

غرفة البحرين
BAHRAIN CHAMBER



Overview of the Local Economy

Q2 2022



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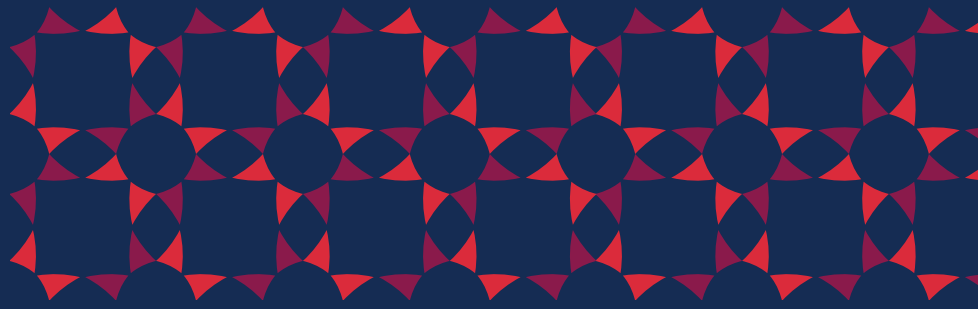
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Executive Summary

The economic recovery trajectory continues in the Kingdom of Bahrain in Q2 2022, with growth recorded in the non-oil sectors. Real GDP and nominal GDP increased by 5.5% and 19.7%, respectively, in Q1 2022 y-o-y, led by growth in the Hotels and Restaurants and Transport and Communication Sectors. The recovery in oil and aluminum price contributed to Bahrain's improved economic performance, and consequently S&P affirmed the Kingdom's credit rating at B+/B with a stable outlook. The number of employees in both the private and public sectors increased, and this includes both Bahrainis and non-Bahrainis. Furthermore, the volume of trade has increased between Bahrain and all GCC countries in the first half of 2022 on a y-o-y basis.

Government initiatives have largely contributed to the economic recovery in Bahrain. It is notable that Bahrain has completed 16 of the Economic Recovery Plan's 27 programs. This includes major initiatives such as the launch of the Golden Residency Visa, which is partially designed to attract investors. FDI flows recovered strongly in 2021 in all regions, and there has been a 64% increase in FDI inflows globally in 2021. In Bahrain, FDI flows increased by 73% to reach \$1.77 billion in 2021. Bahrain has ranked well in various global indicators, including the IMD World Competitiveness Yearbook 2022, the Travel and Tourism Development Index 2021, and the 2022 Global Start-up Ecosystem Report. This is a testament to Bahrain's increased competitiveness and business friendly environment.



Growth and GDP Contribution of Economic Sectors

- 5.5% real GDP growth and 19.7% nominal GDP growth in Bahrain in Q1 2022 compared to Q1 2021.
- The Finance and Insurance sector is the highest contributor to GDP in Q1 2022 at 17.39%.



Trade Exchange

- 13.8% increase in the volume of trade between Bahrain and the GCC in the first half of 2022 compared to 2021.
- 21% increase in the volume of trade between Bahrain and both Oman and Saudi Arabia in the first half of 2022 compared to 2021.



Local Economic Outlook

- Bahrain's credit rating is affirmed at B+/B with a stable outlook.
- 10% decline in ATM withdrawals in March 2022 compared to the same period in 2021.
- 44.9% increase in the number of POS transactions in March 2022 compared to March 2021.
- 35.9% increase in the value of POS transactions recorded in March 2022 compared to March 2021.
- 50.5% increase in the number of supermarket transactions in March 2022 compared to the same period in 2021.
- 48.5% increase in the value of supermarket transactions in March 2022 compared to the same period in 2021.
- 4.2% decrease in the number of department store transactions in March 2022 compared to the same period in 2021.
- 2.5% decrease in the value of department store transactions in March 2022 compared to the same period in 2021.
- 52.8% increase in transfers via Fawri+ in Q1 2022 compared to the same period in 2021.
- 12.4% increase in worker remittances in Q1 2022 compared to the same period in 2021.
- Decrease in interest rates on business loans in most sectors.
- 3.5% increase in Consumer Price Index (CPI) in May 2022 compared to May 2021.
- Increase in employees in both the public and private sectors in Q1 2022 compared to Q1 2021.



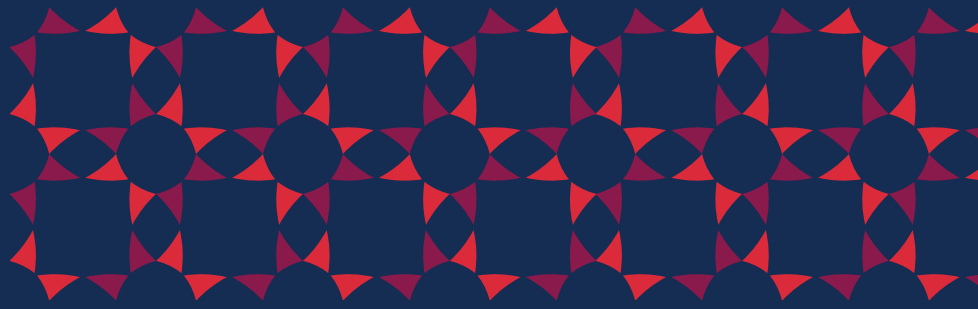
Bahrain's Ranking in Global Indices

- Bahrain is among the top 10 performing ecosystems in MENA according to the 2022 Global Start-up Ecosystem Report.
- FDI flows to Bahrain increased by 73% to reach \$1.77 billion in 2021 compared to 2020.
- Bahrain is 30th worldwide in the IMD World Competitiveness Yearbook 2022.
- Bahrain is 57th worldwide in the Travel and Tourism Development Index 2021.



Global Economic Outlook

- COVID-19 has increased financial inclusion globally.
- WTI crude oil prices increased by more than 47% in July 2022 compared to July 2021.
- Gold prices increased by 43.5% between 2018 and 2022.
- Turkey had the highest inflation rate globally in May at 73.5%.



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Growth and GDP Contribution of Economic Sectors

5.5% real GDP growth and 19.7% nominal GDP growth in Bahrain in Q1 2022

Economic Sector Growth in Q1 2022 Compared to Q1 2021

Sector	Growth in Constant Prices	Growth in Current Prices
Agriculture and fishing	3.86%	1.16%
Mining and quarrying	-4.58%	39.42%
Manufacturing	5.34%	55.36%
Electricity and water	12.25%	-1.42%
Construction	2.97%	5.06%
Trade	1.57%	1.93%
Hotels and restaurants	26.57%	35.23%
Transport and communication	15.77%	3.93%
Education services (public and private)	-0.96%	-0.34%
Health services (public and private)	-3.93%	-4.39%
Social & personal services	4.27%	0.4%
Real estate and business services	4.71%	3.53%
The financial corporations	3.07%	0%
Other government services	9.72%	4.55%
GDP	5.54%	19.67%
Oil GDP	-4.74%	42.23%
Non-oil GDP	7.78%	16.2%

Source: Information and e-Government Authority

In Q1 2022, GDP grew by 5.5% in constant prices and 19.7% in current prices compared to Q1 2022. The oil GDP contracted by -4.7% in constant prices, and grew by 42.2% in current prices. Furthermore, the non-oil GDP grew by 7.8% in constant prices and 16.2% in current prices. The Hotels and Restaurants sector achieved the highest real growth rate at 26.6% in Q1 2022 on an annual basis, led by a significant recovery in the tourism sector in the Kingdom. The Transportation and Communication sector also witnessed an improvement, with a growth rate of 15.8%. The Manufacturing sector grew by 5.3%, and the Real Estate and Business Services sector grew by 4.7%. The Financial Corporations sector, which is the largest non-oil contributor to real GDP, grew by 3.1% on an annual basis.

Top Growing Sectors in Q1 2022 on an Annual Basis :-



Hotels and
Restaurants
26.6%



Transport and
Communication
15.8%



Electricity and
Water
12.25%

The Finance and Insurance sector is the highest contributor to GDP in Q1 2022 at 17.39%

The Finance and Insurance sector is the top contributor to GDP in Q1 2022 at 17.39%, followed by Crude Oil and Natural Gas at 16.18% and Manufacturing at 14.18%. The real GDP contribution levels across sectors are generally consistent over the past two years, but it is notable that the GDP contribution of the crude oil and natural gas sector has decreased from 17.92% in Q1 2021 to 16.18% in Q1 2022. This is due to successful diversification efforts, and growth in the non-oil sectors.

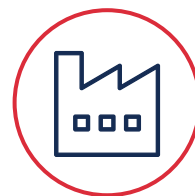
Top Contributing Sectors to the GDP in Q1 2022



Finance and Insurance



Crude Oil and Natural Gas

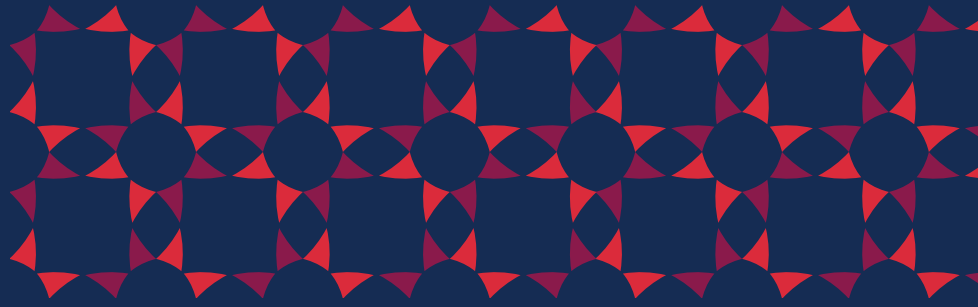


Manufacturing

Real GDP Contribution by Sector

Sector	Q1 2020	Q1 2021	Q1 2022
Finance and insurance	16.20%	17.81%	17.39%
Crude oil and natural gas	17.18%	17.92%	16.18%
Manufacturing	14.17%	14.20%	14.18%
Government services	12.49%	13.16%	13.24%
Construction	7.52%	7.62%	7.43%
Transport and communication	7.14%	6.06%	6.65%
Trade	4.53%	4.34%	4.17%
Hotels and restaurants	1.75%	1.42%	1.71%
Electricity and water	1.48%	1.44%	1.53%

Source: Information and e-Government Authority

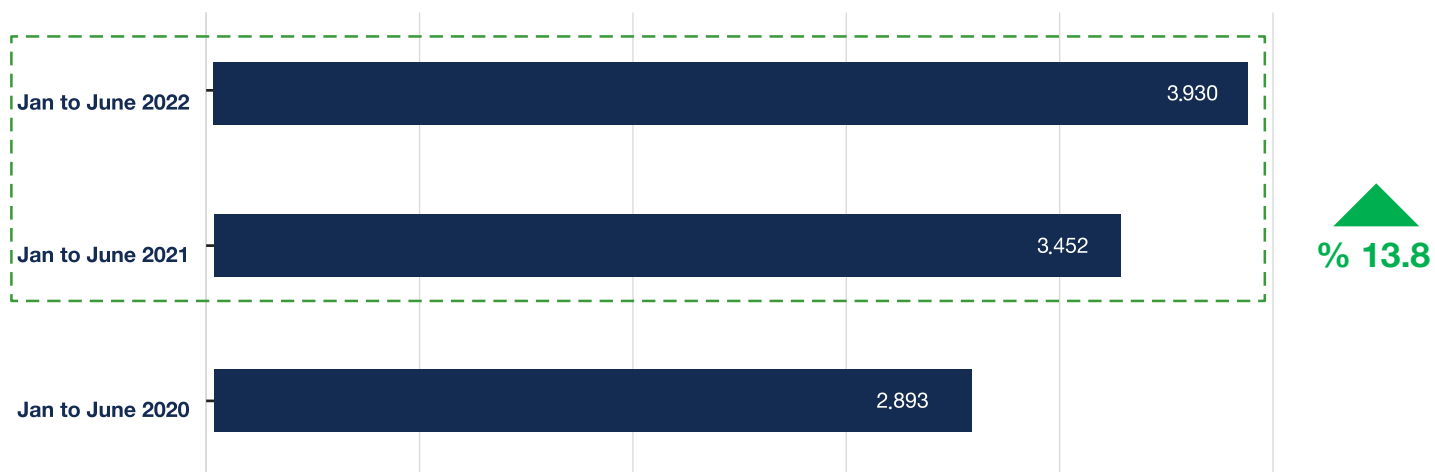


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Trade Exchange

13.8% increase in the volume of trade between Bahrain and the GCC in the first half of 2022 compared to 2021

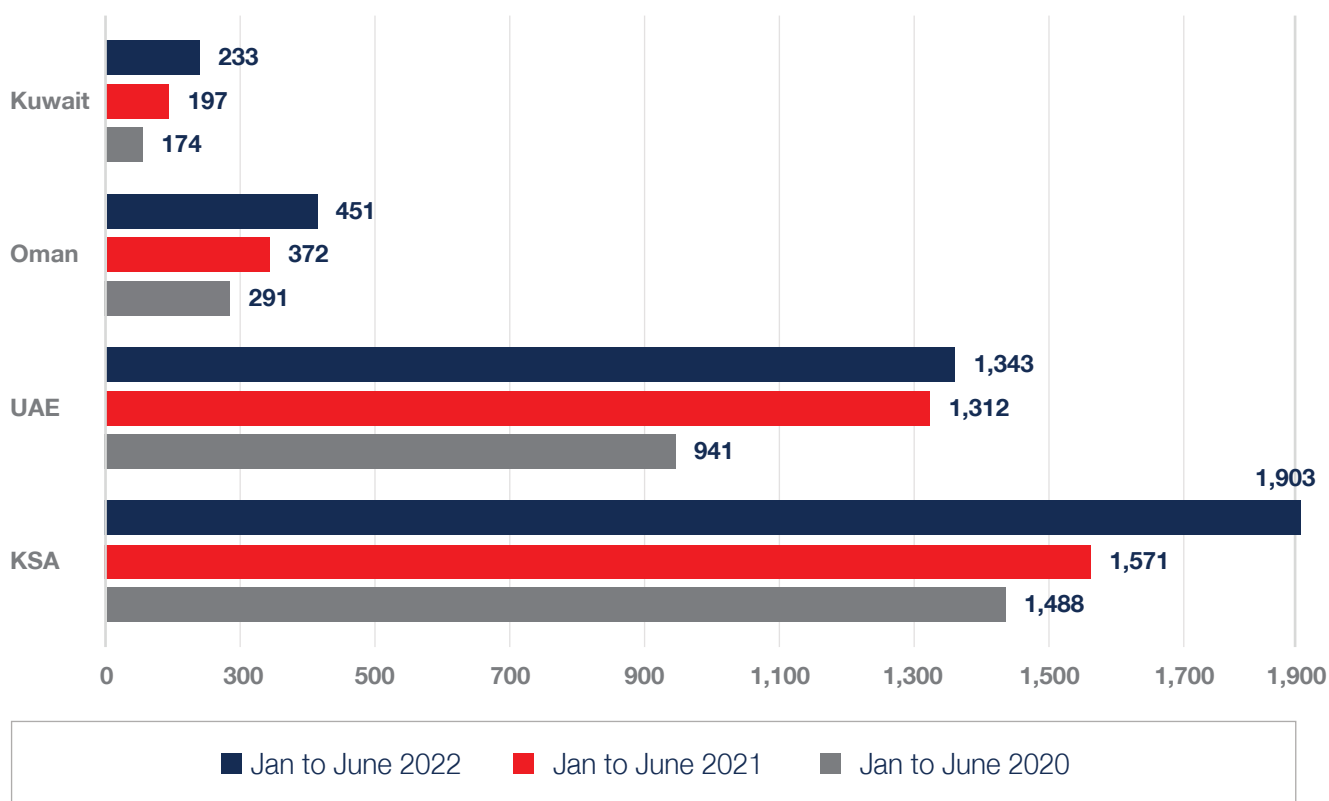
Volume of Trade between Bahrain and GCC Countries (billion USD)



Jan to June 2020	Jan to June 2021	Jan to June 2022	% Change from 2021 to 2022
2,893,690,177	3,452,121,323	3,930,186,900	13.8%

13.8% increase in the volume of trade between Bahrain and the GCC in the first half of 2022 compared to 2021

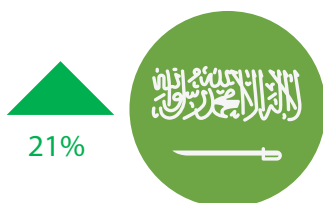
Volume of Trade between Bahrain and GCC Countries (million USD)



Sector	Jan to June 2020	Jan to June 2021	Jan to June 2022	Percentage Change (2020-2021)
Saudi Arabia	1,488	1,571	1,903	21.1%
Oman	291	372	451	21.4%
Kuwait	174	197	233	17.9%
United Arab Emirates	941	1,312	1,343	2.4%

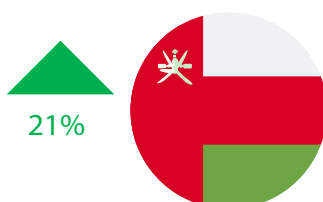
Source: Information & eGovernment Authority

21% increase in the volume of trade between Bahrain and both Oman and Saudi Arabia in the first half of 2022 compared to 2021



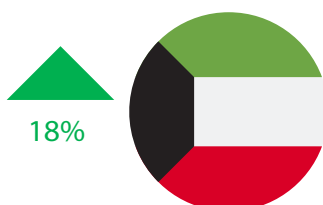
Saudi Arabia

Saudi Arabia has the highest volume of trade exchange with Bahrain among GCC countries in the first half of 2022. The volume of trade between the two countries increased by 21.1% from 1.57 billion USD in the first half of 2021 to 1.90 billion USD in 2022.



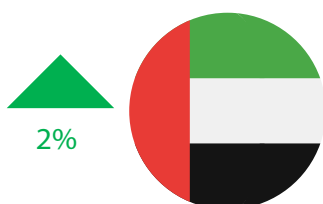
Oman

The volume of trade between Oman and Bahrain amounted to 451 million USD in the first half of 2022, increasing by 21.4% compared to 372 million USD in the same period last year.



Kuwait

The trade exchange between Bahrain and Kuwait increased by 17.9% in the first half of 2022 compared to the same period in 2021, from 197 million USD to 233 million USD in 2022.



United Arab Emirates

The United Arab Emirates ranks second in the volume of trade exchange with Bahrain among GCC countries valued at 1.34 billion USD. The volume of trade between Bahrain and the UAE increased by 2.4% from 1.31 billion USD in 2021 to 1.34 billion USD in 2022.

Bahrain's Top Import Partners in Q2 2022

China maintains position as Bahrain's main import partner in Q2 2022

Country	Total Value of Imports in Q2 2022 (million USD)	Top Imported Commodity	Commodity Value (million USD)	% of Total Imports from the Country
China	623	Other Silicon	52	8%
Brazil	456	Non-Agglomerated Iron Ores and Concentrates	409	90%
Australia	425	Other Aluminum Oxide	385	91%
United Arab Emirates	320	Gold Ingots	77	24%
aidnl	263	Other Polymers	25	10%

China remained Bahrain's top import partner in Q2 2022 with a total import value of 623 million USD. The top imported good was other silicon, with a total value of 52 million USD. This commodity accounts for 8% of total imports from China.

Brazil was Bahrain's second largest import partner in Q2, with the total value of imports reaching 456 million USD. The top imported commodity was non-agglomerated iron ores and concentrates, valued at 409 million USD and accounting for 90% of total imports from Brazil.

Australia trailed slightly behind Brazil, with a total import value of 425 million USD. The top commodity imported was other aluminium oxide at 385 million USD and it accounts for 91% of imports from Australia.

Total imports from the United Arab Emirates are valued at 320 million USD. The top imported commodity was gold ingots, valued at 77 million USD.

Total imports from India reached 263 million USD in Q2 2022. The top imported commodity was other polymers, at 25 million USD.

Source: Information and e-Government Authority

Bahrain's Top Export Partners in Q2 2022

Saudi Arabia maintains position as Bahrain's main export partner in Q2 2022

Country	Total Value of Exports in Q2 2022 (million USD)	Top Exported Commodity	Commodity Value (million USD)	% of Total Exports from the Country
Saudi Arabia	744	Agglomerated Iron Ores and Concentrates	192	26%
United States	572	Unwrought Aluminum Alloys	308	54%
United Arab Emirates	407	Agglomerated Iron Ores and Concentrates	126	31%
Oman	185	Agglomerated Iron Ores and Concentrates	118	63%
Turkey	171	Unwrought Aluminum Alloys	133	78%

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q2 2022, with the total value of exports reaching 744 million USD. The top exported commodity to Saudi Arabia was agglomerated iron ores and concentrates at 192 million USD, and it accounts for 26% of total exports.

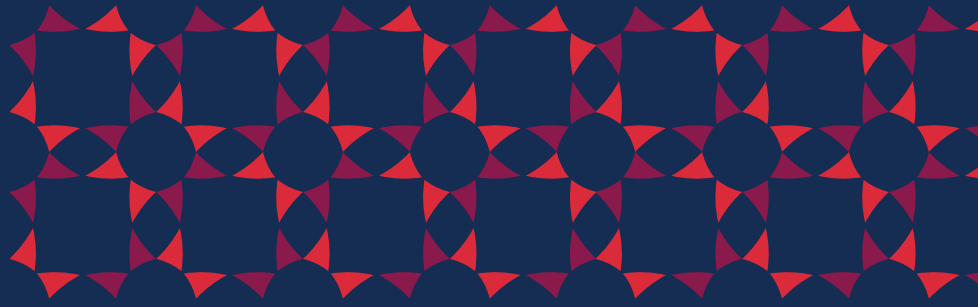
The United States of America was Bahrain's second largest export partner, with the total value of exports amounting to 572 million USD. The top exported commodity was unwrought aluminium alloys at 308 million USD, accounting for 54% of exports to the US.

Total exports from the United Arab Emirates amounted to 407 million USD, making it Bahrain's third largest export partner. The top exported commodity was agglomerated iron ores and concentrates at 126 million USD.

Total exports to Oman amounted to 185 million USD. The top exported commodity was agglomerated iron ores and concentrates at 118 million USD, and accounts for 63% of total exports to Oman.

Turkey was Bahrain's fifth largest export partner in Q2 2022, with the total value of exports reaching 171 million USD. The top exported commodity was unwrought aluminium alloys at 133 million USD and it constitutes 78% of total exports to Turkey.

Source: Information and e-Government Authority



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Local Economic Outlook

Bahrain's credit rating is affirmed at B+/B with a stable outlook

November 2019	November 2020	May 2021	November 2021	April 2022
B+/B Positive	B+/B Stable	B+/B Negative	B+/B Stable	B+/B Stable

S&P affirm Bahrain's credit rating at B+/B with a stable outlook, and this is because the government is expected to implement measures to reduce the budget deficit and to receive support from GCC countries, if necessary. The recovery in oil and aluminum prices in Bahrain contributed to its improved economic performance, as oil comprises 40% of exports and aluminum comprises 20% of exports. There has been a recovery in Bahrain's current account position in 2021, with it shifting into a surplus of 6.7% of GDP as opposed to a deficit of 4.8% of GDP over 2015-2020. Furthermore, the CBB's foreign exchange (FX) reserves increased to \$4.7 billion at the end of 2021, which is their highest level since the oil price slump in 2015-2016.

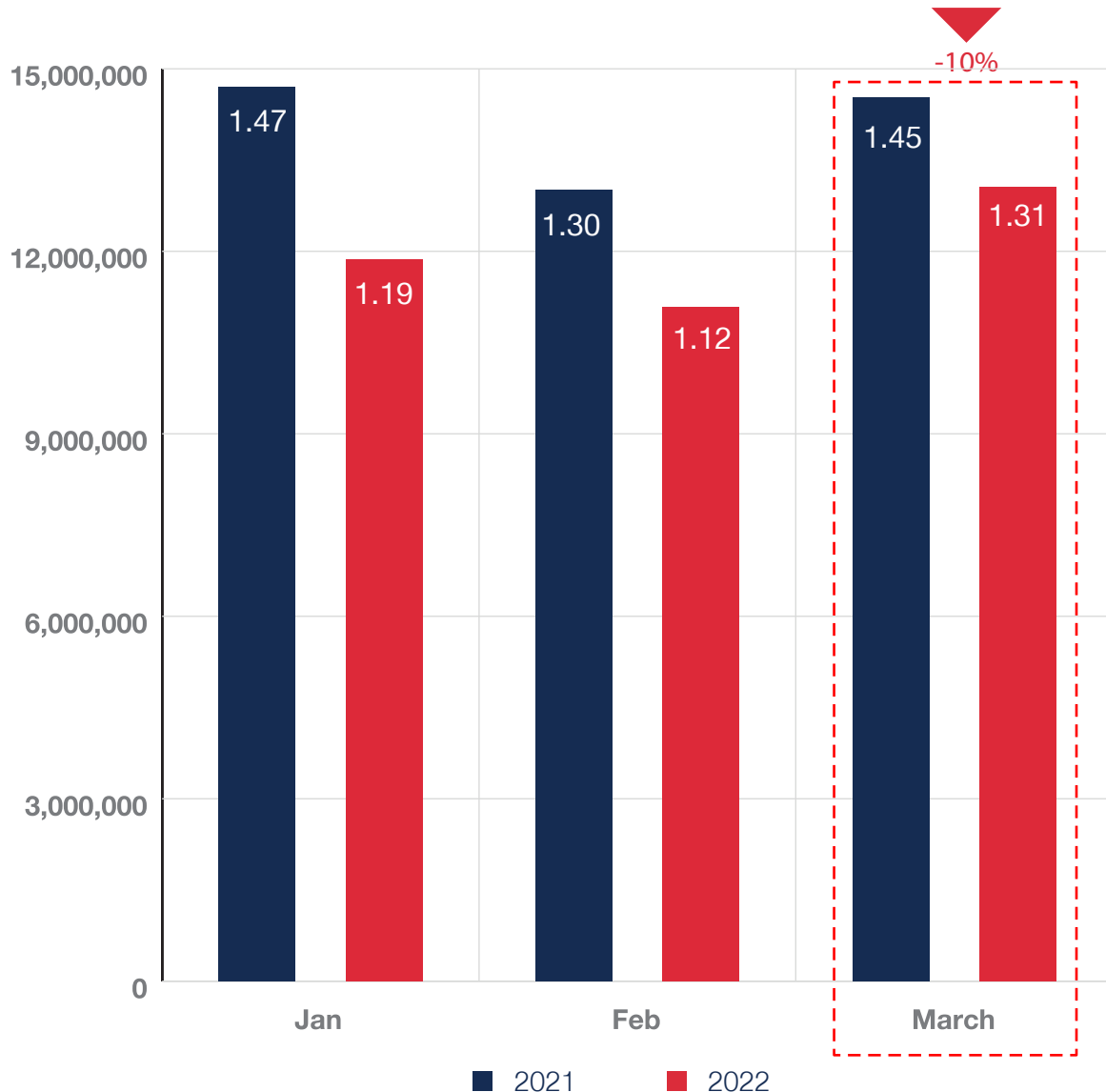
	2020	2021	2022	2023	2024	2025
Current Account Balance/ GDP	-9.34%	6.70%	6.29%	2.19%	-3.53%	-5.27%
Balance/GDP	-12.80%	-7.39%	-1.51%	-2.80%	-4.36%	-4.30%
Revenue/GDP	15.95%	17.55%	21.39%	20.03%	17.44%	17.14%
Expenditures/GDP	28.75%	24.94%	22.90%	22.84%	21.80%	21.43%

S&P forecast the current account to maintain a surplus of 6.3% of GDP in 2022 and 2.2% in 2023 as a result of the rebound in oil and aluminum prices, however it will revert to 3%-5% over 2024-2025 as commodity prices return to usual levels. Bahrain's budget deficit decreased to 7.4% of GDP in 2021, compared with 12.8% in 2020. This is due to economic activity returning to normal, current expenditure restraints and higher oil receipts. S&P expect the government to come closer to balancing its budget in 2022, particularly with the high oil prices and the increase in the VAT from to 10%, which increases non-oil revenue. Government revenue is expected to average 21% of GDP over 2022-2023, and 17% of GDP over 2024-2025. Furthermore, expenditures are expected to average 22% of GDP over 2022-2025.

Source: S&P Ratings

ATM withdrawals decline by 10% in March 2022 compared to the same period in 2021

Number of ATM Withdrawals (million)



The number of ATM withdrawal transactions in March 2022 was about 1,305,786 , a 10% decrease from the 1,453,323 registered in March 2021.

There was also a decline of 19% in the number of ATM withdrawals in January, from 1,470,505 in 2021 to 1,187,060 in 2022.

Source: Central Bank of Bahrain

44.9% increase in the number of POS transactions in March 2022 compared to March 2021

Number of POS Transactions (million)



The number of POS transactions in all sectors increased significantly in the first quarter of 2022 compared to the same period in 2021.

POS transactions increased by 45% in March 2022, from 9.6 million in 2021 to 14 million in 2022.

Source: Central Bank of Bahrain

35.9% increase in the value of POS transactions recorded in March 2022 compared to March 2021

Value of POS Transactions (million BHD)



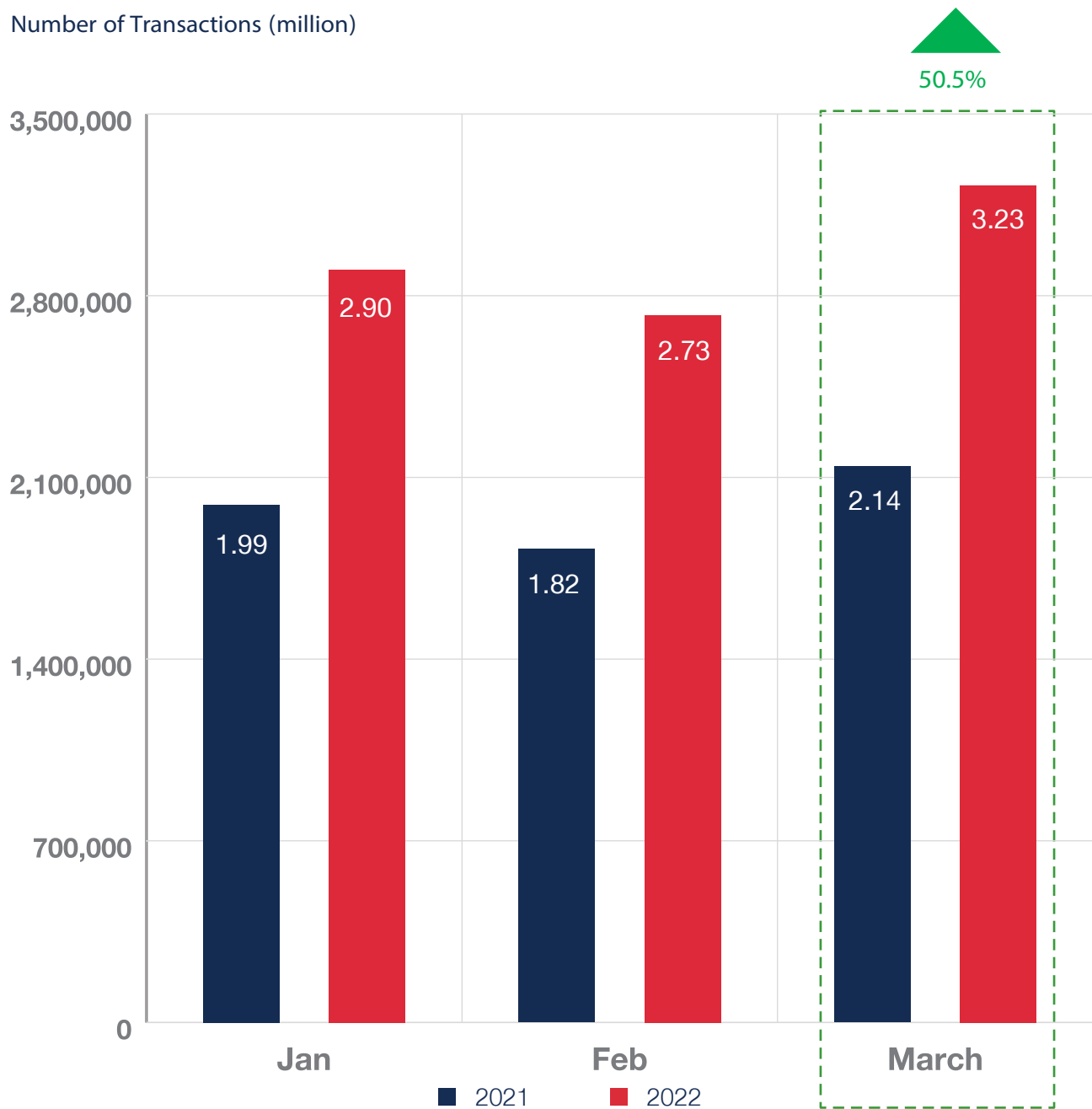
The value of POS transactions in all sectors also increased significantly in the first quarter of 2021 compared to the same period in 2022.

The value of sales increased by 36% in March from 251.4 million Bahraini dinars in 2021 to 341.6 million Bahraini dinars in 2022.

Source: Central Bank of Bahrain

50.5% increase in the number of supermarket transactions in March 2022 compared to the same period in 2021

Number of Transactions (million)



The number of supermarket transactions increased by 50.5% in March 2022, from 2.1 million transactions in March 2021, to 3.2 million transactions in March 2022.

Source: Central Bank of Bahrain

48.5% increase in the value of supermarket transactions in March 2022 compared to the same period in 2021

Value of Transactions (million BHD)

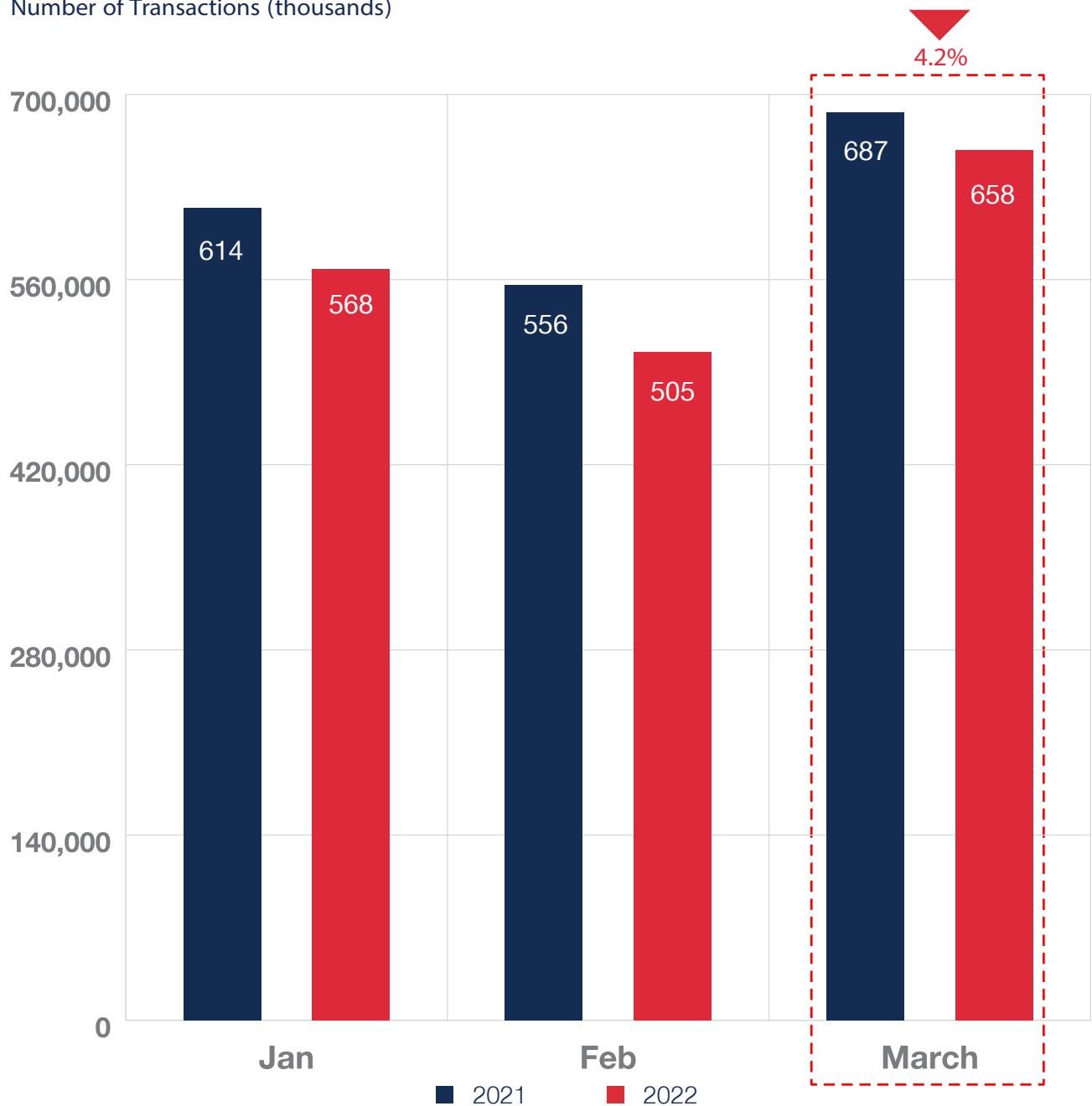


The value of supermarket transactions increased by 48.5% in March 2022, from 25.9 million BHD in March 2021, to 38.5 million BHD in March 2022.

Source: Central Bank of Bahrain

4.2% decrease in the number of department store transactions in March 2022 compared to the same period in 2021

Number of Transactions (thousands)



The number of the transactions in the department stores sector decrease by 4.2% in March 2022, from 686,675 transactions in March 2021, to 658,084 transactions in March 2022.

Source: Central Bank of Bahrain

2.5% decrease in the value of department store transactions in March 2022 compared to the same period in 2021

Value of Transactions (million BHD)



The value of the transactions in the department stores sector decreased by 2.5% in March 2022, from 13.6 million BHD in March 2021, to 13.2 million BHD in March 2022.

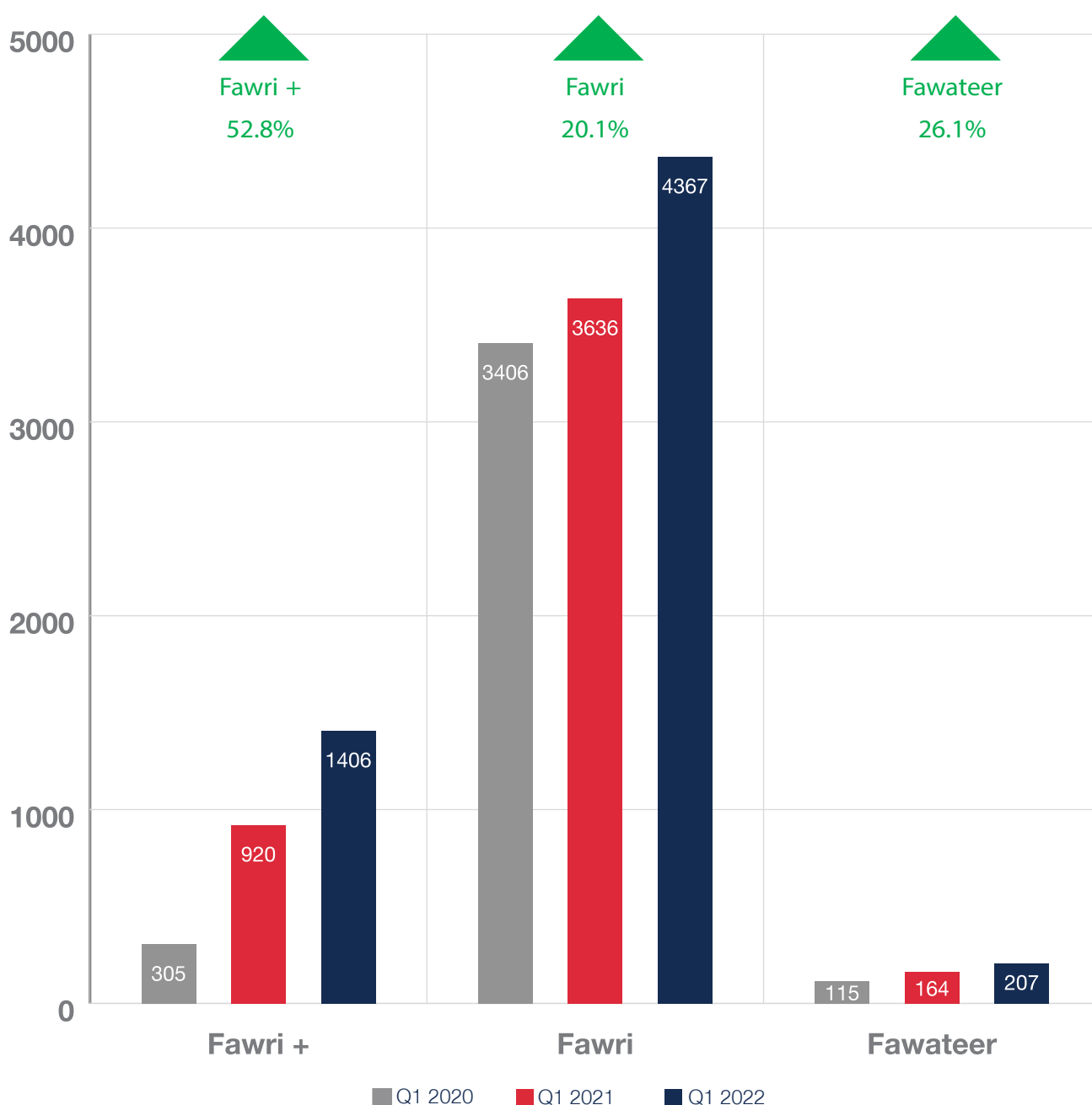
Source: Central Bank of Bahrain

52.8% increase in transfers via Fawri+ in Q1 2022 compared to the same period in 2021

The value of EFTS transactions through the Fawri+ system increased by 52.8% from 920.1 million BHD to 1,406.3 million BHD in the first quarter of 2022, and by 361.7% compared to the same period in 2019.

There was also a 20.1% increase in transfers via Fawri from 3,635.9 million to 4,367.4 million BHD in the first quarter of 2022. Fawateer transactions increased by 26.1% from 164 million BHD to 206.8 million BHD in the first quarter of 2022.

EFTS Transfers (million BHD)

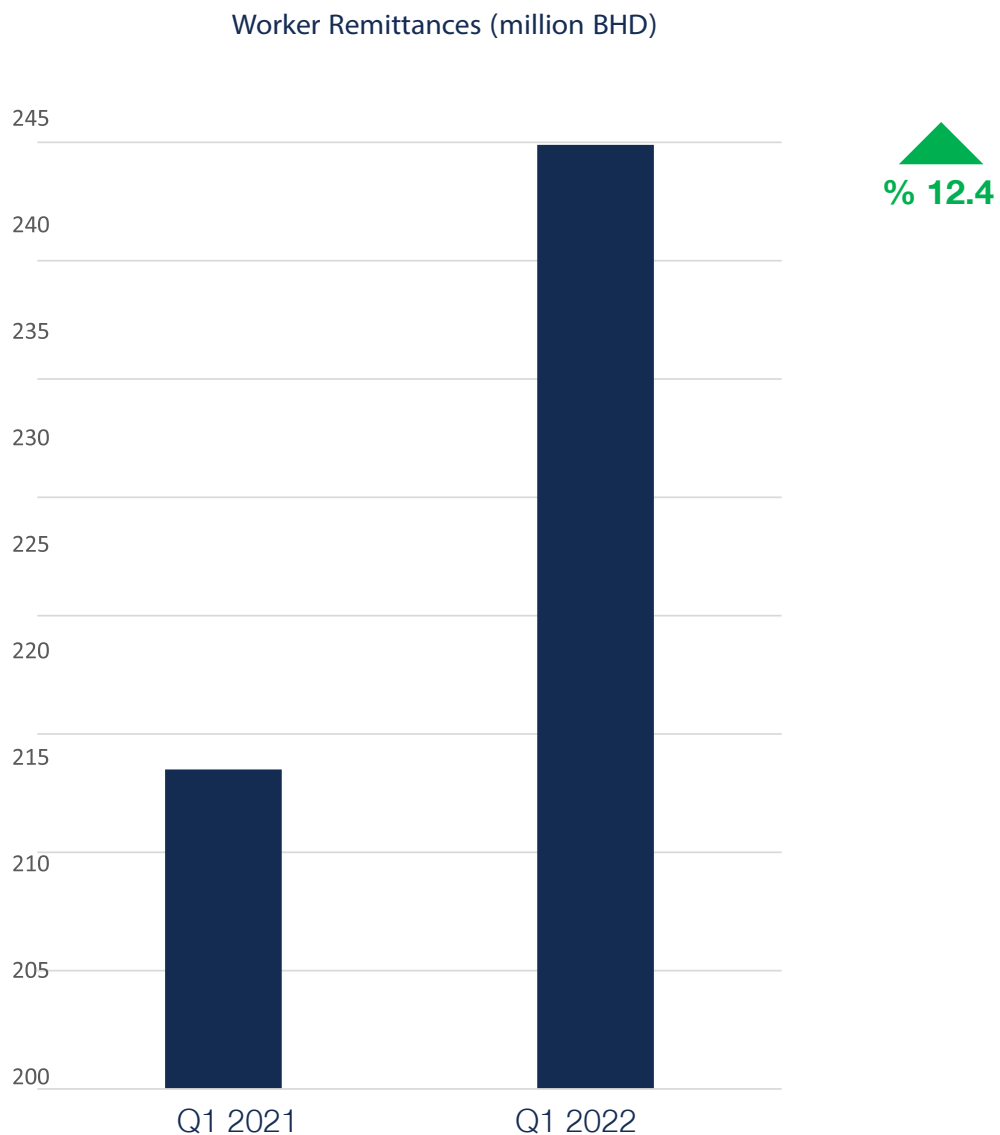


Source: Central Bank of Bahrain

12.4% increase in worker remittances in Q1 2022 compared to the same period in 2021

Worker remittances are defined as a transfer made by migrant workers and residents in a country, to their relatives in their country of origin. Remittances are classified as for more than a year, regardless of their legal status, to the beneficiaries in their country of origin.

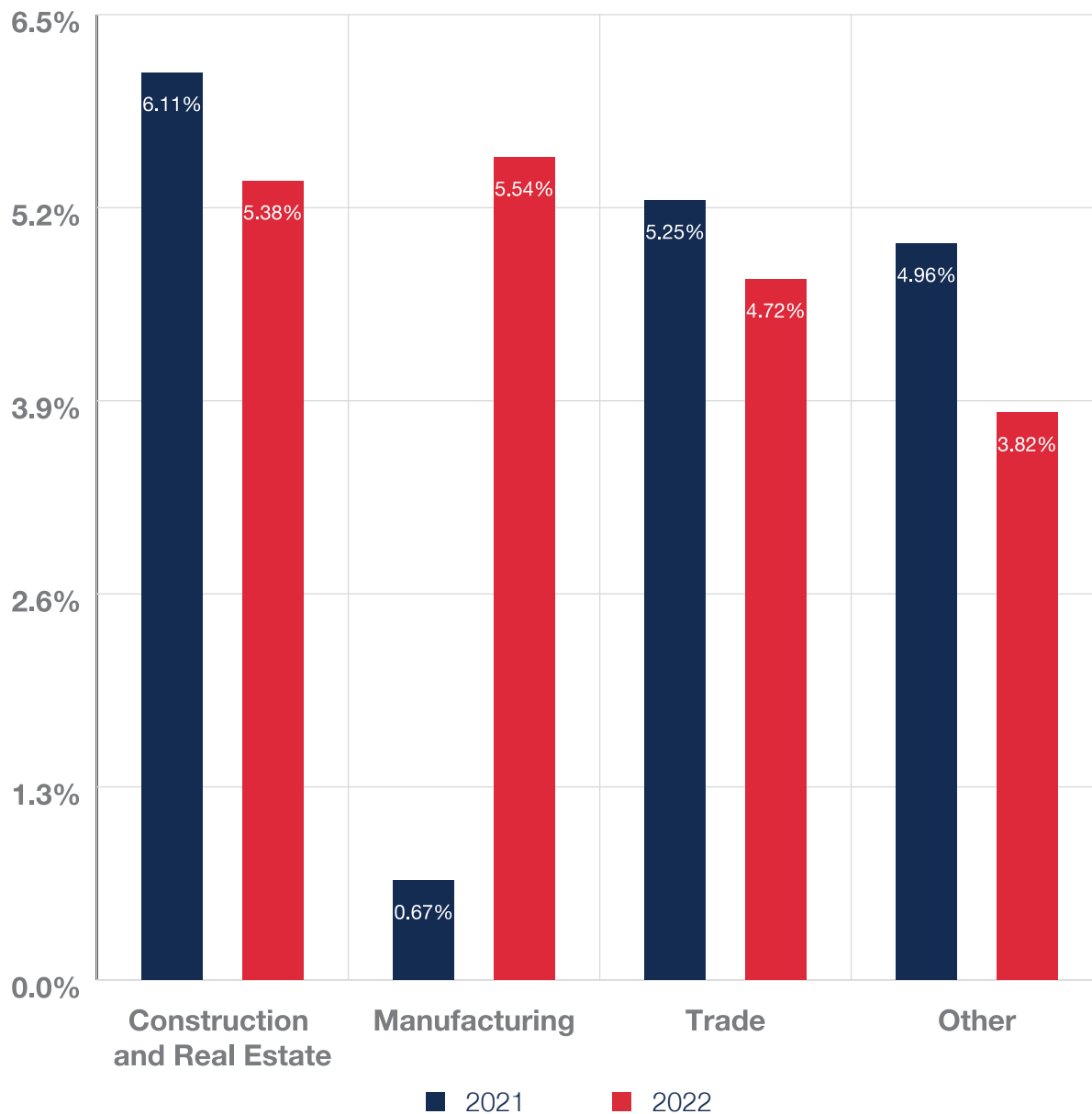
Worker remittances increased by 12.4% from 213.5 million BHD in Q1 2021 to 239.9 million BHD in Q1 2022.



Q1 2021	Q1 2022
213.5	239.9

Decrease in interest rates on business loans in most sectors

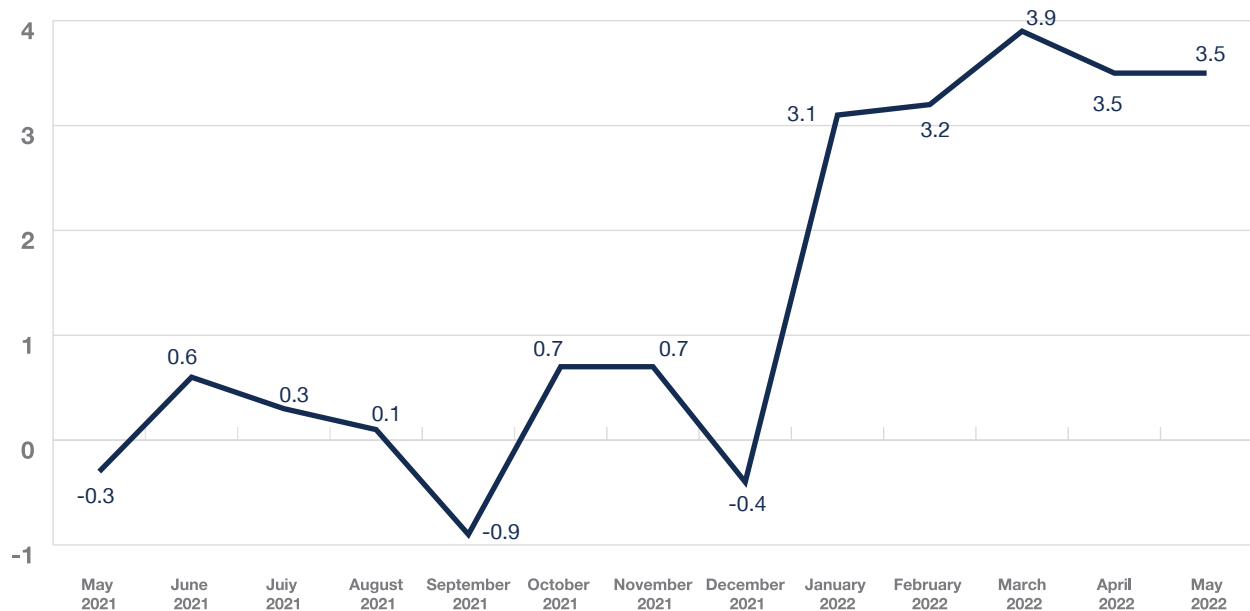
Interest Rates on Business Loans



Interest rates on business loans decreased in general during Q1 2022 compared to same period in 2021. The interest rate in the Construction and Real Estate Sector decreased from 6.11% in Q1 2021 to 5.38% in Q1 2022. It also decreased in the Trade Sector from 5.25% in Q1 2021 to 4.72% in Q1 2022. The interest rate, however, rose in the manufacturing sector from 0.67% in Q1 2021 to 5.54% in Q1 2022.

Source: Central Bank of Bahrain

3.5% increase in Consumer Price Index (CPI) in May 2022 compared to May 2021



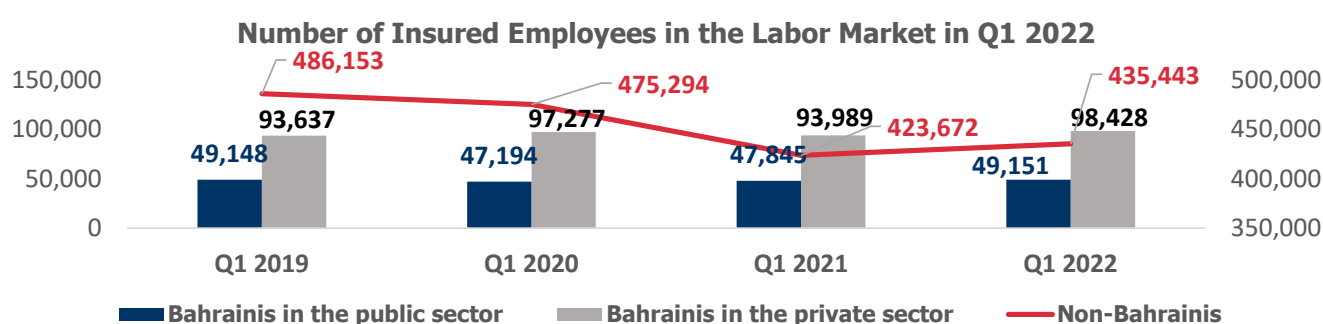
The consumer price index (CPI) increased by 3.5% in May 2022 compared to May 2021. The most notable changes in the year were:

- An 11.6% increase in the food and non-alcoholic beverages group.
- A 12.1% increase in the restaurants and hotels group.
- A 4.9% increase in the transport group.
- A 3.7% increase in the furnishings, household equipment and routine household maintenance group.
- A 1.3% decrease in the housing, water, electricity, gas and other fuels group.

Source: Information and e-Government Authority

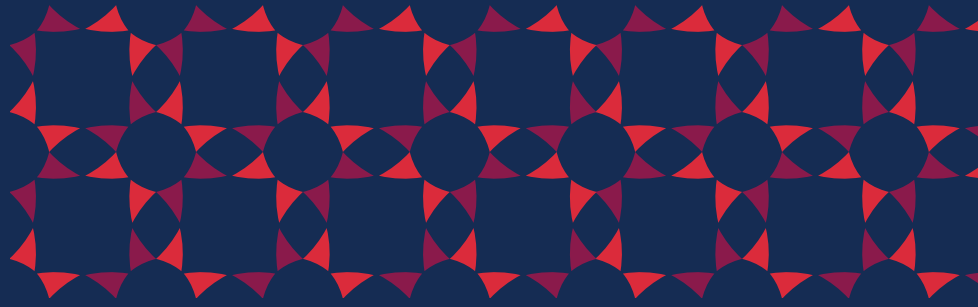
Increase in employees in both the public and private sectors in Q1 2022 compared to Q1 2021

The number of Bahrainis in the public and private sectors increased by 3% and 5% respectively in Q1 2022 compared to Q1 2021, while the number of non-Bahrainis increased by 3% during the same period.



	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Change from 2020 to 2021
Bahrainis in the public sector	49,148	47,194	47,845	49,151	+3%
Bahrainis in the private sector	93,637	97,277	93,989	98,428	+5%
Non-Bahrainis	486,153	475,294	423,672	435,443	+3%

Source: Social Insurance Organization



5

Bahrain's Ranking in Global Indices

Bahrain is among the top 10 performing ecosystems in MENA according to the 2022 Global Startup Ecosystem Report

Bahrain is ranked among the top 10 performing ecosystems in MENA in the 2022 Global Startup Ecosystem Report (GSER), moving up from its top 15 place last year. The Global Startup Ecosystem Report 2022 is one of the world's most comprehensive, data-driven research on startup ecosystems, and it is published by Startup Genome, the world-leading policy advisory and research organization for public and private organizations. The GSER report is both a guide to innovation performance and a prompt to leaders to develop ecosystem strategies. The overall global ecosystem ranking for each country is a weighted average of the following factor scores: Performance (30%), Funding (25%), Market Reach (15%), Connectedness (5%), Experience & Talent (20%), and Knowledge (5%).

Bahrain is in the top 10 among MENA countries in Performance, Funding and Affordable Talent. The Kingdom has also ranked in the top 15 among 'Bang for Buck' ecosystems – which measures the average amount of venture capital of startups working in the technology sector. It is also among the top 15 ecosystems in MENA in terms of knowledge – which measures innovation through research and patent activity.

The report highlights Bahrain's regulatory framework as a strong suit that attracts both local and international companies. Bahrain is known for its liberal business climate, zero corporate taxes and welcoming culture, and has strengths in Fintech and Blockchain. Furthermore, the number of startups in Bahrain has grown at a compound annual growth rate of 46% since 2018.

Source: Startup Genome - 2022 Global Startup Ecosystem Report (GSER)



FDI flows to Bahrain increased by 73% to reach \$1.77 billion in 2021 compared to 2020

FDI flows to Bahrain increased by 73% from \$1.0 billion in 2020 to \$1.77 billion in 2021, and is 4th among GCC countries in FDI attraction. The UAE received the highest amount of FDI flows among GCC countries in 2021 at \$20,667 million, followed by Saudi Arabia at \$19,286 million and Oman at \$3,619 million.

FDI Flows (Millions of Dollars)

Country	2016	2017	2018	2019	2020	2021
UAE	9,605	10,354	10,385	17,875	19,884	20,667
Saudi Arabia	7,453	1,419	4,247	4,563	5,399	19,286
Oman	2,265	2,918	5,940	4,377	2,861	*3,619
Bahrain	243	1,426	1,654	1,501	1,021	1,766
Kuwait	419	348	204	351	-142	*198
Qatar	774	986	-2,186	-2,813	-2,434	-1,093

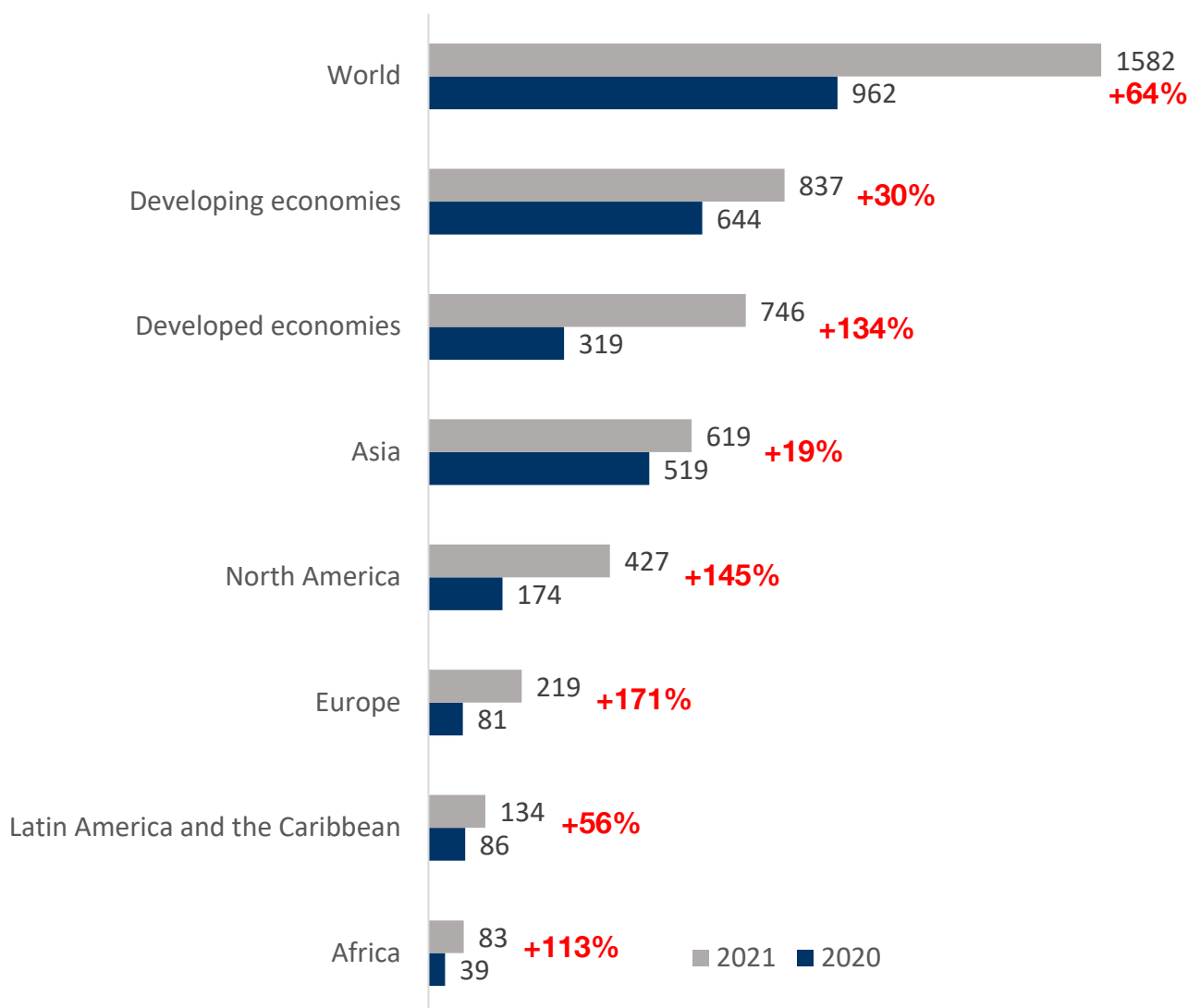
*Estimate

Source: UNCTAD

64% increase in FDI inflows worldwide in 2021 compared to 2020

FDI flows recovered strongly in 2021 in all regions, and there has been a 64% increase in FDI inflows worldwide from \$962 billion in 2020 to \$1,582 billion in 2021. Most of the global growth can be attributed to the increase in FDI flows to developed economies after exceptionally low values in 2020. There was also a significant increase in FDI flows to developing countries, driven by stimulus packages that led to record earnings for multinational enterprises.

FDI Inflows by Region 2020-2021 (billions of dollars)



Source: UNCTAD

Bahrain is 30th worldwide in the IMD World Competitiveness Yearbook 2022

Bahrain has ranked 30 out of 63 countries in the IMD World Competitiveness Yearbook in 2022. Bahrain is in the 4th place among GCC countries in the indicator, following the UAE, Qatar, and Saudi Arabia. Bahrain made its debut in the World Competitiveness Yearbook issued by the International Institute for Management Development (IMD) World Competitiveness Centre this year. The Kingdom's inclusion in the Yearbook is a testament to the Kingdom's commitment to fostering a competitive environment necessary for prosperous lives and a thriving business environment. The World Competitiveness Yearbook comprises four factors: Economic Performance, Government Efficiency, Business Efficiency, and Infrastructure, which in turn include 20 sub-factors that cover 333 indicators of competitiveness.

GCC Country Rankings in IMD World Competitiveness 2022 (out of 63 countries)

Country	Overall	Economic Performance	Government Efficiency	Business Efficiency	Infrastructure
UAE	12	6	3	17	26
Qatar	18	9	7	14	38
Saudi Arabia	24	31	19	16	34
Bahrain	30	39	20	24	39

Source: IMD

Bahrain is 30th worldwide in the IMD World Competitiveness Yearbook 2022

The Kingdom was ranked among the top 10 countries globally in 56 indicators in different areas, including skills of the labor force, gender equality and safety, and social harmony. Bahrain ranked 1st globally in price competitiveness within the economic performance index. The Kingdom was also placed 3rd globally for tax policy, 2nd in the Arab world for technological infrastructure, and 2nd in MENA for international trade.

The results indicated that Bahrain has a competitively skilled labour force. As such, Bahrain ranked 4th in having competent senior managers, 5th in Skilled Labor, 7th in Finance Skills, 7th in qualified engineers, 7th in international experience, and 8th in Foreign Highly Skilled Personnel.

Bahrain's social cohesion has ranked 8th globally, reflecting a harmonized society for both Bahrainis and residents. The Kingdom came in first globally in the homicide indicator reflecting the lowest rates of intentional homicide.

A business-friendly environment, skilled workforce, reliable infrastructure, open and positive attitudes, and the competency of the government were the top five factors that make Bahrain an attractive environment for businesses and individuals alike.

Bahrain has ranked highly in indicators related to gender equality, which indicates the significant role women play in the workforce. The Kingdom of Bahrain ranked 3rd worldwide when it comes to women in managerial positions (46%), and women with academic degrees in the age group (25-64) (62%).

Source: IMD

Bahrain is 57th worldwide in the Travel and Tourism Development Index 2021

Bahrain is in the 57th rank worldwide in the Travel and Tourism Development Index 2021. The UAE is in the 25th position and is the top performer in the region, followed by Saudi Arabia in the 33rd position. Saudi Arabia has the largest Travel and Tourism (T&T) economy in the region and has had the biggest leap in the rankings (43rd to 33rd).

The Travel and Tourism Development Index, published by the World Economic Forum, benchmarks and measures “the set of factors and policies that enable the sustainable and resilient development of the Travel and Tourism (T&T) sector, which in turn contributes to the development of a country”. The index is made up of 5 main subindexes, 17 pillars and 112 individual indicators. The 5 main subindexes are Enabling Environment, Travel and Tourism Policy and Enabling Conditions, Infrastructure, Travel and Tourism Demand Drivers, and Travel and Tourism Sustainability. Bahrain is ranked first among Arab countries in the Ground and Port Infrastructure indicator, with a score of 3.4. Bahrain performed particularly well in Safety and Security (5.9), ICT Readiness (5.7), and Price Competitiveness (5.4).

Country	Rank (out of 117)	Score (1-7)*	Rank Change Since 2019
UAE	25	4.5	+1
Saudi Arabia	33	4.3	+10
Qatar	43	4.3	-2
Bahrain	57	4.1	-2
Kuwait	86	3.5	-7

*1 being the worst and 7 being the best

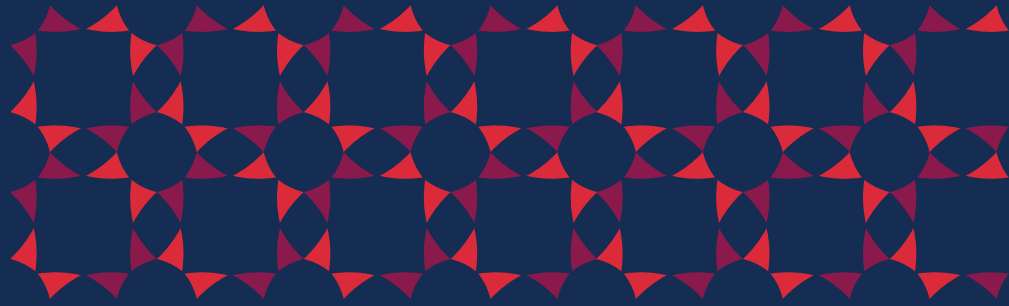
Source: WEF Travel & Tourism Development Index 2021

Bahrain is 57th worldwide in the Travel and Tourism Development Index 2021

The main findings of the index indicate that the need for T&T development is essential as it is a major driver of economic development, global connectivity, and the income of some of the populations and businesses that have been most impacted by the pandemic. The sector is still in recovery post-pandemic, but opportunities have been created in markets such as domestic and nature-based tourism. The sector needs to enhance certain factors to thrive in the future and to restore and increase international openness, and this includes improved health and security, improved labor and socioeconomic conditions, and investment in digital technology, among other factors. MENA countries need to increase their international openness, invest more in ground services and tourist infrastructure and focus on promoting and establishing cultural and natural attractions.

Source: WEF Travel & Tourism Development Index 2021





6

Global Economic Outlook

COVID-19 has increased financial inclusion globally

According to the Global Findex 2021 database, the covid-19 pandemic has increased financial inclusion due to an increase in digital payments and the global expansion of formal financial services. The positive impact of this trend is increased economic opportunities, a reduced gender gap in account ownership, and increased resilience at the household level.

- As of 2021, 76% of adults globally now have an account at a bank, other financial institution, or with a mobile money provider, up from 68% in 2017 and 51% in 2011.
- The pandemic has also led to an increased use of digital payments. Two-thirds of adults worldwide now make or receive a digital payment, with the share in developing economies growing from 35% in 2014 to 57% in 2021. In developing economies, 71% have an account at a bank, other financial institution, or with a mobile money provider, up from 63% in 2017 and 42% in 2011.
- The gender gap in account ownership has narrowed since 2017, helping women have more privacy, security, and control over their money. The World Bank claims that the long-stagnant gender gap in developing economies declined from 9% in 2017 to 6% in 2021. The Middle East and North Africa region has made progress reducing the gender gap in account ownership from 17% in 2017 to 13%, such that 42% of women now have an account compared to 54% of men.
- Only 55% of adults in developing economies reported that they could access emergency money within 30 days without much difficulty, and 30% of adults in developing economies cited friends and family as the primary source of emergency money.
- The most significant financial issue that people reported in the survey was paying for healthcare. Around 50% of adults in developing economies were very worried about covering health expenses in the event of a major illness or accident. In high-income economies, 20% of adults are very worried about paying for healthcare and 21% are very worried about finances in old age.
- There are 1.4 billion unbanked adults globally and some of the primary reasons they mentioned for not having an account are lack of money, distance to the nearest financial institution, and insufficient documentation. These issues need to be addressed by Governments, private employers and financial service providers through lowering barriers and improving infrastructure.

Source: The World Bank



WTI crude oil prices increased by more than 47% in July 2022 compared to July 2021



Oil prices

Oil type	July 2021	July 2022	Percentage change
WTI	\$73.37 USD per barrel	\$108.43 USD per barrel	47.8% ▲
Brent	\$76.17 USD per barrel	\$111.63 USD per barrel	46.6% ▲

The price of a barrel of WTI crude oil increased by 47.8% to \$108.43 USD per barrel in July 2022 compared to \$73.37 USD per barrel in July 2021. The price of a barrel of Brent crude oil increased by 46.6% to \$111.63 USD per barrel in July 2022 compared to \$76.17 USD per barrel in July 2021.

Source: Bloomberg

Gold prices increased by 43.5% between 2018 and 2022

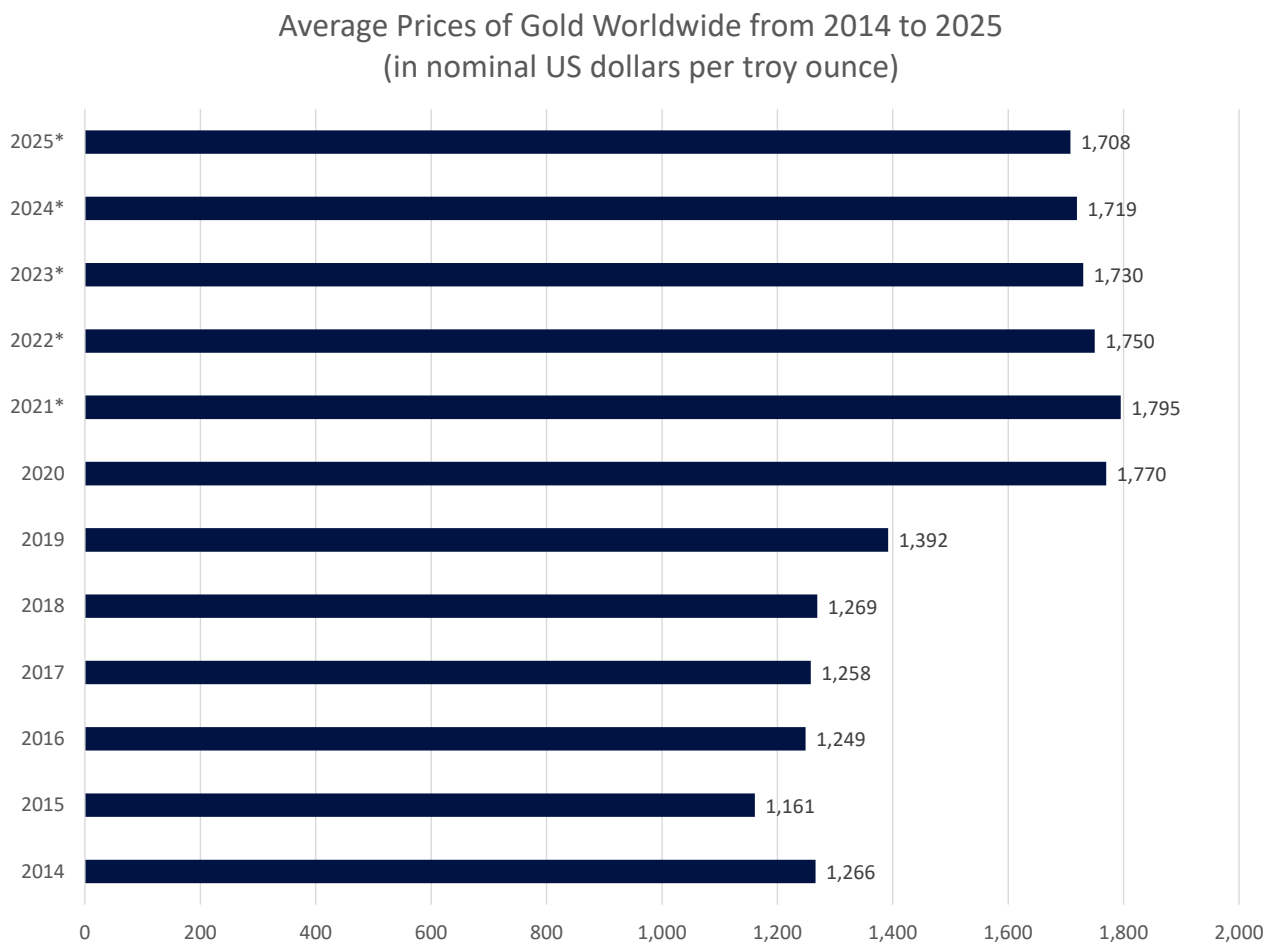
July 2018	July 2019	July 2020	July 2021	July 2022
1,255.8	1,400.1	1,790	1,783.3	1,801.5



Gold prices reached \$1,801.5 USD in July 2022, an increase of 43.5% compared to \$1,255.8 USD in July 2018.

Source: Bloomberg

Average prices of gold worldwide from 2014 to 2025



The average price of gold worldwide has increased significantly since 2014. The average price was around 1,266 nominal US dollars per troy ounce in 2014, and is expected to reach 1,750 nominal US dollars per troy ounce in 2022.

Source: Statista

Turkey had the highest inflation rate globally in May at 73.5%

Countries with the Highest Inflation Rates during May 2022



73.5%



60.7%



17.1%



11.7%



9%



8.8%



8.7%



8.6%

Turkey had the highest inflation rate globally in May at 73.5%, followed by Argentina at 60.7% and Russia by 17.1%.

Source: Trading Economics





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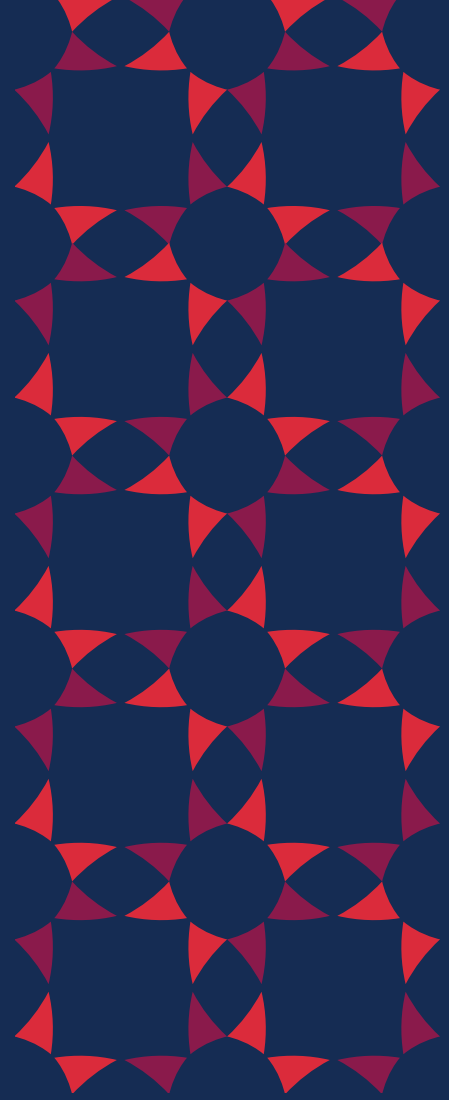
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Since its inception in 1939, the Bahrain Chamber of Commerce and Industry (BCCI) played a prominent role in shaping the national economy of Bahrain and creating a vigorous private sector.

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.