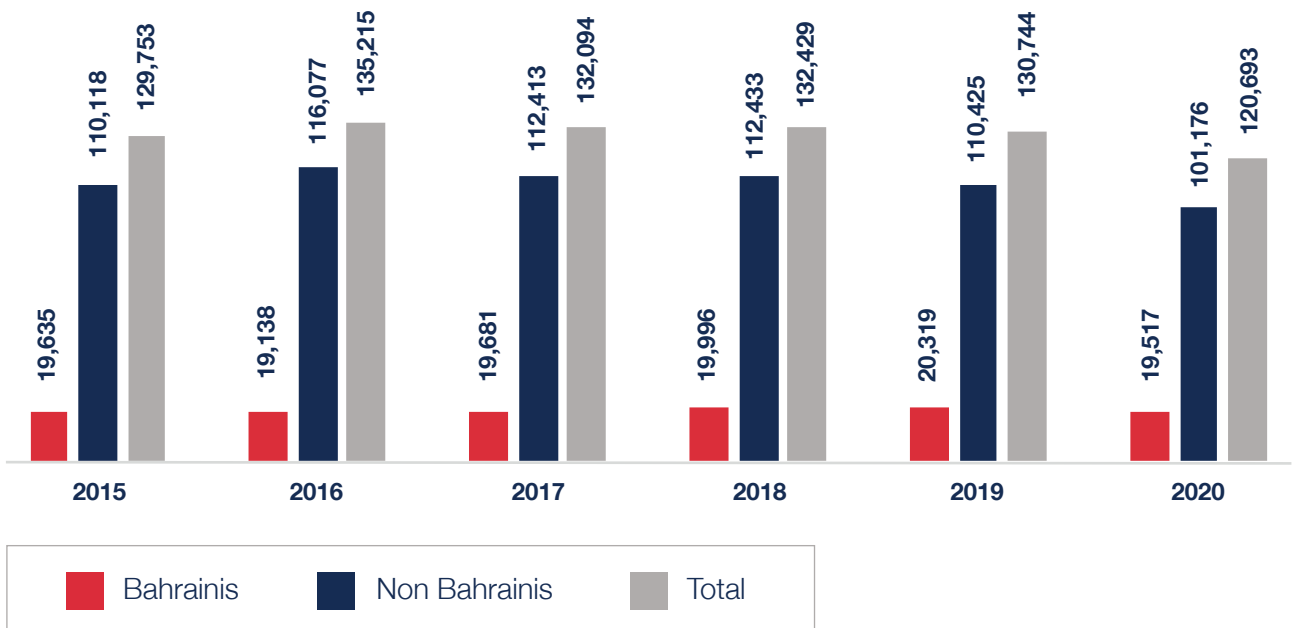


-7%



The total number of employees in the retail activity decreased by -7% during the past five years, from approximately 130,000 employees in 2015 to approximately 121,000 employees in 2020.

Employees in the wholesale / retail trade, vehicle repair and personal goods activity

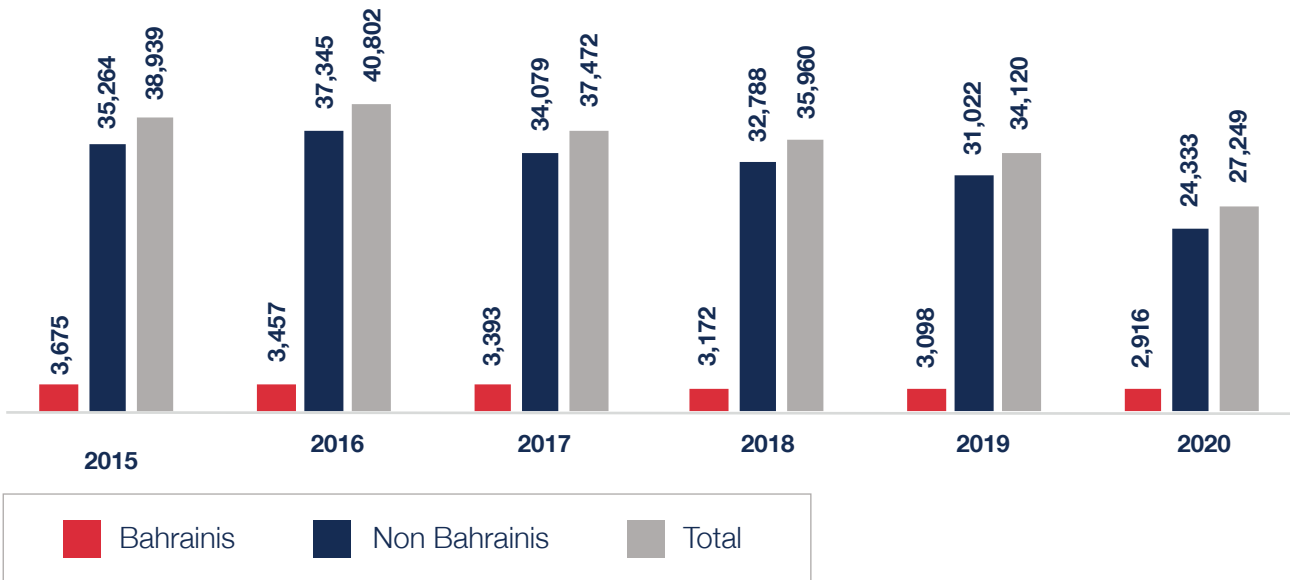


-30%



The total number of employees in the hotels and restaurants activity decreased by -30% during the past five years, from 39,000 employees in 2015 to 27,000 employees in 2020.

Employees in the hotels and restaurants activity

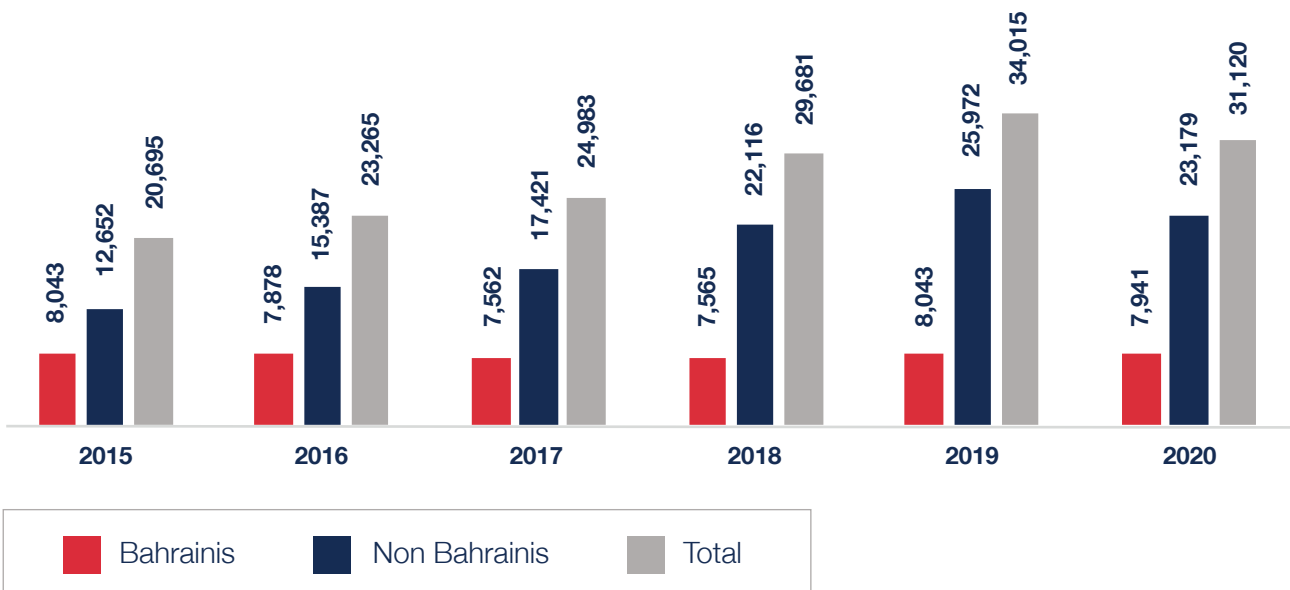


+50%



The total number of employees in the transportation, storage and communication activity increased by 50% during the past five years, from 21,000 employees in 2015 to 31,000 employees in 2020.

Employees in the transportation, storage and communication activity

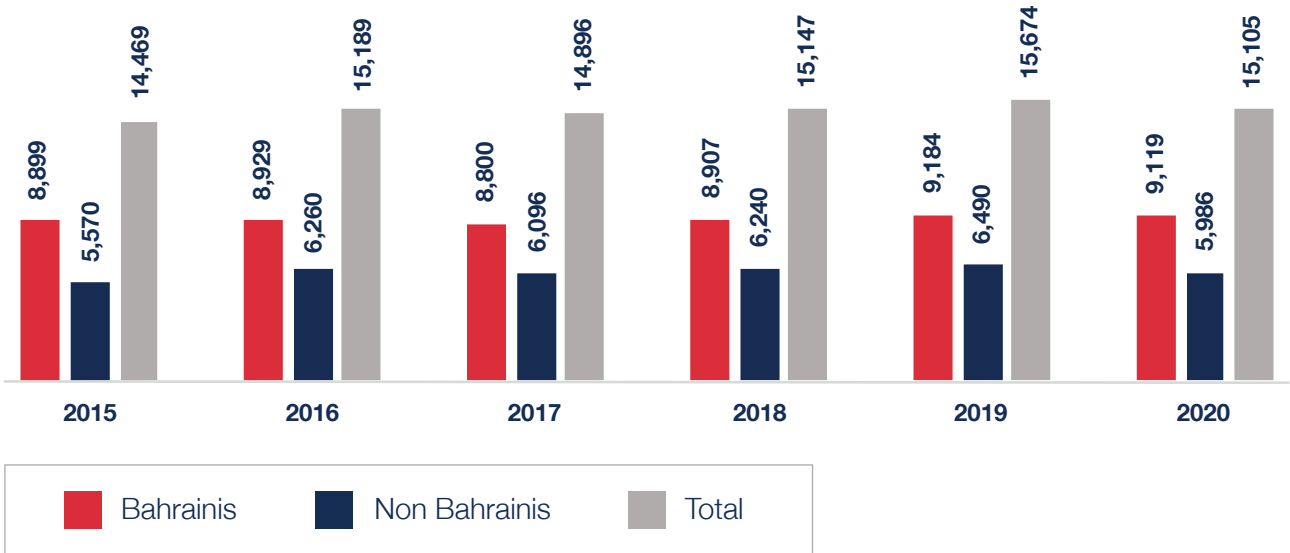


+4%



The total number of employees in the financial services activity increased by 4% during the past five years from 14,000 employees in 2015 to 15,000 employees in 2020.

Employees in the financial services activity

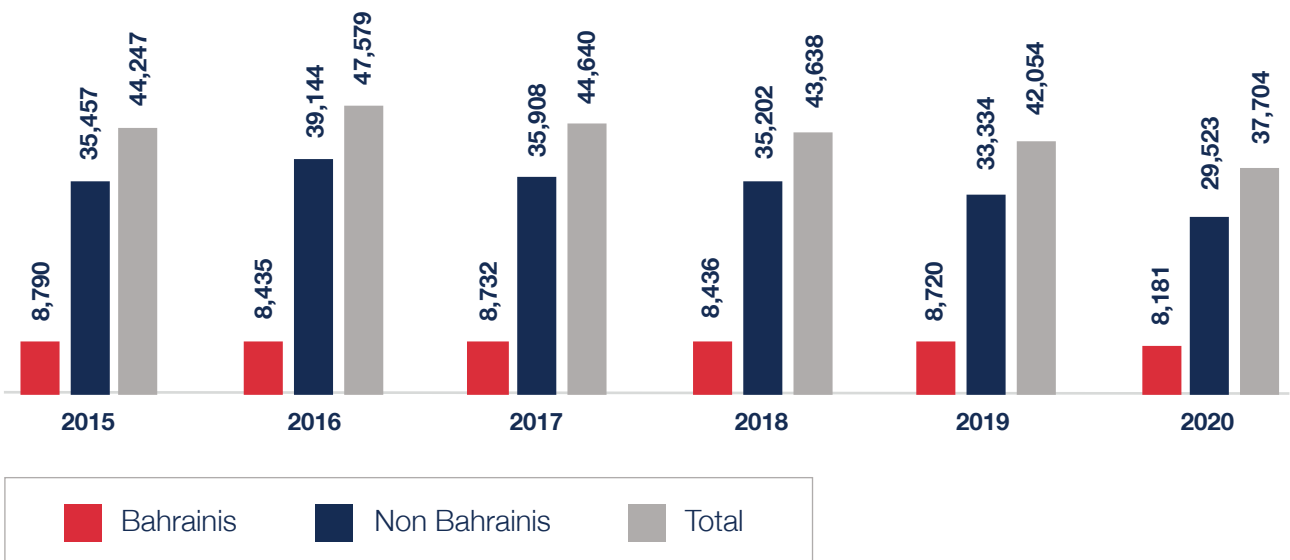


-15%



The total number of employees in the real estate activity decreased by -15% during the past five years, from 44,000 employees in 2015 to 37,000 employees in 2020.

Employees in the real estate, leasing and commercial projects activity

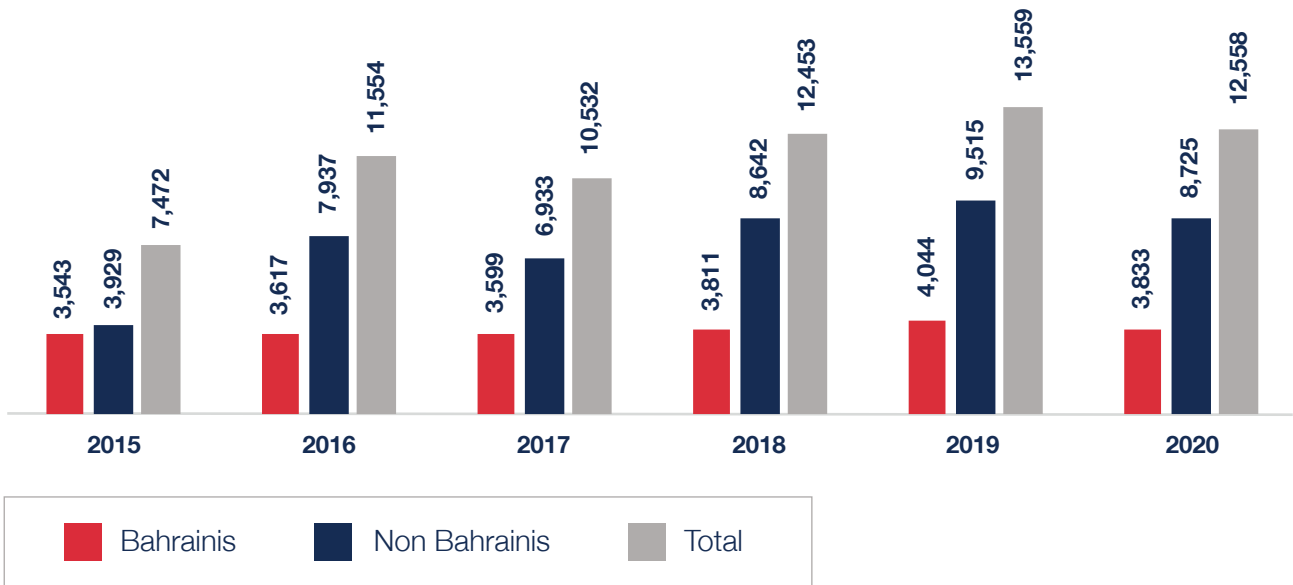


+68%



The total number of employees in the education activity increased by 68% during the past five years, from 7,472 employees in 2015 to 12,000 employees in 2020.

Employees in education activity

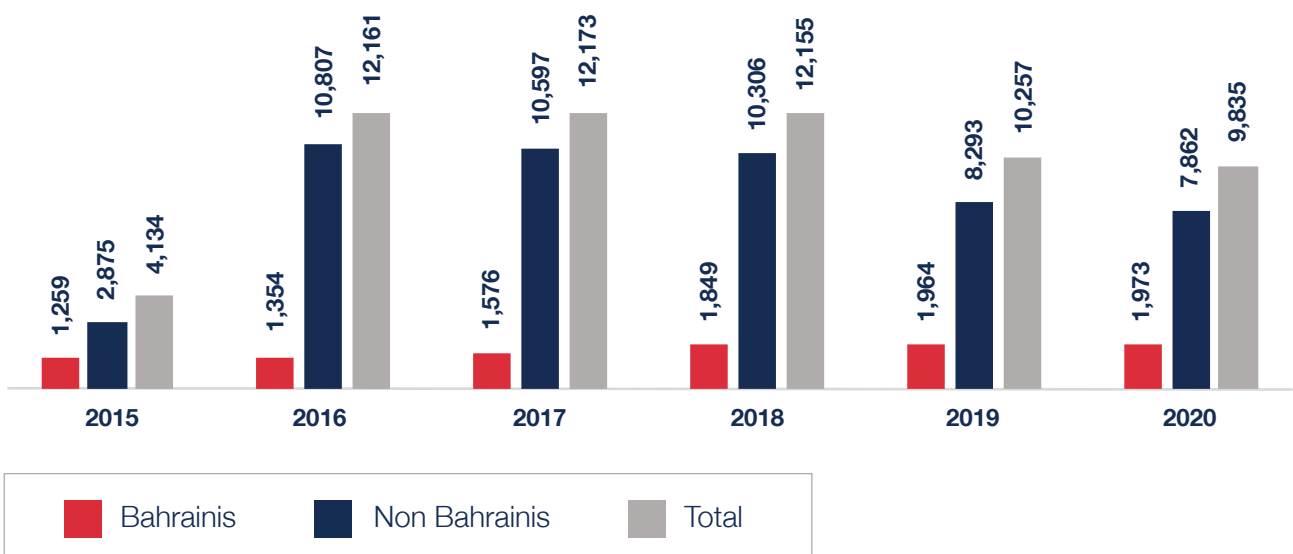


+138%



The total number of employees in the health and social work activity increased by 138% during the past five years, from 4,134 employees in 2015 to 9,835 employees in 2020.

Employees in health and social work activity



The dual impact of COVID-19 and the digital economy on the labor market



The COVID-19 pandemic-induced lockdowns and related global recession of 2020 have created a highly uncertain outlook for the labor market and accelerated the arrival of the future of work. As such, we can see large changes in the number of workers in many of the economic sectors over the past 5 years.



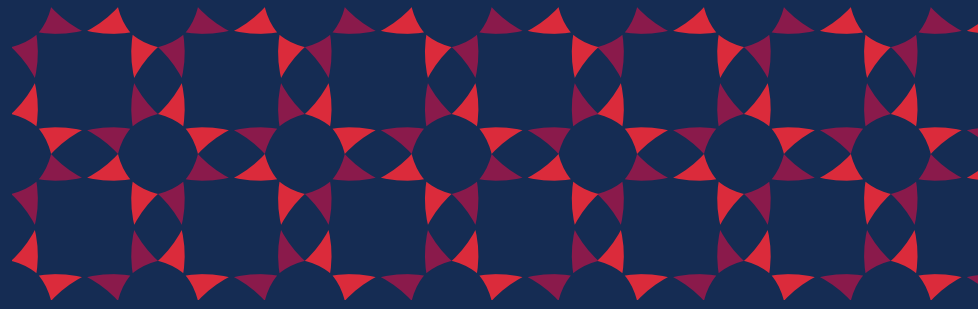
The largest decrease in the number of workers was in the agriculture, fishing, forestry, and related activities sector by 34% and the manufacturing sector by 30%, which is reflective of the dual impact of the pandemic, and increased automation and a larger focus on technological skills rather than physical skills in 2020.



On the other hand, the largest increases were in the health and social work and education sectors by 138% and 68% respectively, which is reflective of a boost in these sectors. Both of these sectors are crucial to economic growth, and should be further developed.



It is important to focus on aligning the skills of the labor force with the requirements of the post-coronavirus landscape, and the requirements of the fourth industrial revolution. This can be done by providing more mid-career training and vocational training to workers. Digital skills and innovation need to be particularly emphasized.



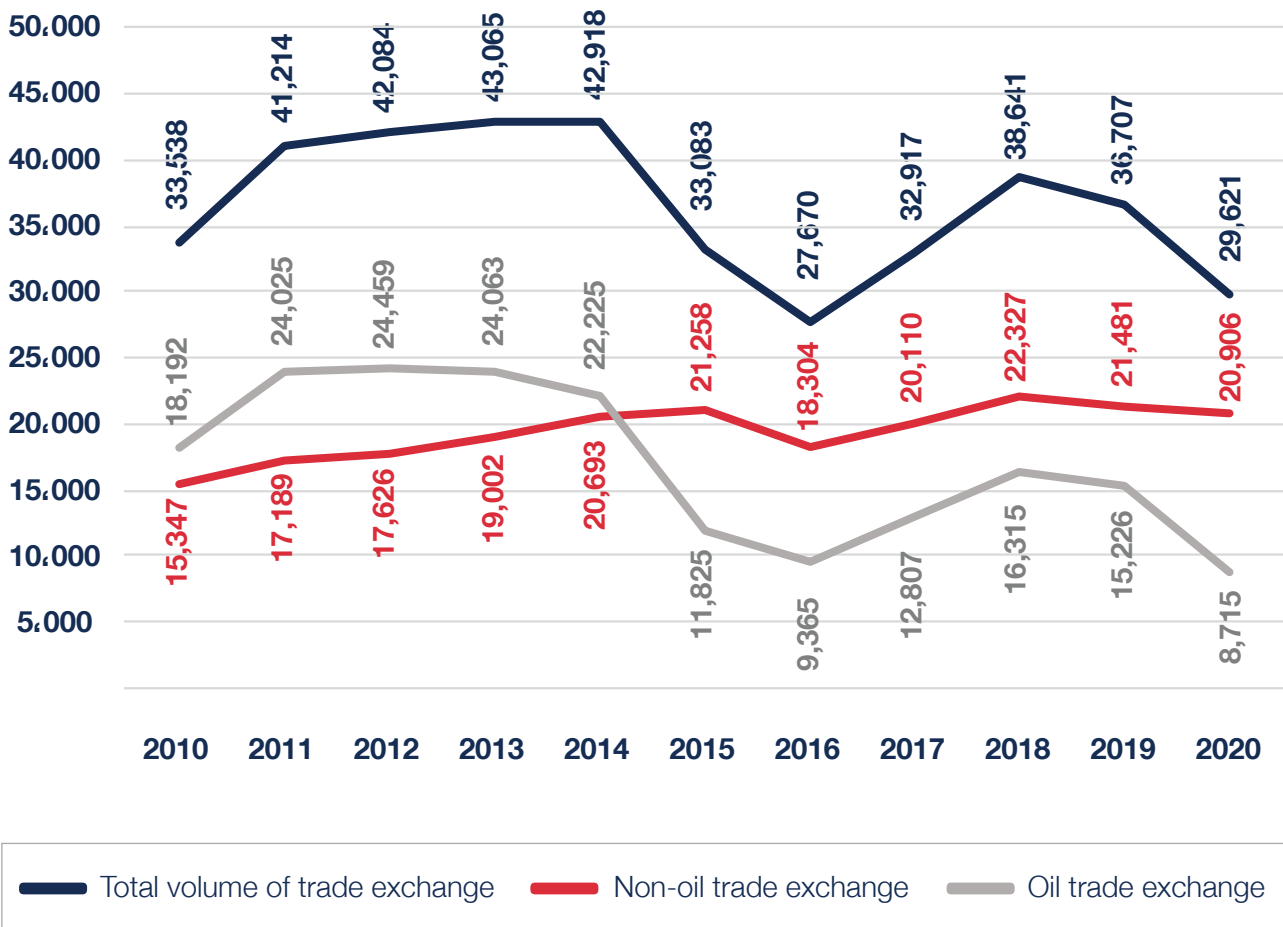
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Trade Exchange

12% decrease in volume of trade exchange in Bahrain from 2010 to 2020

The total volume of trade (oil and non-oil) in Bahrain decreased by -12%, from 33.5 billion US dollars in 2010 to 29.6 billion US dollars in 2020. This is the second-lowest value during the past ten years due to the outbreak of the COVID-19 pandemic and its impact on global trade exchange. The highest volume of trade amount was 43.0 billion US dollars in 2013, and the lowest volume of trade amount was 27.6 billion US dollars in 2016, due to the fall in oil prices from 2014 to 2016. The total non-oil trade exchange increased by 36% from 2010 to 2020, while the oil trade exchange decreased by -52% during the same period.

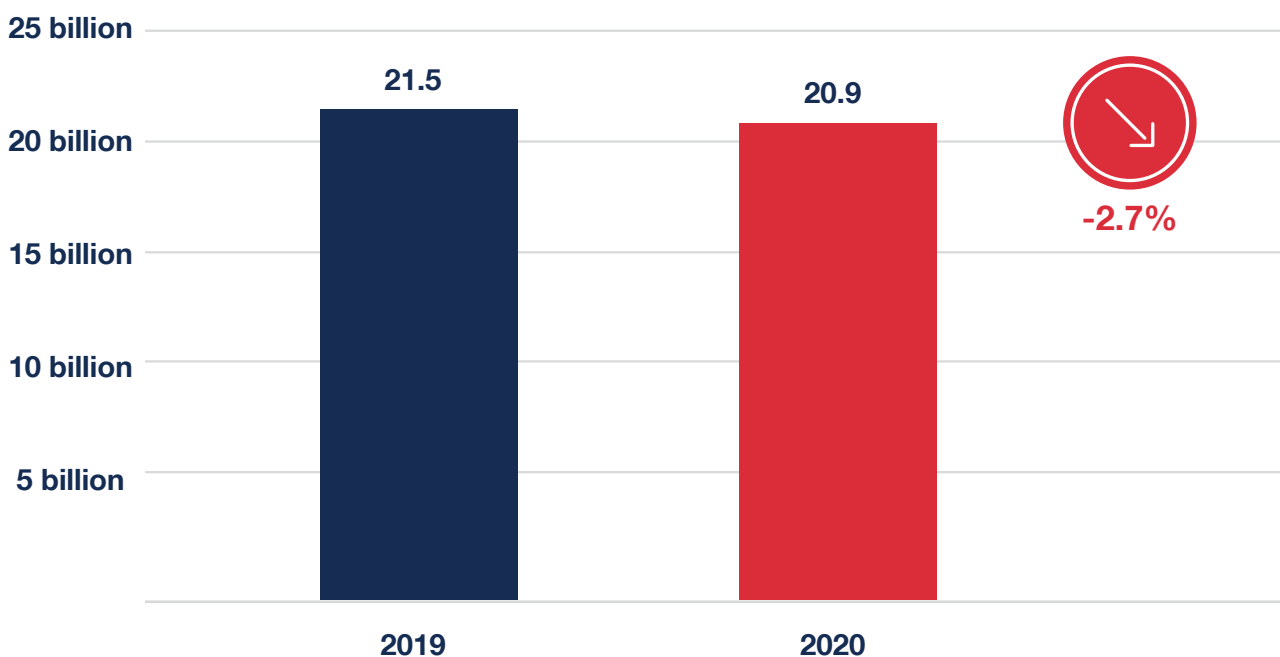
Volume of trade from 2010 - 2020 (million USD)



2.7% decrease in the volume of trade during 2020 compared to 2019

The unprecedented global shock caused by COVID-19 was unimaginable less than a year ago. Expectations indicate that the global economic contraction will be more profound than the great recession that followed the global financial crisis in 2008. UNCTAD's report indicated that the economies most significantly affected by this pandemic are the European Union, with an impact of 15.6 billion dollars on trade flows, the USA by approximately 5.8 billion dollars, and Japan by approximately 5.2 billion dollars. In the Kingdom of Bahrain, the volume of trade with various countries decreased by approximately 2.7% in 2020 compared to the previous year.

Volume of non-oil trade exchange (billion USD)








Year	Exports	Imports	Total
2019	8.22	13.25	21.48
2020	8.14	12.75	20.90

The 5 most notable trading partners of the Kingdom of Bahrain in 2020

- China ranked first in imports to Bahrain in 2019 and 2020, with the total value reaching 1.76 billion US dollars in 2020.
- The Kingdom of Saudi Arabia also maintained the first rank in exports from Bahrain over the past two years, with the total value amounting to 1.94 billion US dollars in 2020.
- However, despite China and Saudi Arabia maintaining the first rank in exports and imports, the value of exports to Bahrain from China decreased by 15% and the value of imports by Saudi Arabia decreased by 4% in 2020 compared to 2019.

Imports

	State	Total value of imports	Annual percentage change
	China	1.76 billion USD	-15%
	Kingdom of Saudi Arabia	936 million USD	+1%
	Australia	878 million USD	-6%
	United States of America	829 million USD	-1%
	United Arab Emirates	828 million USD	-11%

Exports

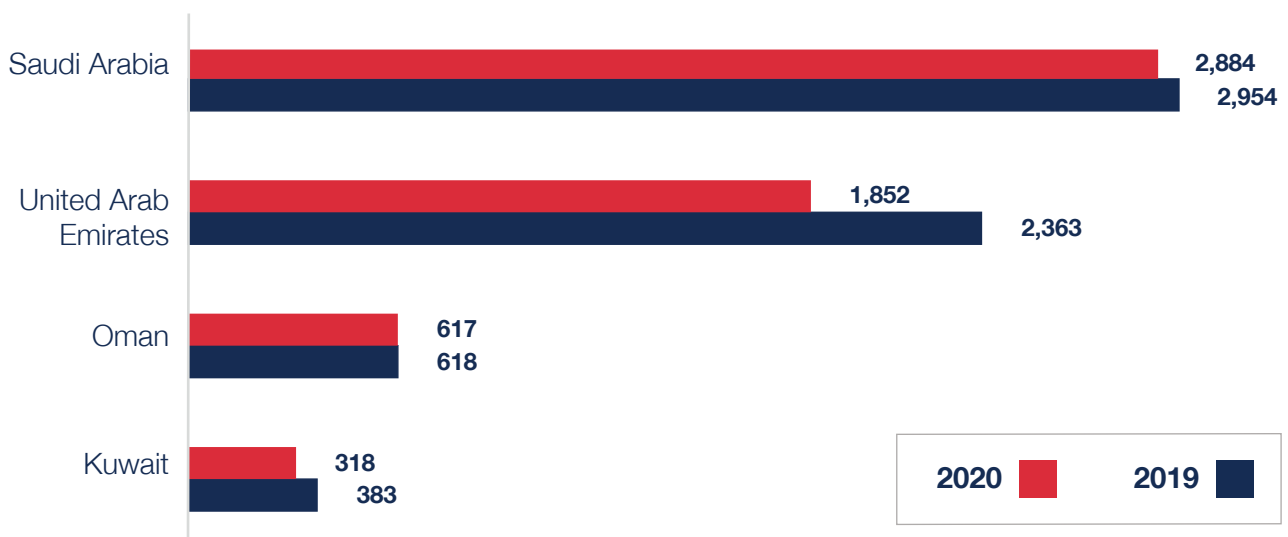
	State	Total value of exports	Annual percentage change
	Kingdom of Saudi Arabia	1.94 billion USD	-4%
	United Arab Emirates	1.02 billion USD	-29%
	United States of America	702 million USD	-11%
	Sultanate of Oman	479 million USD	+9%
	Netherlands	413 million USD	+52%

A decrease in the volume of trade with Gulf States in 2020 compared to 2019

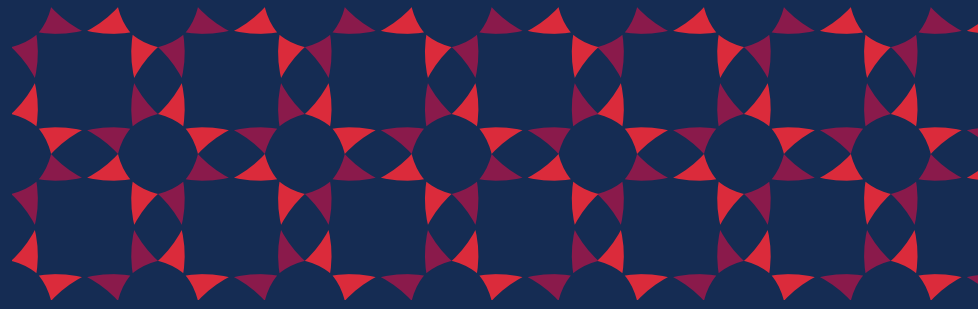
The volume of trade between the Kingdom of Bahrain and the Arab Gulf States was significantly affected by the COVID-19 pandemic during 2020 compared to 2019, as the volume of trade between Bahrain and the United Arab Emirates decreased by 21.6%, followed by a decrease in volume of trade with Kuwait by 17%.

It is also noteworthy that the volume of trade with the Kingdom of Saudi Arabia and the Sultanate of Oman decreased by 2.36% and 0.3%, respectively.

Trade exchange during 2019 and 2020 (million USD)



Country	2019	2020	Percentage Change
Saudi Arabia	2,954	2,884	-2.36%
United Arab Emirates	2,363	1,852	-21.6%
Oman	618	617	-0.3%
Kuwait	383	318	-17%



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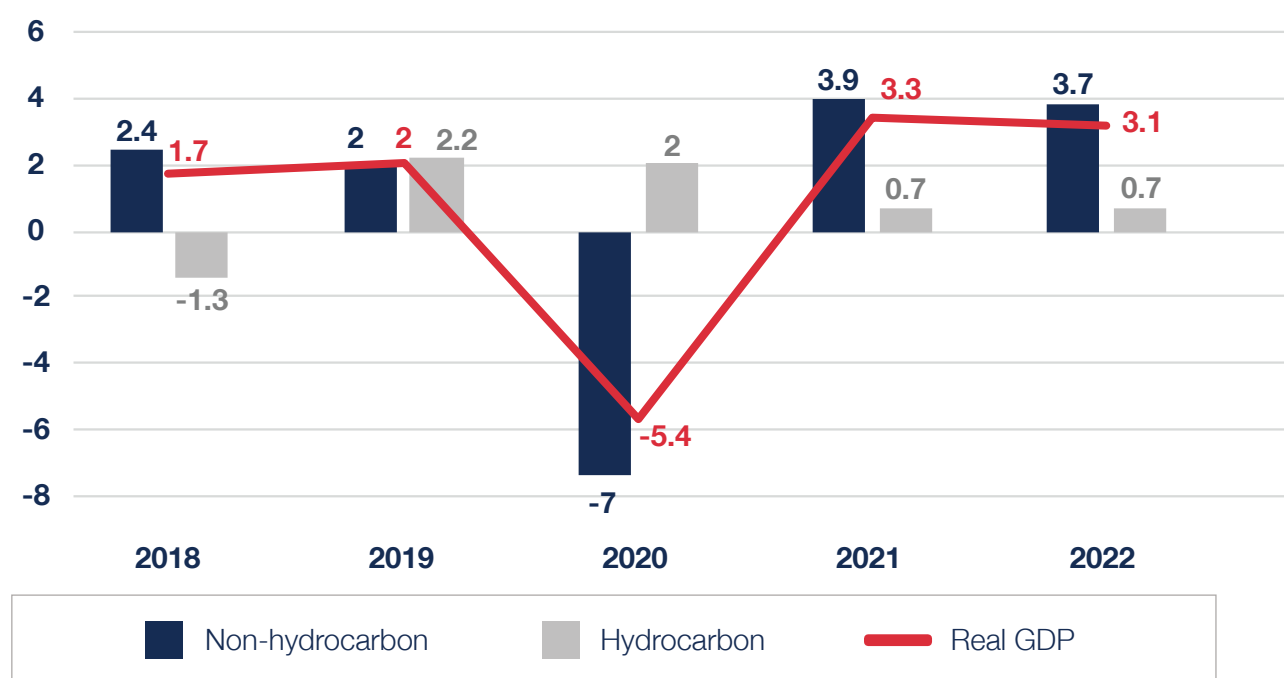
Local Economic Statistics

Expectations of economic recovery and 3.3% growth in real GDP

Real GDP growth is expected to amount to 3.3% in 2021, but the COVID-19 pandemic continues to have a major impact on Bahrain's economy as recovery expectations are linked to the continued deployment of vaccines and the existence of appropriate financial and monetary conditions.

Moreover, IMF estimates indicate that growth in 2020 recorded a decrease that amounted to -5.4%, driven by a severe -7% reduction in non-oil GDP. This was driven by a significant contraction in services sectors, which are characterized by a high-volume of interaction and provide many job opportunities.

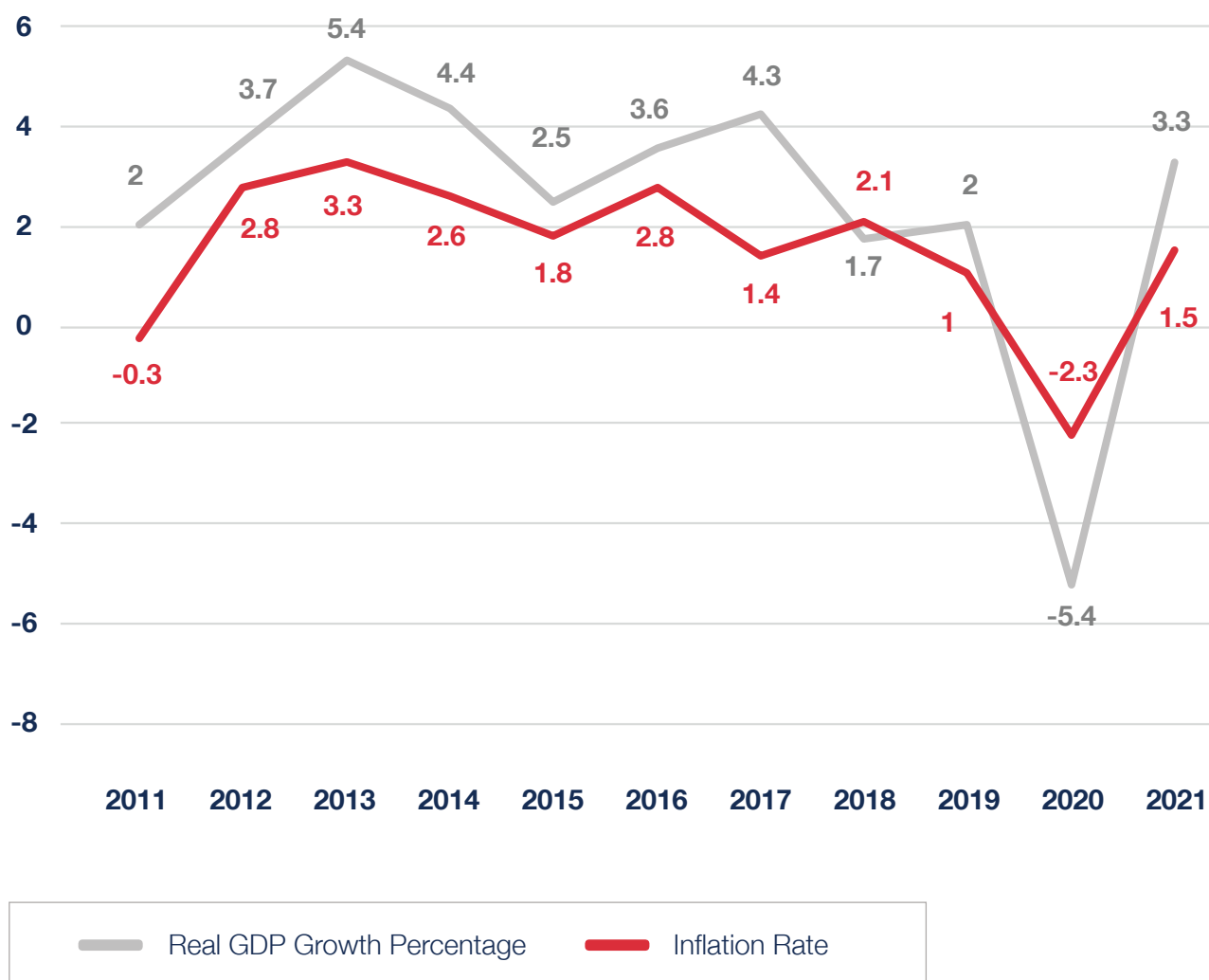
Real GDP (annual change) 2018 - 2022



	2018	2019	2020 Estimates	2021 Expectations	2022 Expectations
Real GDP	1.7	2.0	-5.4	3.3	3.1
Hydrocarbon	-1.3	2.2	2.0	0.7	0.7
Non-hydrocarbon	2.4	2.0	-7.0	3.9	3.7

Real GDP growth and inflation over the past ten years

Bahrain has been significantly affected by the COVID-19 outbreak, as evidenced by the trend of real GDP growth and inflation over the past ten years. In 2011, Bahrain's GDP and inflation were at a low point, and the real GDP growth percentage was 2% while inflation was -0.3%; and then, the gradual rise began. In 2020, real GDP decreased to -5.4% while inflation decreased to -2.3% due to the economic contraction, but there are expectations that the economy will recover in 2021 and real GDP will grow by 3.3%, while the inflation rate will amount to 1.5%.

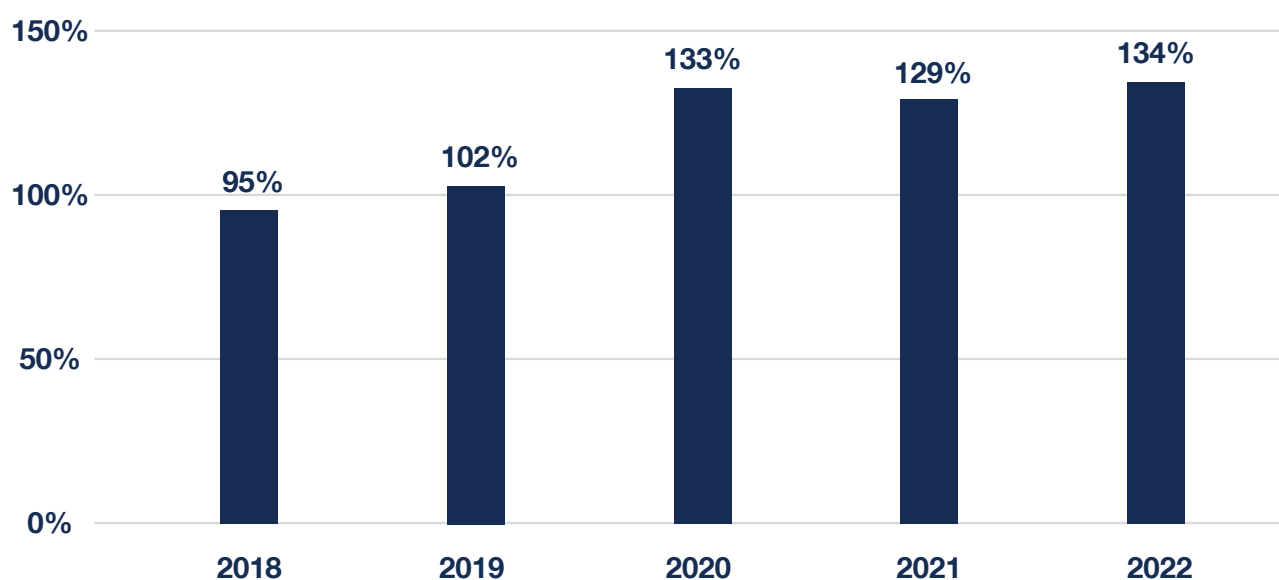


Expectations of a decrease in government debt in 2021

The International Monetary Fund expects a decrease in the fiscal deficit to 9.1% of the GDP in 2021, and a decrease in total government debt to 129% of GDP.

With the fall in oil prices and the contraction of nominal GDP, the overall fiscal deficit increased to 18.3% of the GDP in 2020, and public debt amounted to 133% of GDP.

Total government debt (% of GDP) 2018 - 2022



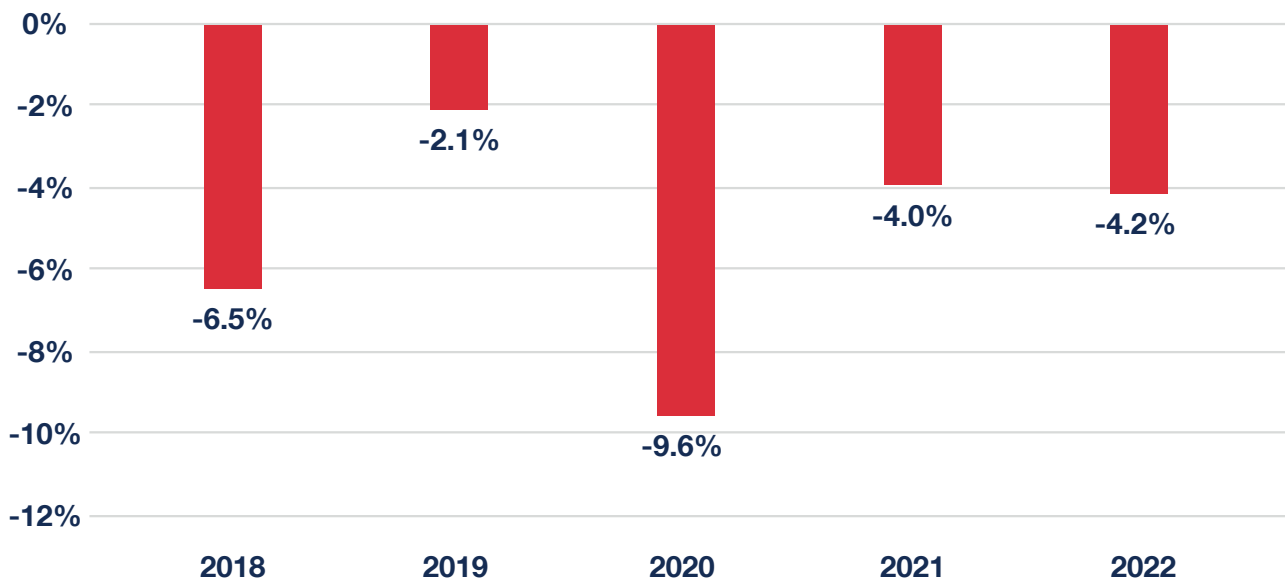
Fiscal sector (% of GDP)

	2018	2019	2020 Estimates	2021 Expectations	2022 Expectations
Revenues	21.9	23.8	17.8	22.5	21.0
Expenditures	29.3	28.8	32.1	27.5	26.6
Expenses	33.7	32.8	36.1	31.7	30.4
Net lending (+) / net borrowing (-)	-11.8	-9.0	-18.3	-9.1	-9.4
Total government debt	95%	102%	133%	129%	134%

Current account deficit is expected to decrease to 4% of GDP in 2021

The current account deficit widened to 3.3 billion dollars, representing 9.6% of the GDP in 2020. However, it is expected to fall to 1.5 billion dollars in 2021 and amount to 4% of the GDP. The current account deficit indicates that the volume of imports exceeds the volume of exports.

Current account (% of GDP) 2018 - 2022



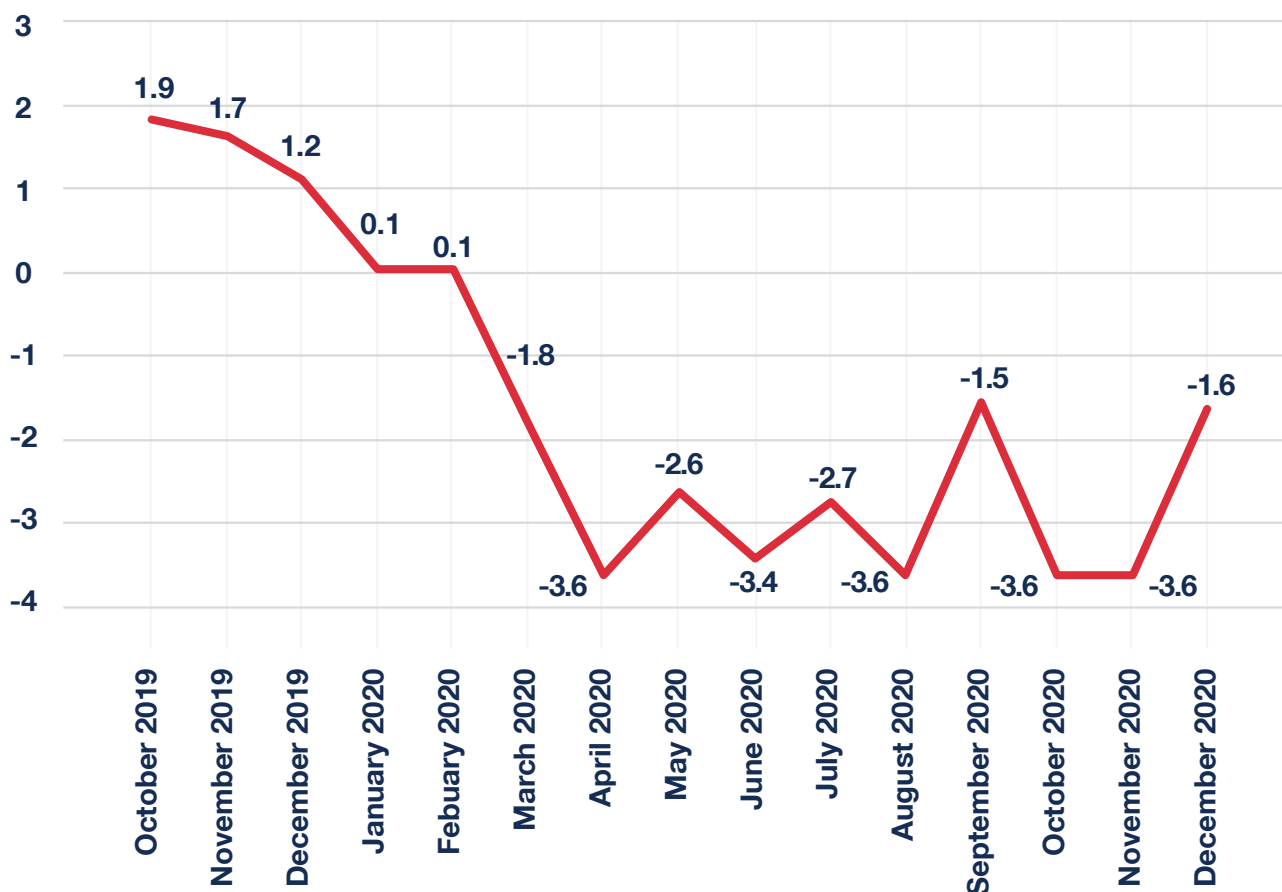
	2018	2019	2020 Estimates	2021 Expectations	2022 Expectations
Current account balance (one billion US Dollars)	-2.4	-0.8	-3.3	-1.5	-1.7
Current account (% of GDP)	-6.5	-2.1	-9.6	-4.0	-4.2

1.6% decrease in Consumer Price Index (CPI) in December 2020

The Consumer Price Index (CPI) is a measure that examines the weighted average prices of a basket of consumer goods and services and the changes that occur in the general level of prices, based on tracking all goods and services consumed within a particular country. The composition of this basket should reflect the structure of household consumption spending in that country. The COVID-19 outbreak has led to fundamental changes in the ways families work, spend time and shop. This has led to significant changes in spending behavior, and rapid price changes in some cases.

The consumer price index decreased by 1.6% in December 2020 compared to December 2019, and this is due to several reasons, most notably:

- A decrease in the prices of entertainment and culture by 23.1%, followed by the restaurants and hotels by 7.9%.
- An increase in the prices of food and non-alcoholic beverages by 3.4%.



2.3% decrease in Consumer Price Index (CPI) in 2020

The most significant price decreases in 2020

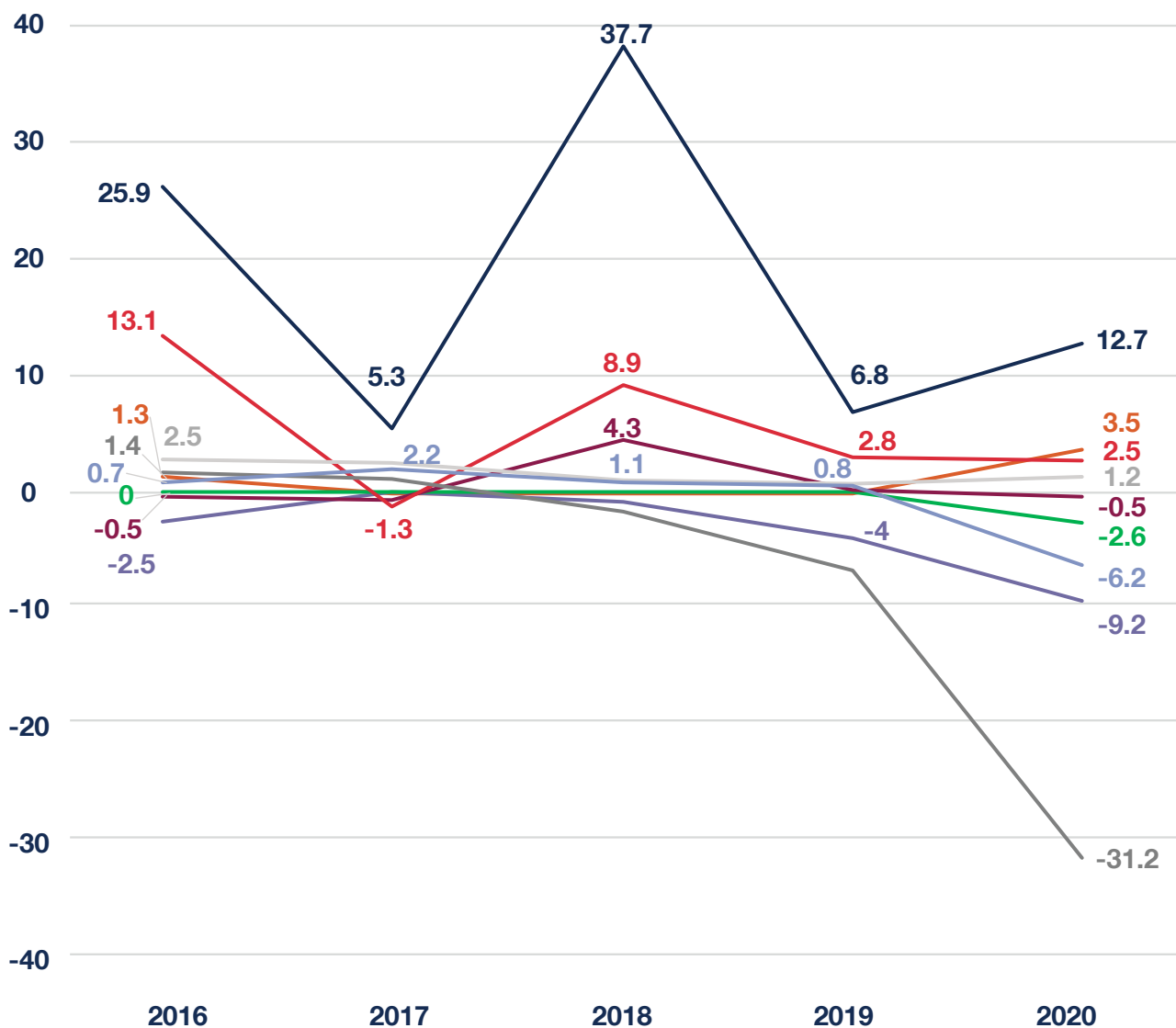


The most significant price increases in 2020



31.2% decrease in the price of culture and entertainment goods in 2020

The COVID-19 pandemic resulted in major changes in the prices of goods and services locally. In the 2020, the prices of goods and services related to culture and entertainment started to drop severely and reached a decrease of -31.2% by the end of 2020 compared to 2019. On the other hand, prices in the alcoholic beverages and tobacco sector increased by 12.7% in 2020 compared to 2019.



Bahrain is 39th worldwide in the Productive Capacities Index

- The Productive Capacities Index is the first comprehensive attempt to measure productive capacities in all economies and construct a multidimensional index that can provide country-specific insights and diagnostics of productive capacity development.
- The results presented provide an assessment of the performance of 193 economies, using 46 indicators across the eight categories of the Index.
- Bahrain is 39th worldwide in the index, and is 3rd among GCC countries. Bahrain's ranking did not change from 2017, but its score slightly increased from 38.73 in 2017 to 39.03 in 2018.
- Bahrain scored 84.62 in the private sector index, which is higher than the developing countries average of 79.90.

* Index categories: energy (electricity and oil), human capital (education and health), ICT (broadband and mobile telephones), institutions (government effectiveness and rule of law), natural capital (agriculture and material intensity), the private sector (domestic credit and cost and time to import and export), structural change (economic complexity and gross fixed capital formation) and transport (air transport and rail lines).

Rank	Economy	Productive Capacities Index (2018)
21	UAE	42.30
29	Qatar	40.81
39	Bahrain	39.03
63	KSA	34.73
64	Oman	34.60
74	Kuwait	33.98

Bahrain's Score by Category



Bahrain's rank in the Global Food Security Index declined in 2020

Bahrain is ranked 6th among Arab Countries and 49th internationally in the Global Food Security Index, and scored 64.6 points.

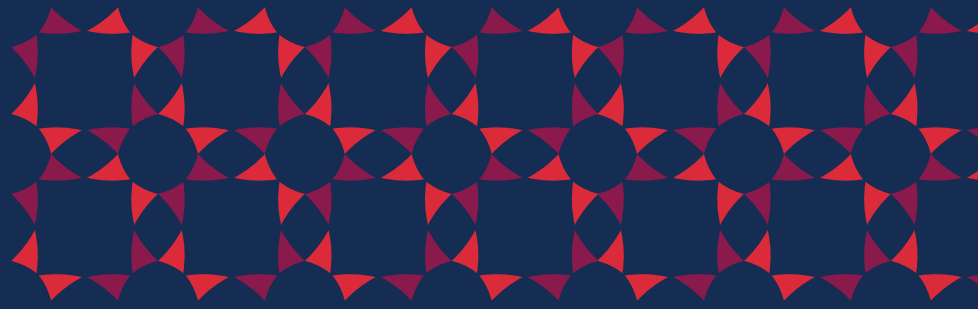
According to the Integrated Food Security Phase Classification System (IPC) used worldwide, more than 820 million persons were classified as food insecure.

COVID-19 has disrupted supply chains across the world and raised concerns about food security. This is especially apparent in countries that are witnessing a state of conflict and instability in their territories, with the impact extending to more than 28 million people. It is expected that these countries will be in a state of crisis and they may completely lack food security, especially if the lifeline for food aid is ceased or broken.

Country	Indexes				Overall score out of (100)	GCC Rank	Global Rank
	Natural Resources and Resilience	Food Quality and Safety	Food Availability	Food Affordability			
Kuwait	37.2	86.4	68.3	82.7	70.7	1	34
Oman	43.8	83.7	59.1	88.5	70.2	2	34
Qatar	33.6	84.3	70.7	80.3	69.6	3	37
Saudi Arabia	34.1	79.8	73.0	79.6	69.5	4	38
UAE	42.4	88.8	66.5	73.0	68.3	5	42
Bahrain	33.7	76.7	56.8	82.6	64.6	6	49

About the Global Food Security Index (GFSI)

The Global Food Security Index (GFSI) is based on 59 unique indicators and it measures the state of food affordability, availability, quality, safety and natural resources / resilience in 113 countries.



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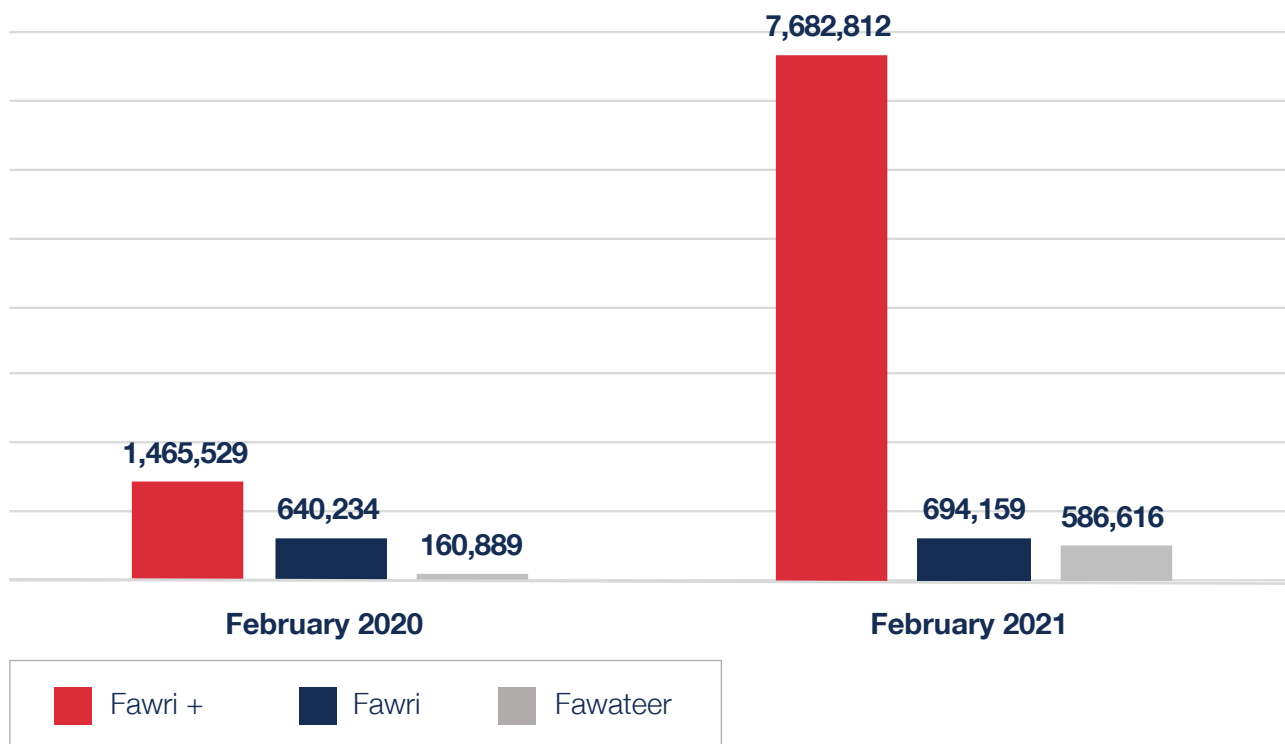
The Impact of the Pandemic on Various Sectors

424% increase in transfers via Fawri+ in February 2021

- The number of electronic transfers through the Fawri + system increased by 424% in February 2021 compared to February 2020, while transfers via Fawri increased by 8%. On the other hand, there was a 265% increase in transfers via Fawateer.
- In the future, as technology develops, we could see social media initiated payments, cryptocurrencies, biometric payments etc.
- China is the world leader in mobile wallet consumption, with nearly 70% of Chinese consumers using mobile wallets regularly.



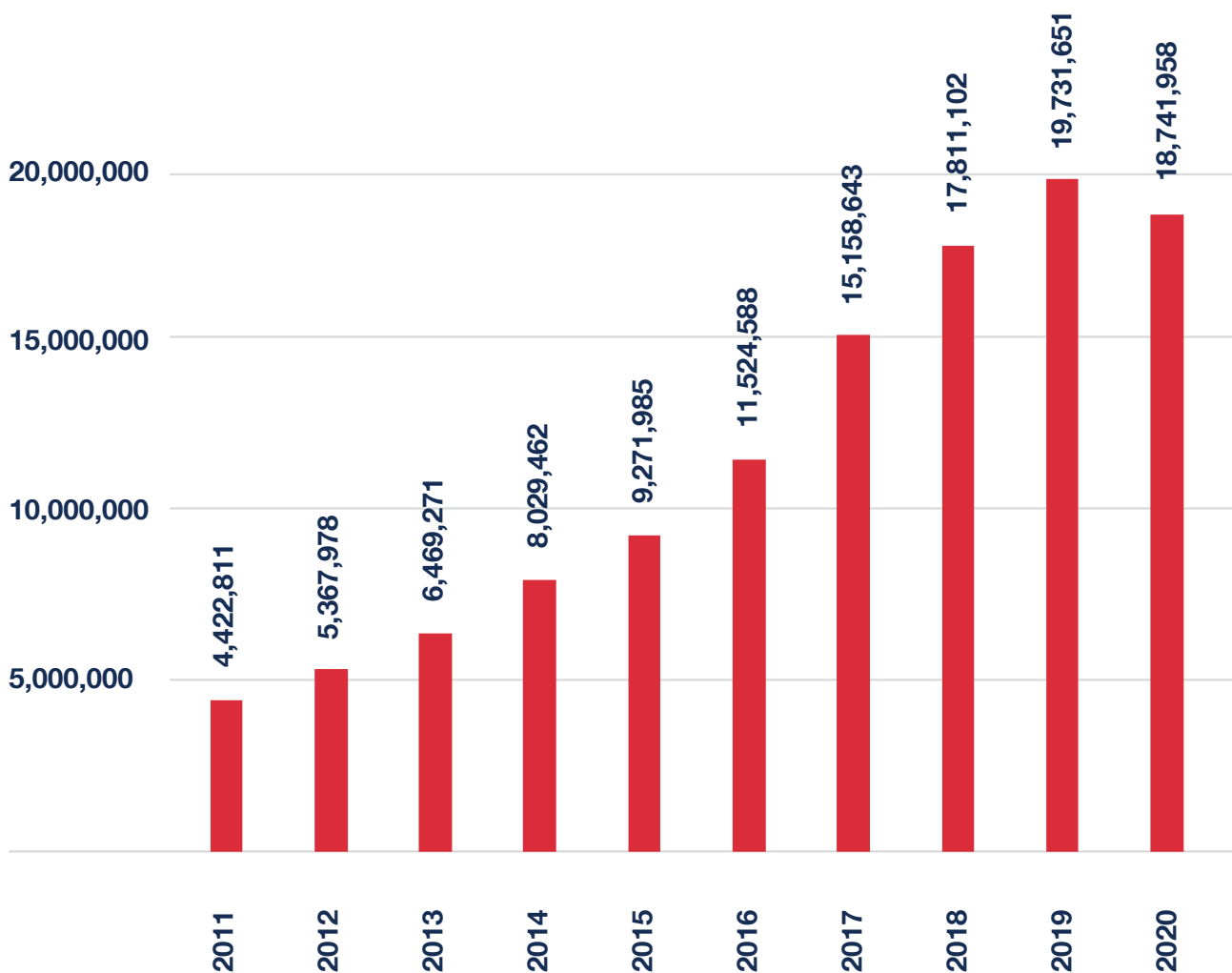
The number of electronic transfers



5% decrease in the volume of ATM withdrawals in 2020 compared to 2019

- ATM withdrawals increased by 346% from 2011 to 2019, and then declined by -5% in 2020 as a result of customers avoiding the use of cash.
- With the transformation in the traditional cash infrastructure and the decline of bank branches and ATMs, Finland, Sweden and the United Kingdom are expected to be among the first countries to lead the way towards a “cashless society”.

Volume of ATM withdrawals



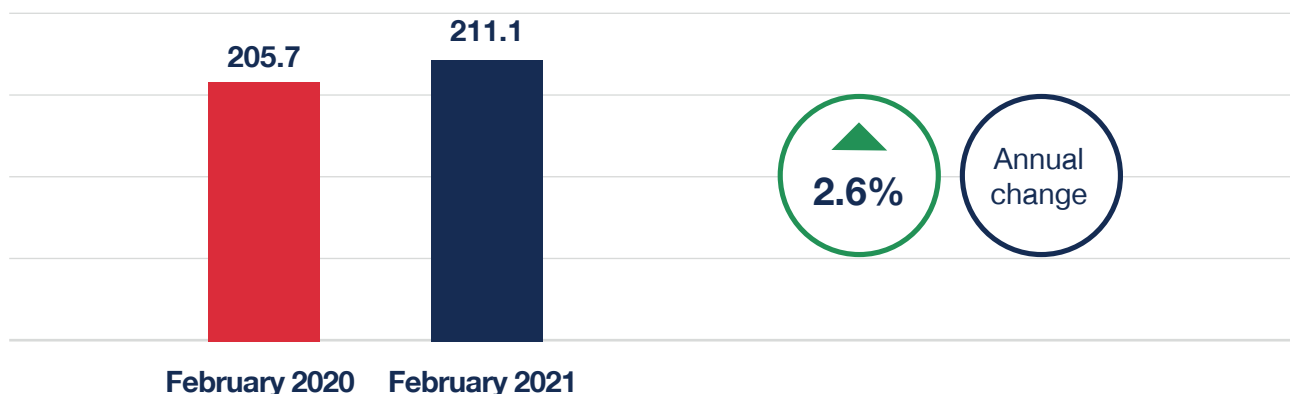
The volume and value of point of sales and ecommerce transactions increased by 15.5% and 2.6% respectively in February 2021

The COVID-19 pandemic has prompted employers to request customers to avoid using cash, as there is still unprecedented concern in this regard.

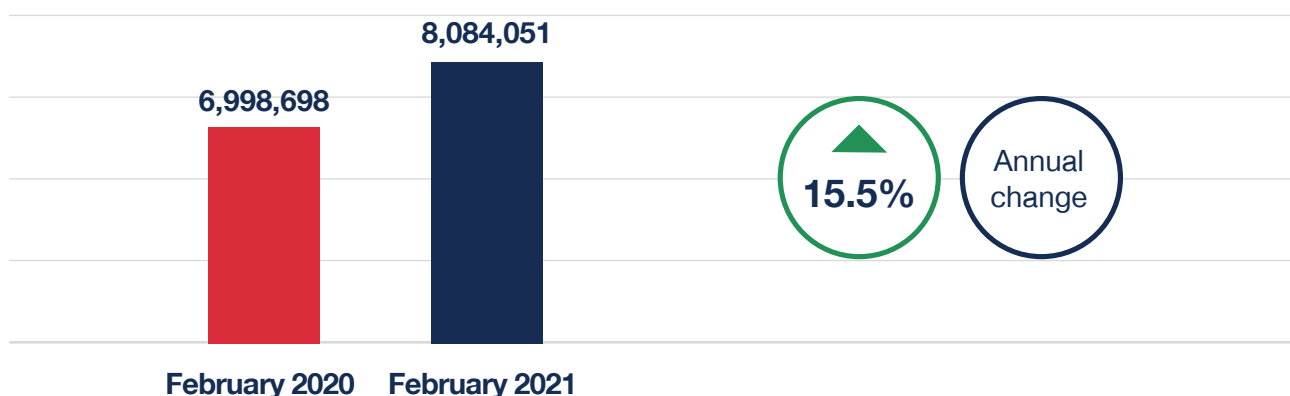
Despite the new electronic payment methods introduced in recent years, cash is still the preferred payment method for many employers in some countries, such as Germany.

- In the Kingdom of Bahrain, online payment transactions increased, and this was accompanied by a 2.6% annual increase in the value of online payments from BD 205.7 million in February 2020 to BD 211.1 million in February 2021.
- The number of transactions increased on an annual basis by 15.5%, reaching 8,084,051 transactions in February 2021 compared to 6,998,698 transactions in February 2020.

The value of point of sale and ecommerce transactions (million Bahraini Dinars)



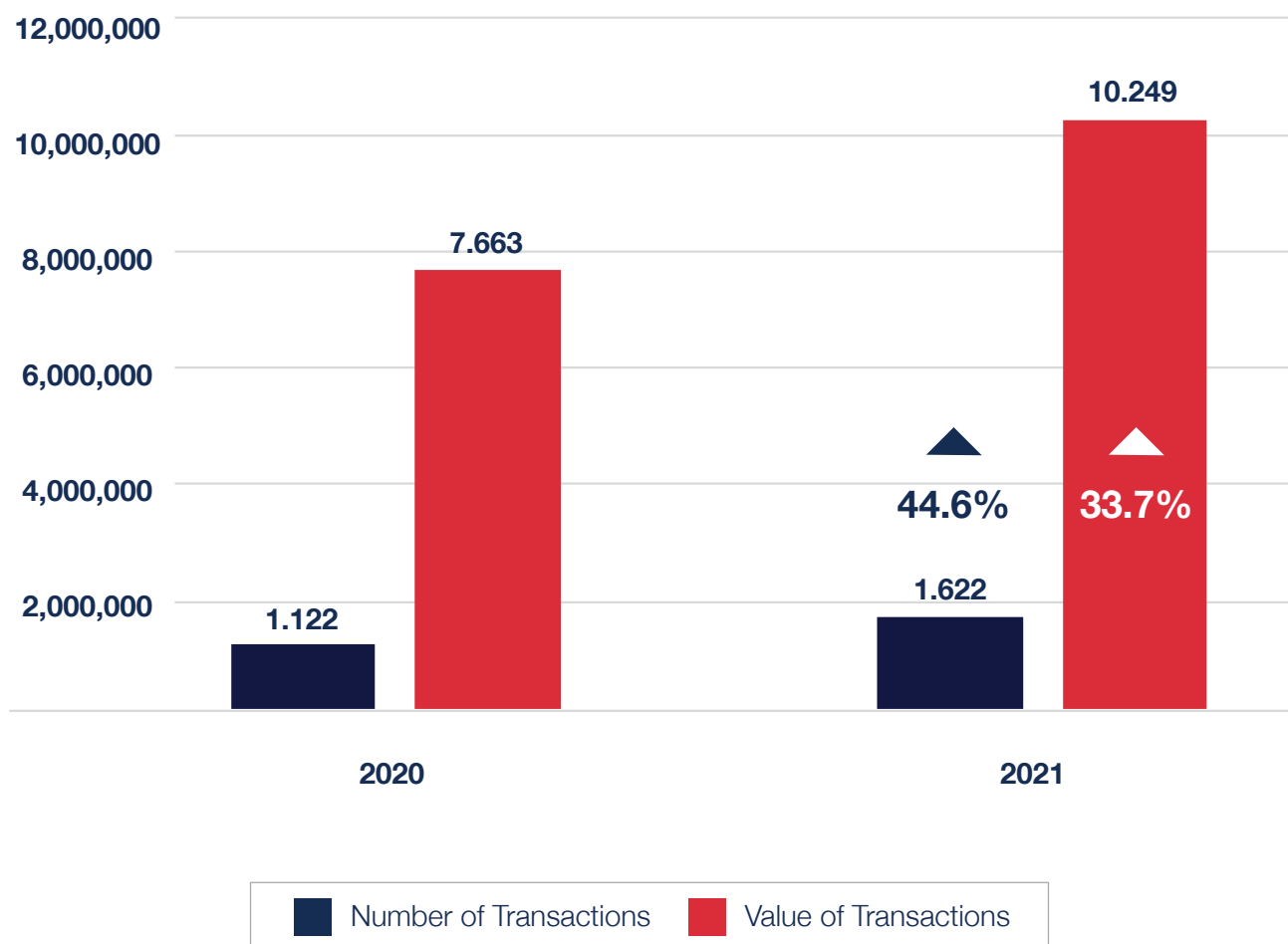
The volume of point of sale and ecommerce transactions (million Bahraini Dinars)



33.7% increase in the value of point of sales and ecommerce transactions in the restaurant sector

The number of point of sales and ecommerce transactions using debit and credit cards increased by 44.6% in the restaurant sector in February 2021 compared to February 2020, while the value of transactions increased by 33.7% during the same period of time.

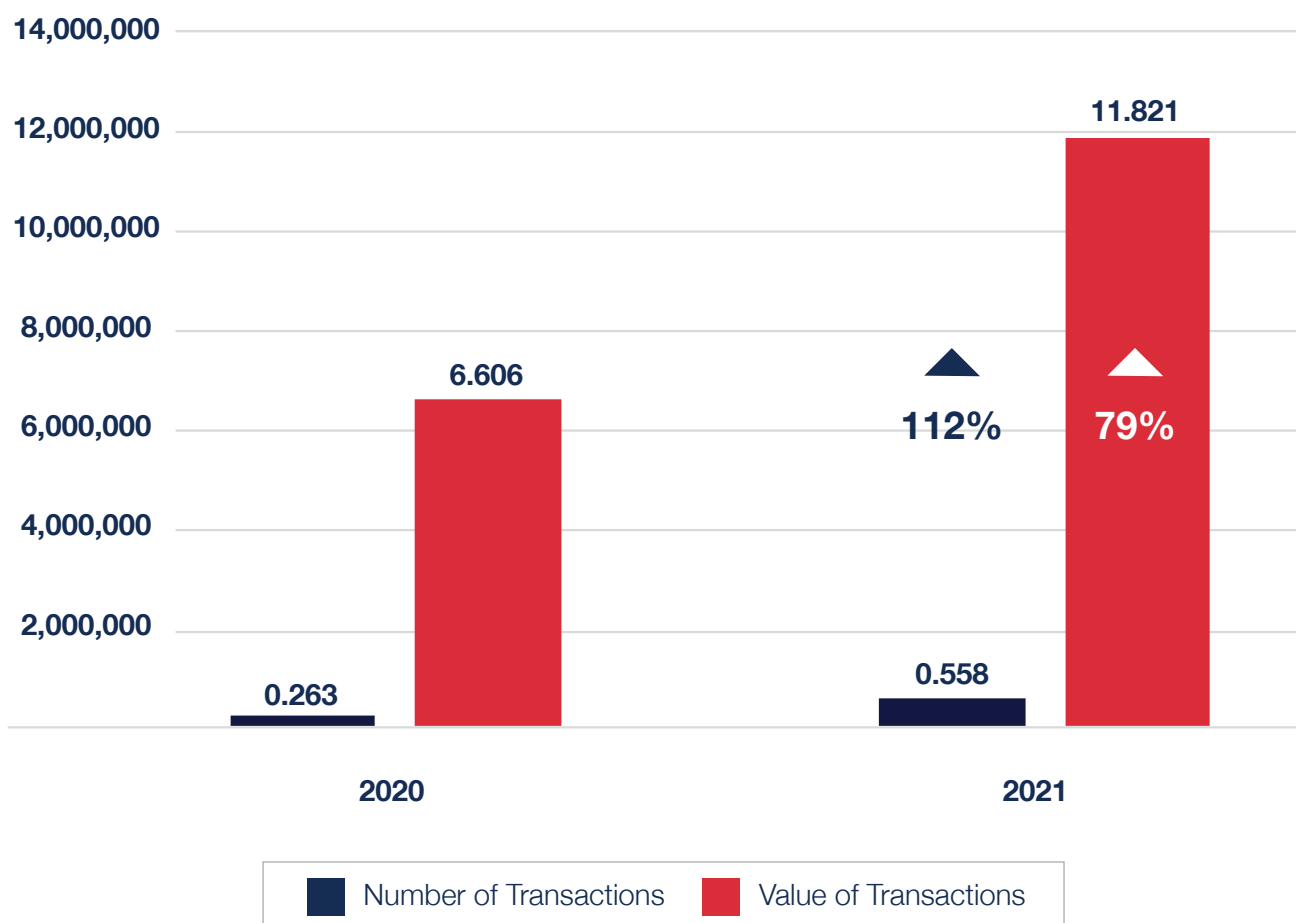
Volume and value of POS and ecommerce transactions in the restaurant sector (million Bahraini Dinars)



79% increase in the value of point of sales and ecommerce transactions in the health sector

The number of point of sales and ecommerce transactions through debit and credit cards increased by 112% in the health sector in February 2021 compared to February 2020, while the value of transactions increased by 79% during the same period of time.

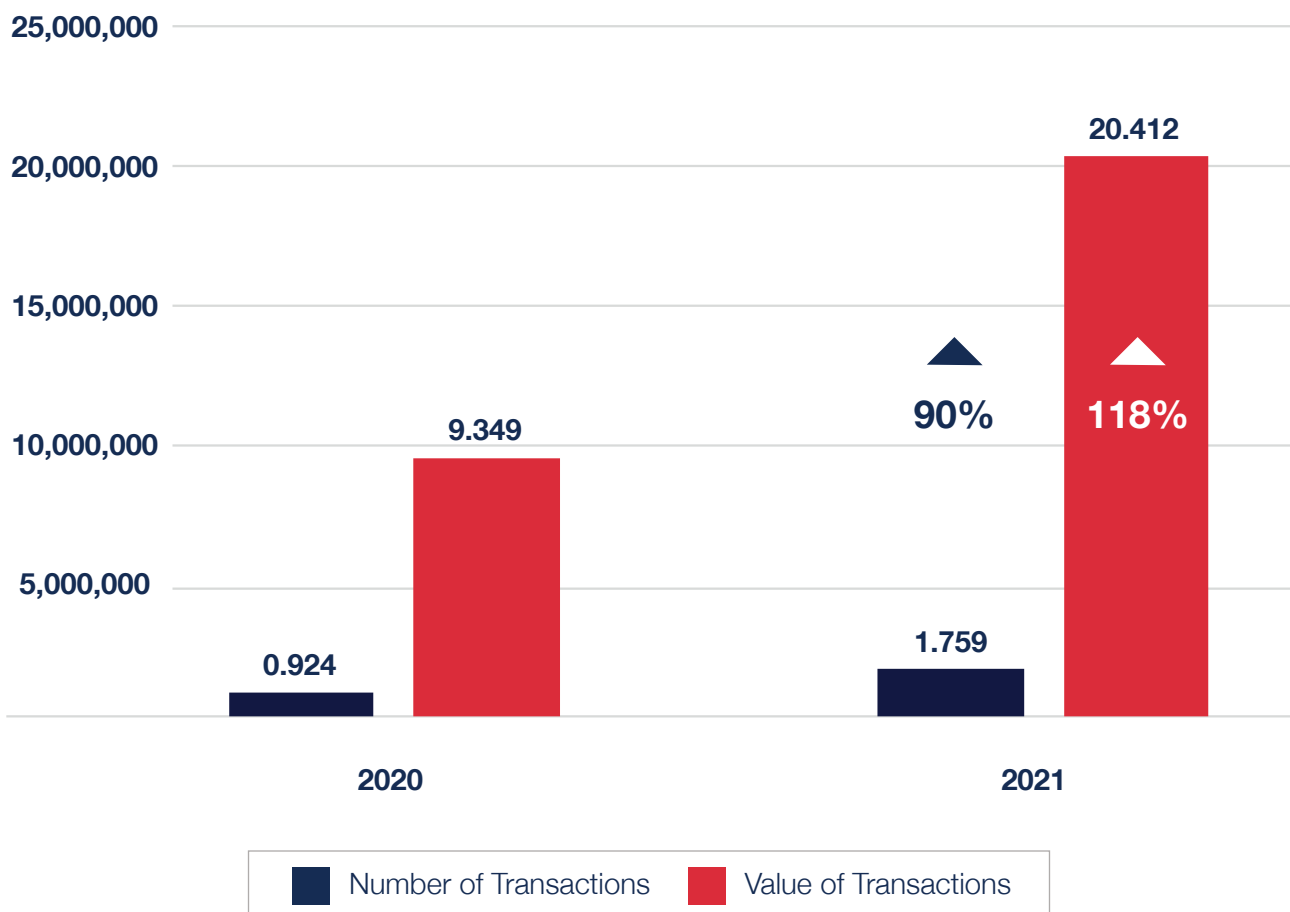
Volume and value of POS and ecommerce transactions in the health sector (million Bahraini Dinars)



Sharp 118% increase in the value of points of sales and ecommerce transactions in the supermarket sector

The number of point of sales and ecommerce transactions through debit and credit cards increased by 90.2% in the supermarket sector in February 2021 compared to February 2020, while the value of operations increased by 118.3% during the same period of time.

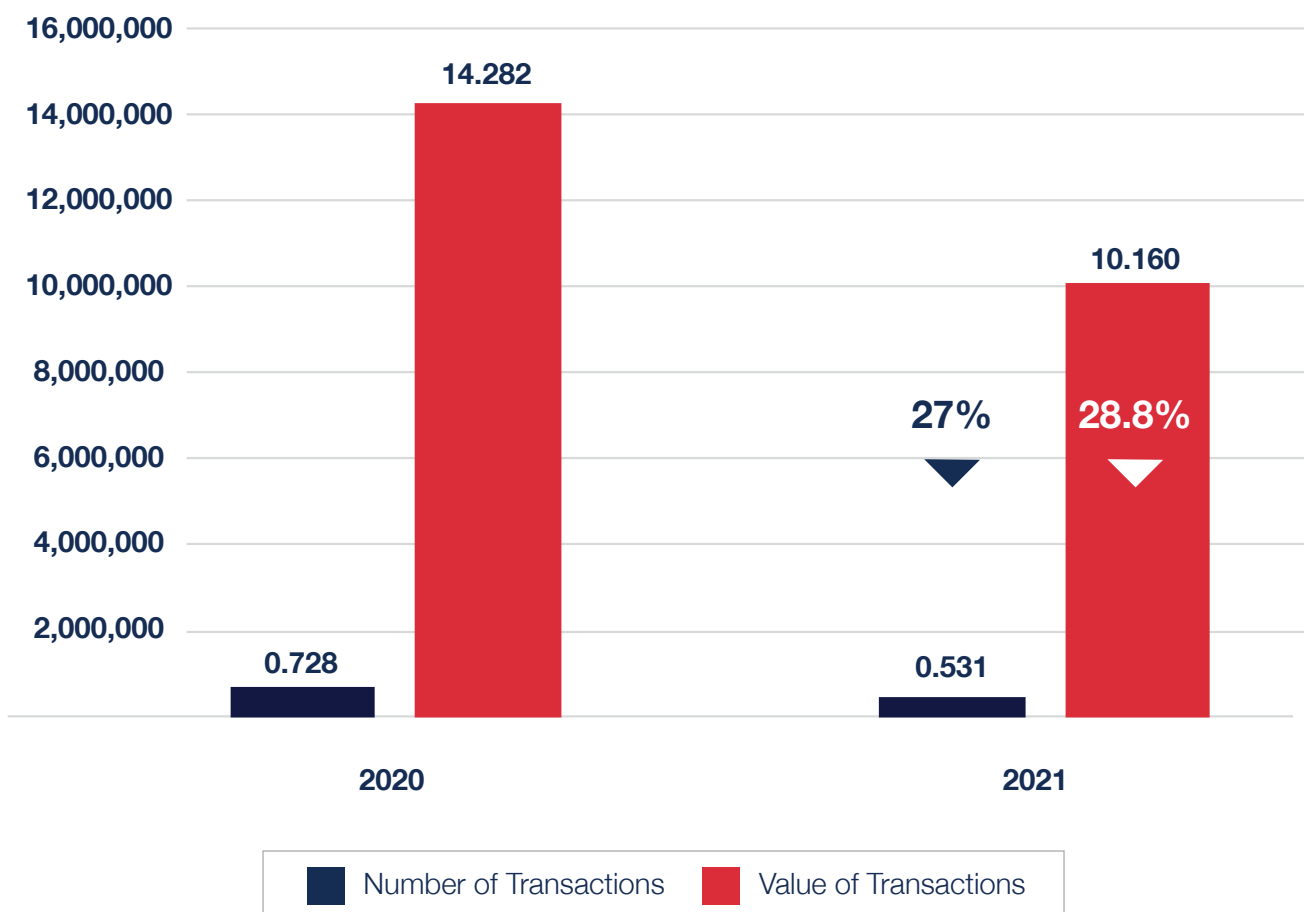
Volume and value of POS and ecommerce transactions in the supermarket sector (million Bahraini Dinars)



28.8% decrease in the value of point of sales and ecommerce transactions in the department stores sector

The number of point of sales and ecommerce transactions through debit and credit cards in decreased by -27% in the department stores sector in February 2021 compared to February 2020, while the value of operations decreased by -28.8% during the same period of time.

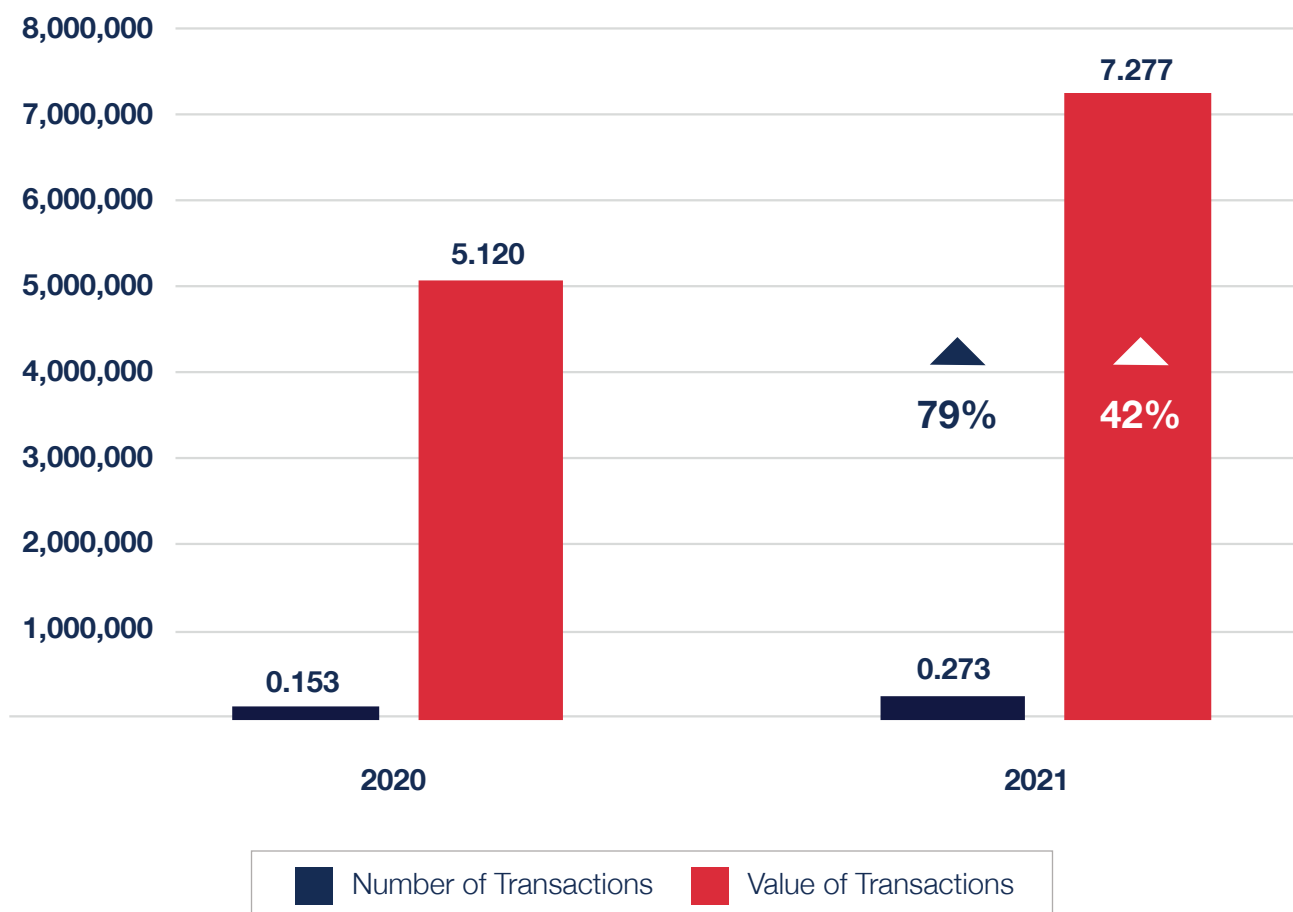
Volume and value of POS and ecommerce transactions in the department stores sector (million Bahraini dinars)



42% increase in the value of point of sales and ecommerce transactions in the telecommunication sector

The number of point of sale and ecommerce transactions through debit and credit cards in the telecommunication sector increased by 79% in February 2021 compared to February 2020, while the value of transactions increased by 42% during the same time period.

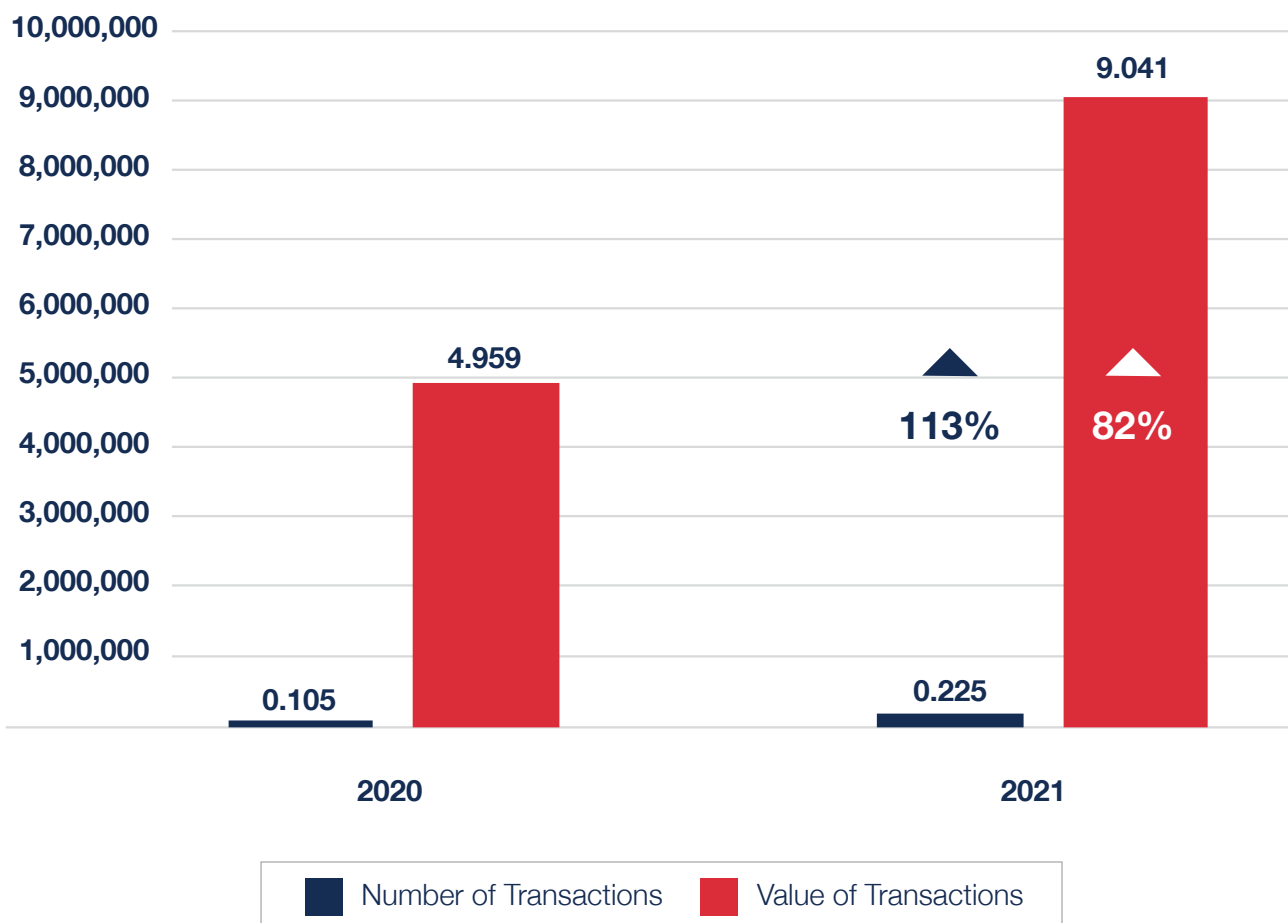
Volume and value of POS and ecommerce transactions in the telecommunication sector (million Bahraini Dinars)



82% increase in the value of point of sales and ecommerce transactions in the automobile and truck dealers sector

The number of point of sales and ecommerce transactions through debit and credit cards in the automobile and truck dealers sector increased by 113% in February 2021 compared to February 2020, while the value of operations increased by 82% for the same period.

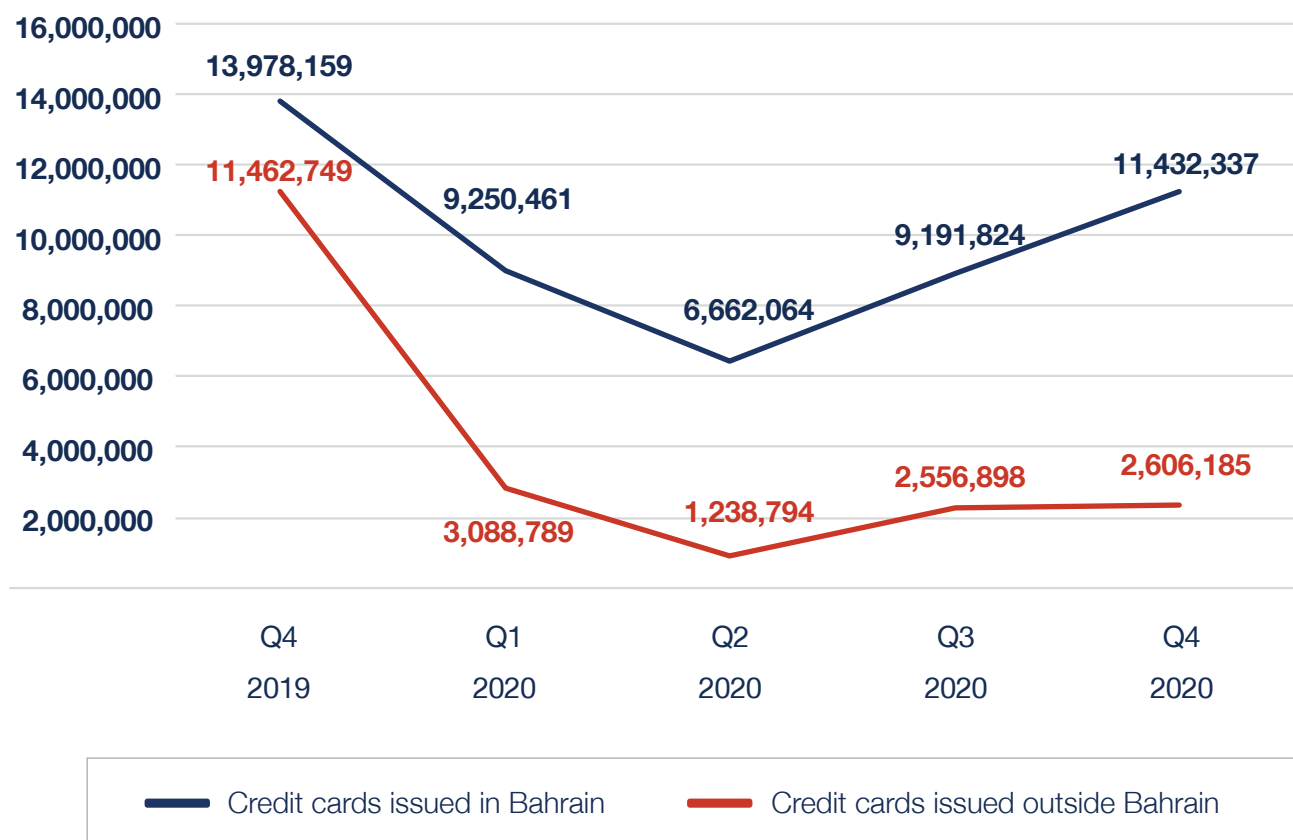
Volume and value of POS and ecommerce transactions in the automobile and truck dealers sector (one million Bahraini Dinars)



45% decrease in the value of point of sales and ecommerce transactions in the jewelry sector

- The Jewelry Arabia Exhibition is held in the Kingdom of Bahrain in November every year, and it is one of the most important jewelry and watches exhibitions in the Middle East, as it features an extensive collection from various countries. Due to the COVID-19 pandemic, the exhibition was cancelled in 2020 to maintain social distancing and limit the outbreak of COVID-19. As shown in the graph below, the spending on the jewelry sector in Bahrain was greatly affected during the pandemic.
- The value of credit card sales in the jewelry sector decreased by 45% from BD 25 million in Q4 2019 to BD 14 million in Q4 2020.

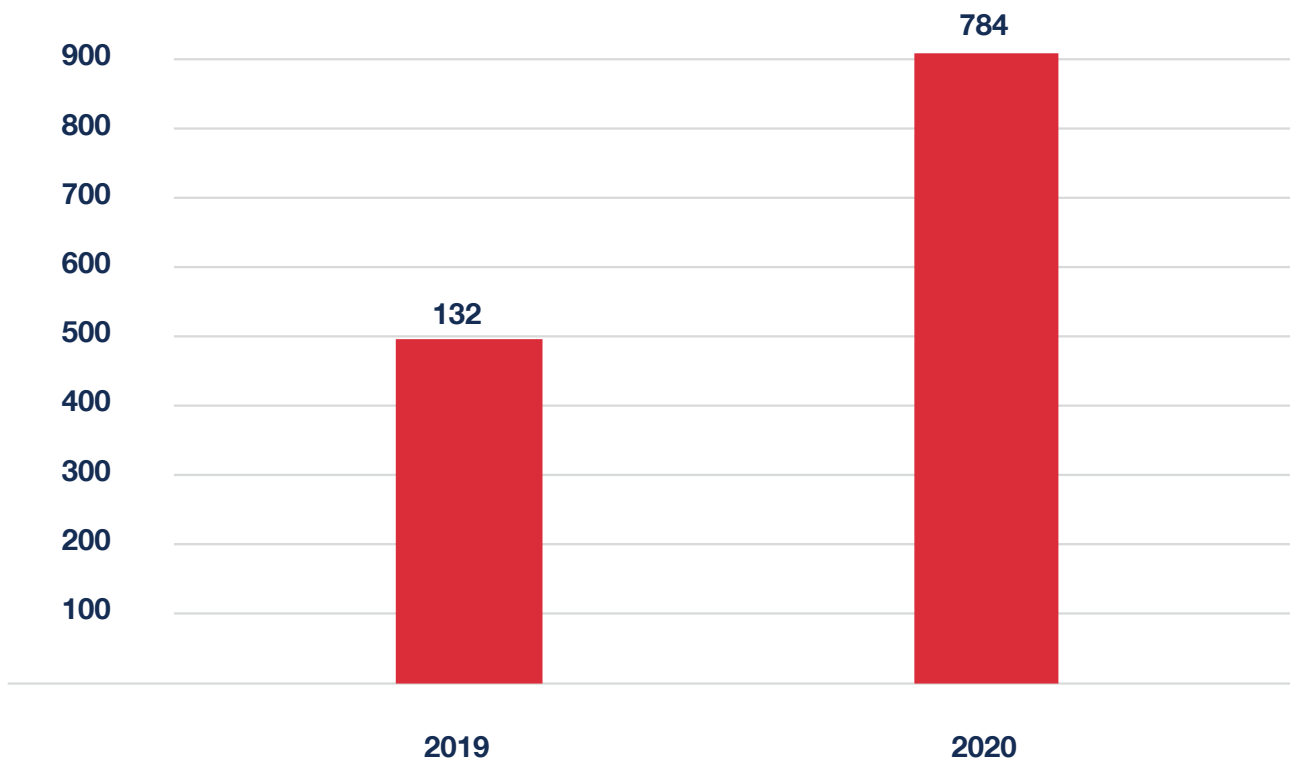
Point of sales transactions - credit cards - jewelry sector (Bahraini Dinars)



494% increase in cybercrimes during the past year

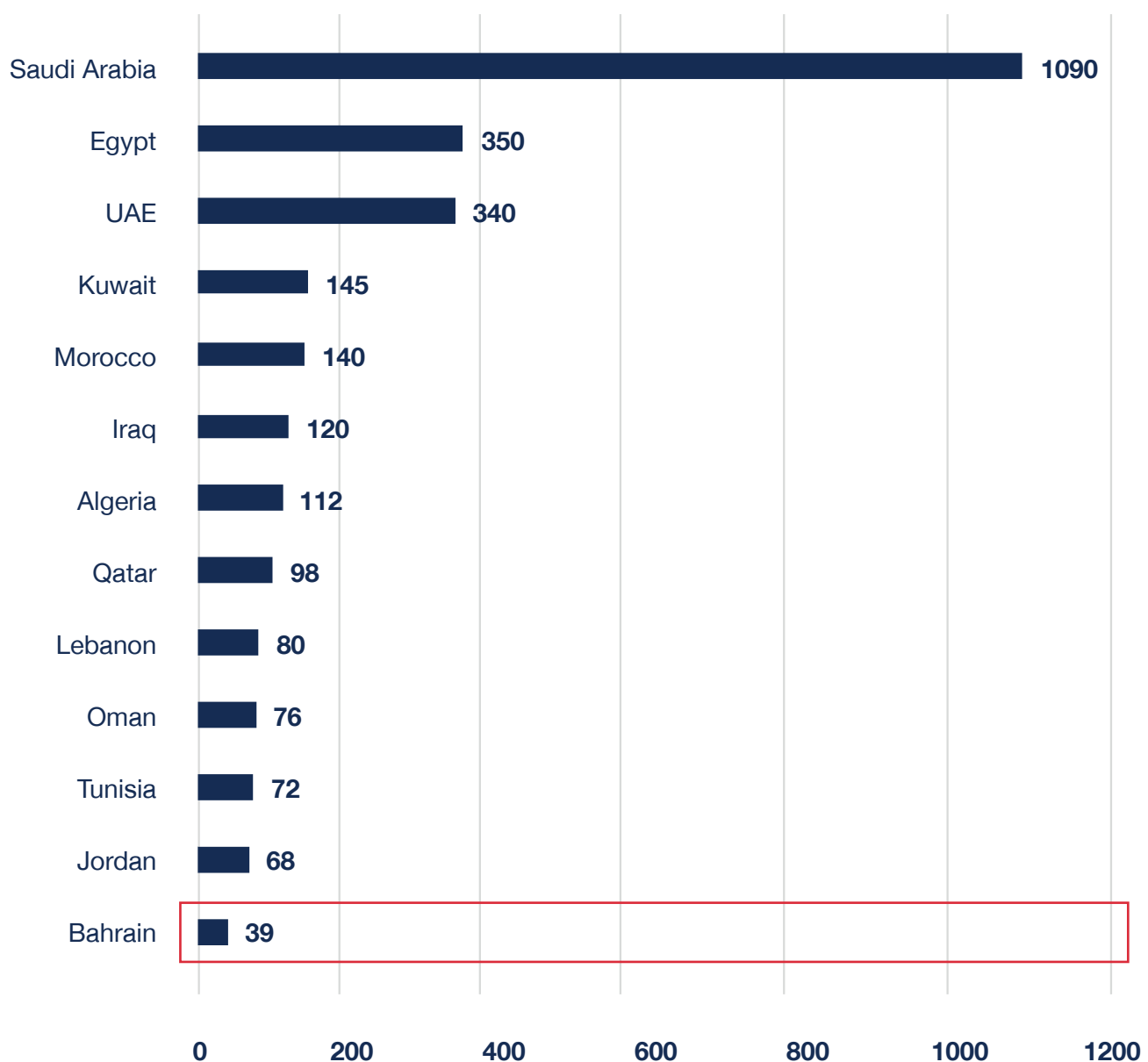
Moving towards the digital economy has led to an increase in ecommerce, which has been accompanied by a 494% increase in cybercrimes in 2020.

Number of Online Fraud Reports



An increase in spending on electronic games in 2020

Spending on electronic games increased due to the outbreak of the COVID-19 pandemic. The Kingdom of Saudi Arabia spent 1.09 billion dollars over the past year, and as such is ranked first among the Arab States. Saudi Arabia's spending constitutes approximately 20% of the total spending amount of 5.4 billion dollars. At the same time, Bahrainis spent 39 million dollars on electronic games in 2020.



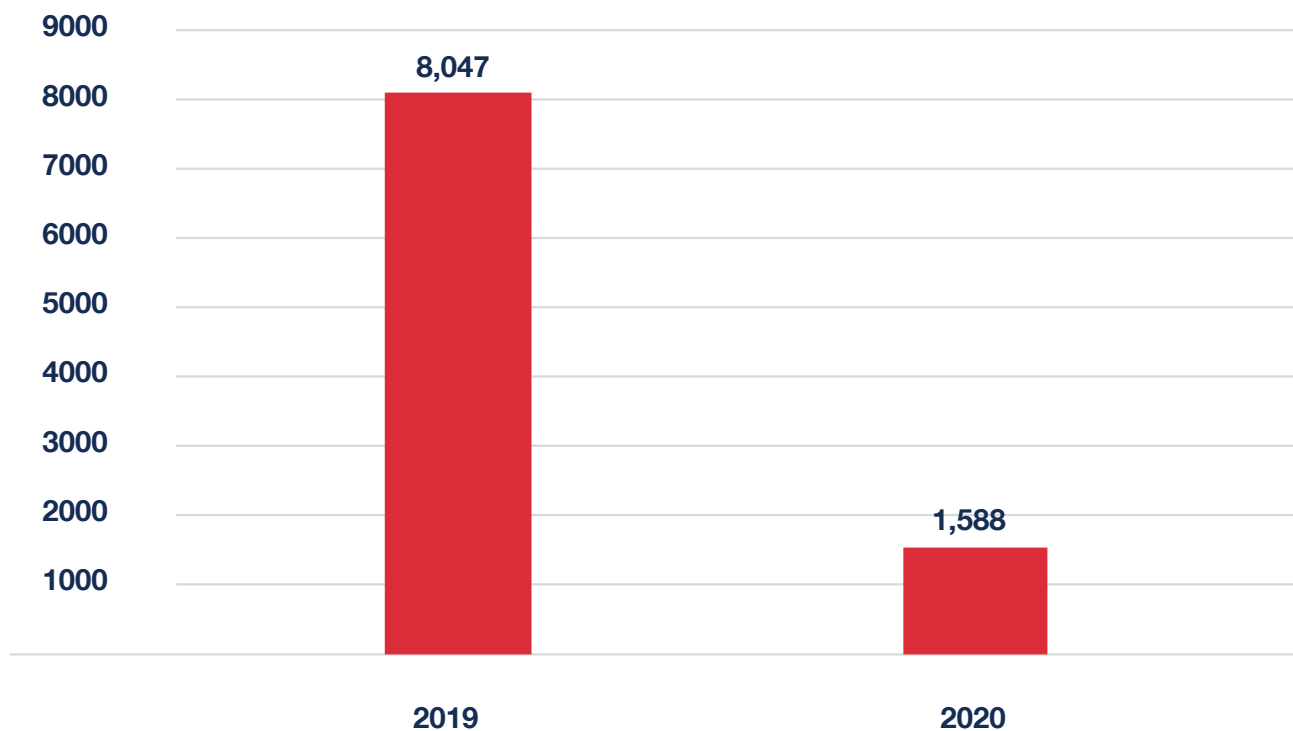
COVID-19 reduces classroom training courses by 80%

The number of training courses was reduced by 80% in 2020 compared to 2019 due to the suspension of training programs as a result of the COVID-19 pandemic. It should be noted that the training courses in 2020 were only held from January to March due to the precautionary lockdown.



Remote courses in 2020

Classroom Training Courses



83% decrease in inbound visitors for tourism purposes in 2020 compared to 2019

Most of economic sectors were affected by the outbreak of COVID-19 pandemic in 2020. The tourism sector was one of the most affected sectors due to the closure of borders by countries throughout the world and the imposition of strict travel restrictions.

The World Tourism Organization expects a gradual recovery in the tourism sector in 2021, but the tourism sector may not get back to pre-pandemic levels until 2023. However, it needs new innovative strategies to adapt to the current situation.

In the Kingdom of Bahrain, the number of inbound visitors for tourism purposes decreased by 83%, from 11.1 million visitors in 2019 to 1.9 million visitors in 2020. Thus, the total inbound tourism revenues in 2020 decreased by 80% from 1.5 million dinars to 0.3 million dinars.

Key tourism indicators 2019 - 2020

Index	2019	2020	Proportional Change
Number of arriving passengers (million)	12.5	2.3	-82%
Number of inbound visitors for tourism purposes (million)	11.1	1.9	-83%
Number of tourist nights (million)	13.2	2.9	-78%
Average length of stay for a tourist (night / tourist)	3.4	3.6	+6%
Average daily visitor spending (BHD)	71	67.7	-5%
Total inbound tourism revenues (million BHD)	1.5	0.3	-80%

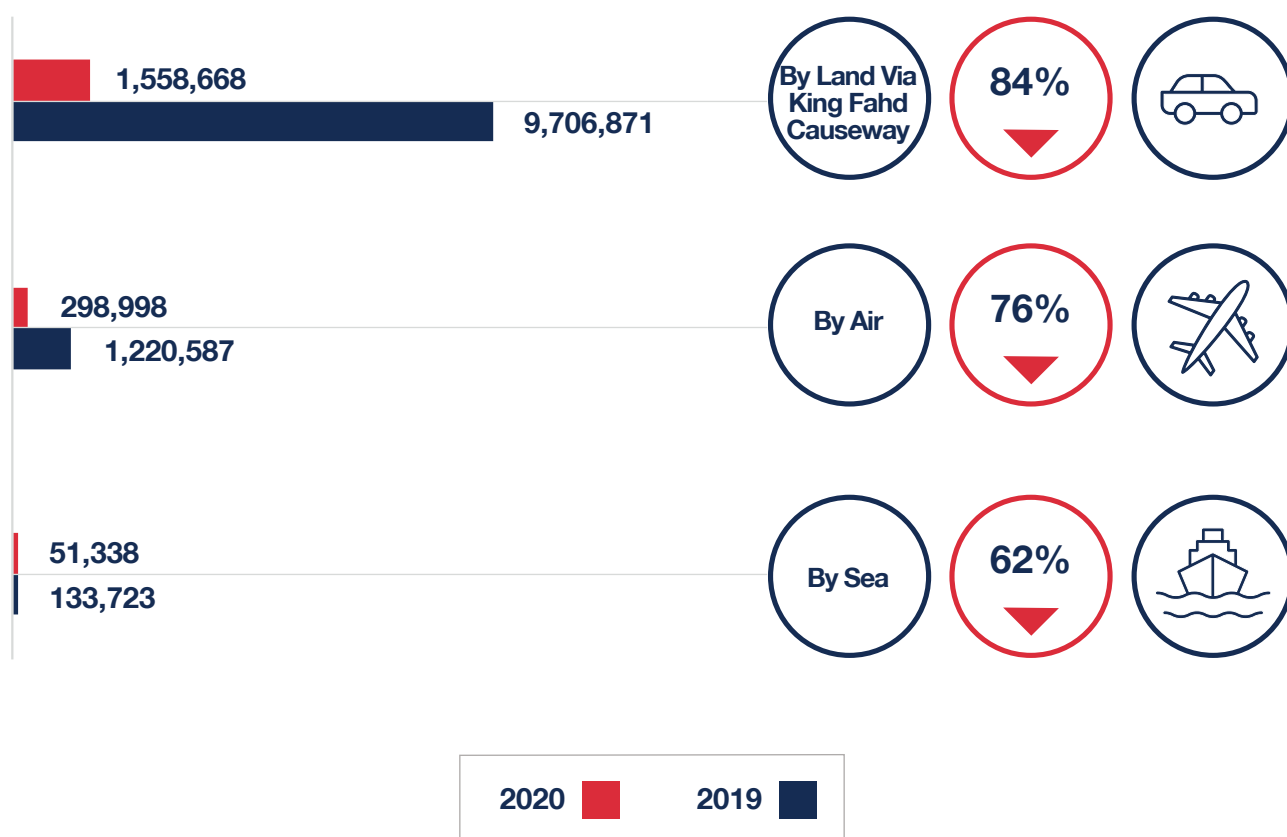
84% decrease in inbound visitors via King Fahd Causeway in 2020 compared to 2019

The number of inbound visitors via King Fahd Causeway (KFC) decreased by 84% in 2020 compared to 2019, due to the temporary closure of KFC since March 2020 to limit the outbreak of the pandemic between Bahrain and Saudi Arabia.

But the reopening of the King Fahd Causeway in 2021 will add billions of dollars to Bahrain's economy as the number of visitors goes back to pre-pandemic levels.

In addition, the number of inbound visitors by air decreased by 76% and visitors by sea decreased by 62% in 2020.

Inbound tourism flows as per means of transportation 2019 – 2020.

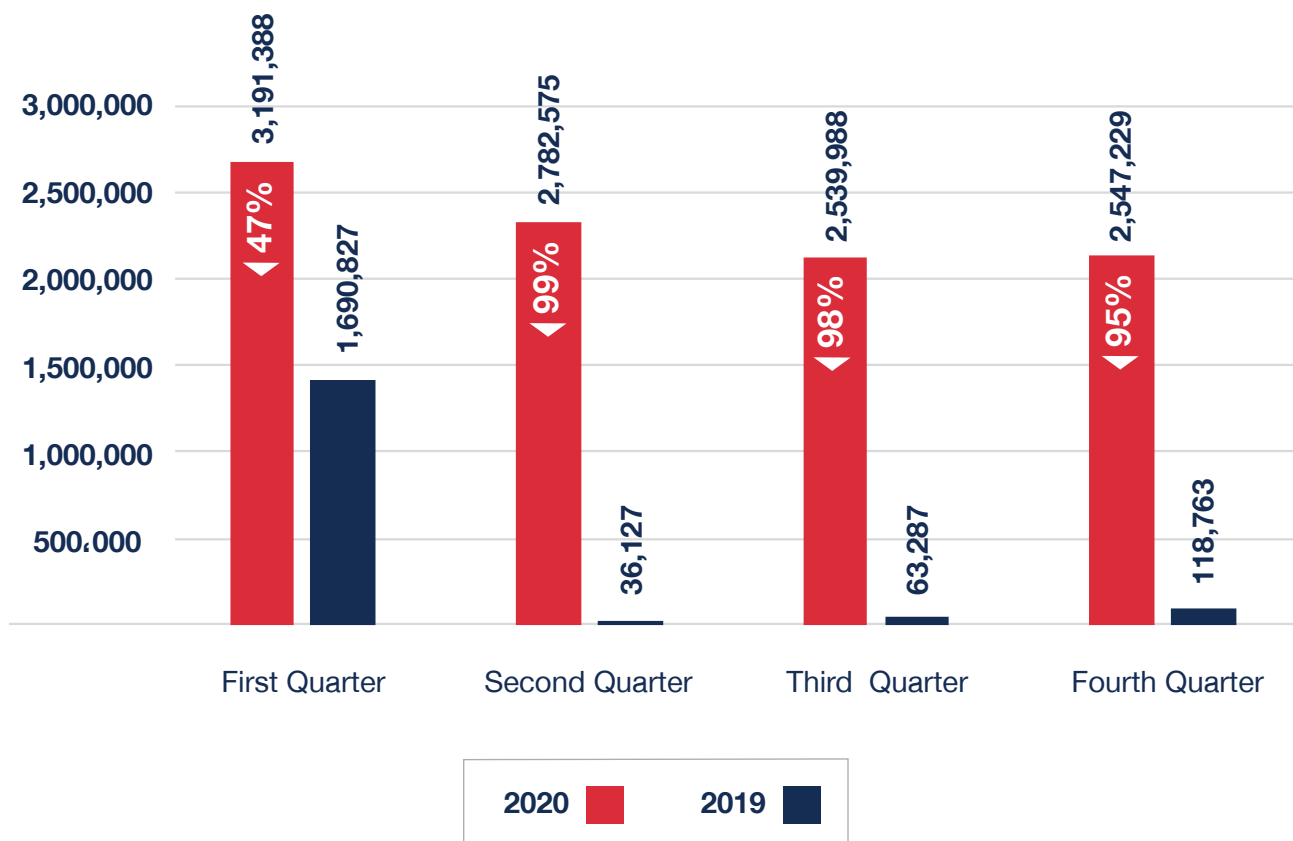


95% decrease in arrivals to Bahrain due to COVID-19 during Q4 2020

The tourism sector has witnessed exponential growth over the past decades, and countries have paid a significant attention to this industry. The tourism sector can play a major role in economic recovery and is linked to a wide number of other economic sectors. Additionally, it leads to increased foreign investment flows and the creation of jobs, and furthers the economic development of a country. However, tourism was largely impacted by the social restrictions imposed as a result of the coronavirus pandemic, the lack of movement through airports, and the complete closure of borders for several months. The losses incurred by the sector tourism sector reached 1.3 billion dollars in 2020, according to the World Tourism Organization.

In Bahrain, the number of inbound visitors to the Kingdom in the second and third quarter of the year 2020 decreased by more than 90% compared to the same time period in 2019. However, opportunities for the recovery of this sector still exist, especially after many countries around the world decided to open their borders and reduce travel restrictions in 2021. Furthermore, the efforts made to distribute vaccines and the enforcement of precautionary measures during travel will contribute to the acceleration of the sector's recovery.

Quarterly change in the number of inbound visitors to Bahrain in 2020 compared to 2019



Contact Us

Phone: 17380000

Address: Building 519 Road 1010 Block 410

P.O.Box: 248

Manama – Kingdom of Bahrain

Studies and Initiatives Centre

Fatema Hameed Al Sayegh

Manager of Studies and Initiatives Centre

17380046

fatema.alsayegh@bahrainchamber.bh

Alaa Hassan Mansoor

Senior Researcher

17380098

alaa@bahrainchamber.bh

Feda Ebrahim Ahmed

Senior Researcher

17380059

Feda@bahrainchamber.bh

Rawan Basem Ashoor

Researcher

17380020

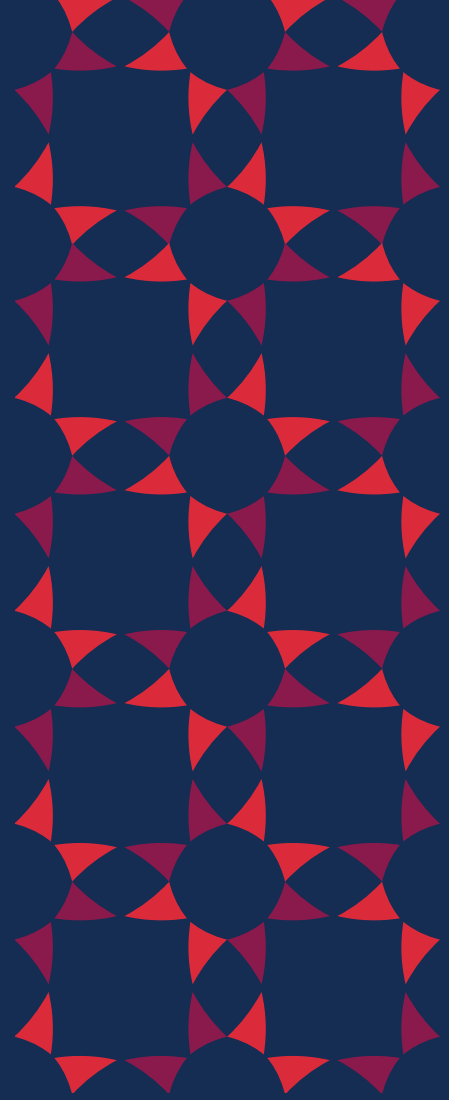
rawan@bahrainchamber.bh

Hasan Abdulnabi Abbas

Researcher

17380053

h.abbas@bahrainchamber.bh



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.