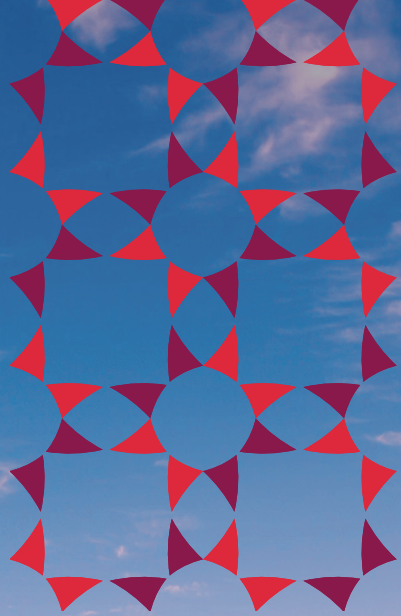


غرفة البحرين
BAHRAIN CHAMBER



Overview of the Local Economy

Q2 - 2024





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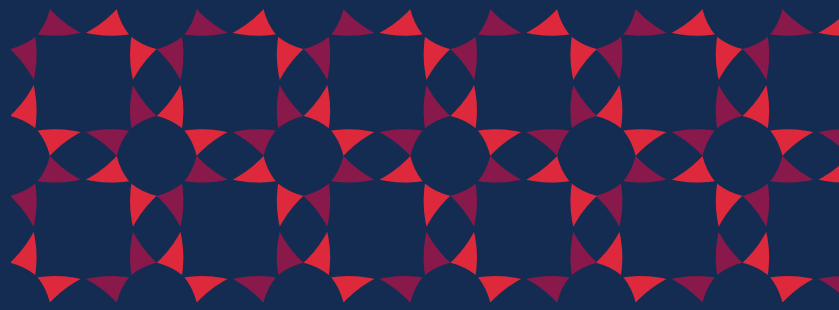
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1

Executive Summary

Introduction

Real GDP grew by 1.3% in the Kingdom of Bahrain in Q2 2024 YoY, driven by 2.8% growth in the non-oil sector. The sectors that witnessed the highest real growth rates are the Transportation and Storage at 12.9%, the Business Activities at 11.9% and the Information and Communication at 11.2%. The Financial and Insurance Activities remains its position as the highest contributor to real GDP at 17.1%, followed by the Crude Petroleum & Natural Gas Sector at 14.8% and Manufacturing at 14.4%.

Trade between Bahrain and GCC countries has decreased by 8% in Q2 2024 YoY, from 1.97 billion USD in Q2 2023 to 1.83 billion USD in Q2 2024. Saudi Arabia retains its position as Bahrain's top export partner, while China retains its position as Bahrain's top import partner.

However, the value of POS transactions in Bahrain increased by 11% in Q2 2024, while Fawri + transactions increased by 15% compared to the same period in 2023.

IMF expects that the volume of imports of goods and services is expected to reach 4.10% in 2025 in the Emerging Market and Developing Economies, while the volume of exports of goods and services is expected to reach 2.89% in 2025 in the Advanced Economies.

Key Indicators in Q2 2024

GDP Growth (YoY)



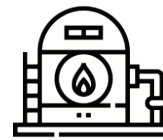
Real GDP Growth

+1.3%



Non-Oil GDP Growth

+2.8%



Oil GDP Growth

-6.7%

Top Growing Non-Oil Activities (YoY)



Transportation and Storage

12.9%



Business Activities

11.9%



Information and Communication

11.2%



Accommodation and Food Services






10.6%

Trade Exchange

Bahrain's Top Import Partners

Country	Total Value of Imports (USD)
 China	508,076,962
 Brazil	416,001,610
 Australia	298,317,185
 United Arab Emirates	280,240,315
 United States Of America	236,365,823

Bahrain's Top Export Partners

Country	Total Value of Exports (USD)
 Saudi Arabia	656,960,206
 United Arab Emirates	383,254,921
 United States Of America	271,227,687
 Netherlands	121,677,767
 Qatar	104,285,363

Key Indicators in Q2 2024

Local Economic Outlook



POS Transactions

11% YoY



Fawri+ Transactions

15% YoY



CPI June 2024

+1.4% YoY

Interest Rates on Business Loans Q2 2024

Sector	%
Construction & Real Estate	8.98%
Trade	7.98%
Manufacturing	7.48%
Other	7.01%

Bahrain's Ranking on Global Indices



Bahrain's Ecosystem Value Growth increased by 40%, Achieving Top Rankings in MENA Startup Ecosystem



Bahrain Ranks 2nd in Arab World and 3rd in MENA on 2023 Youth Development Index



Bahrain Ranks 5th Globally and 3rd in Arab World on 2024 ICT Development Index

Global Economic Outlook



Volume of imports of goods and services is expected to reach 4.10% in 2025 in the Emerging Market and Developing Economies

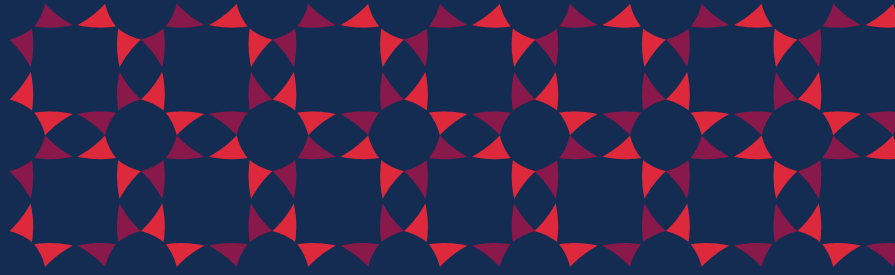


Volume of exports of goods and services is expected to reach 2.89% in 2025 in the Advanced Economies

Oil Type	Price - June 2024
WTI	\$75.53
Brent	\$79.62

WTI and Brent Oil Price Change June 2024

+5% YoY



2

Growth and GDP Contribution of Economic Sectors

Transportation and Storage Services is the fastest growing sector at 12.9.7% YoY in Q2 2024



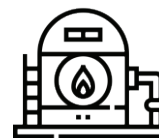
Real GDP Growth

+1.3%



Non-Oil GDP Growth

+2.8%



Oil GDP Growth

-6.7%

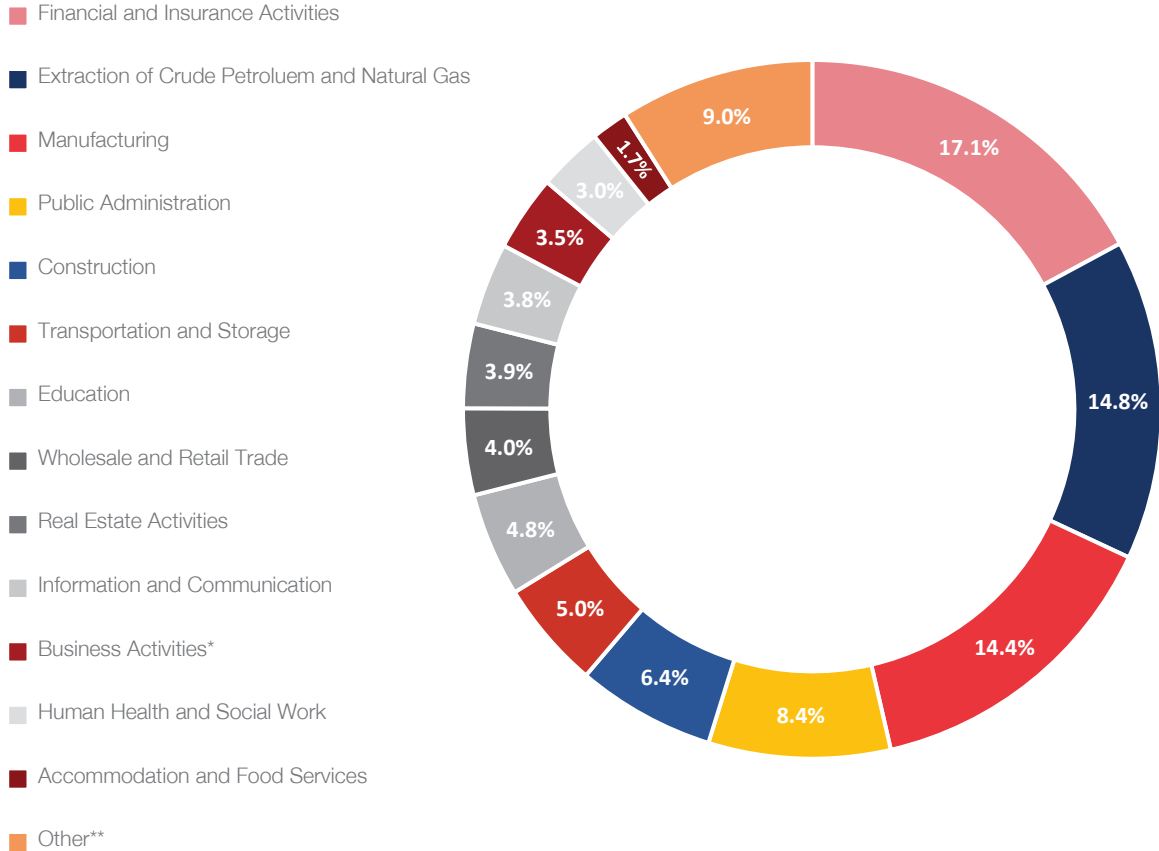
Real GDP Growth by Non-oil Economic Activity –Q2 2024 (YoY)

Sector	YoY Growth
Transportation and Storage	▲ 12.9%
Business Activities	▲ 11.9%
Information and Communication	▲ 11.2%
Accommodation and Food Services	▲ 10.6%
Education	▲ 3.4%
Financial and Insurance Activities	▲ 2.1%
Manufacturing	▲ 1.7%
Wholesale and Retail Trade	▲ 1.6%
Other	▲ 1.1%
Real Estate Activities	▲ 0.6%
Construction	▲ 0.1%
Public Administration	▼ -0.6 %
Human Health and Social Work	▼ -1.0 %

Bahrain's real GDP grew by 1.3% YoY in Q2 2024, propelled by a 2.8% growth in the non-oil sector and a -6.7% decrease in the oil sector. The Transportation and Storage witnessed the highest YoY growth by 12.9%. The second fastest growing activity was the Business Activities at 11.9% YoY, followed by Information and Communication at 11.2% YoY.

Financial and Insurance Activities is the highest contributor to real GDP at 17.1% in Q2 2024

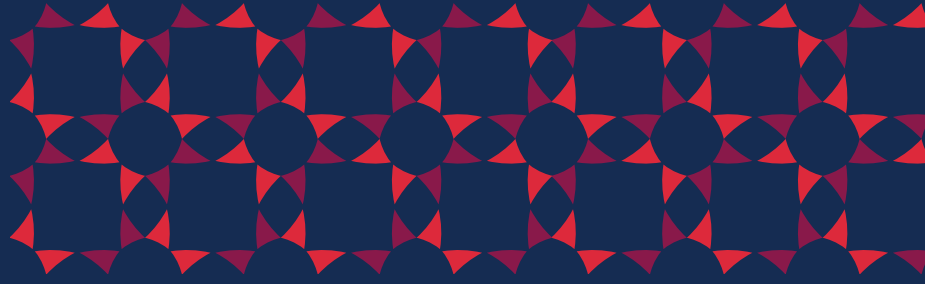
Economic Activities Contribution to Real GDP – Q2 2024



*Includes Professional, Scientific and Technical activities, and Administrative and Support Service Activities
 ** 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 Q2 2024 at 17.1%, followed by the Crude Petroleum and Natural Gas at 14.8%, and the Manufacturing at 14.4%.

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

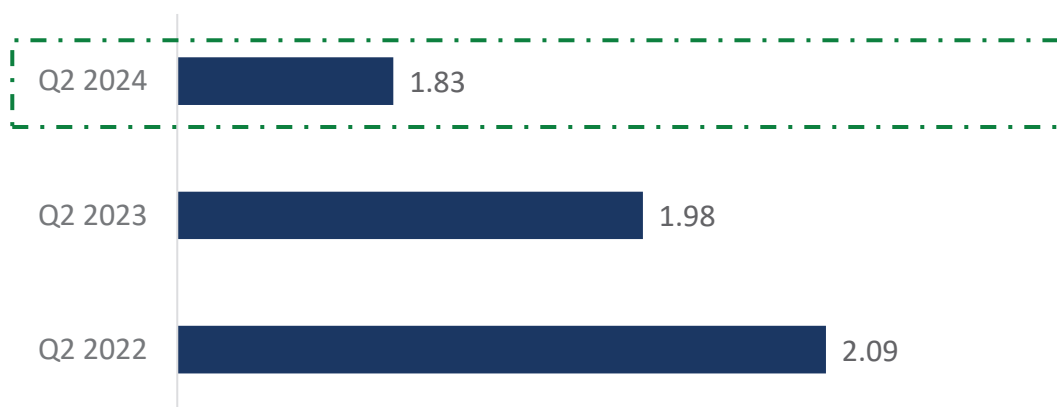


3

Trade Exchange

8% decrease in volume of trade between Bahrain and GCC countries in Q2 2024 YoY

Volume of Trade between Bahrain and GCC (billion USD)



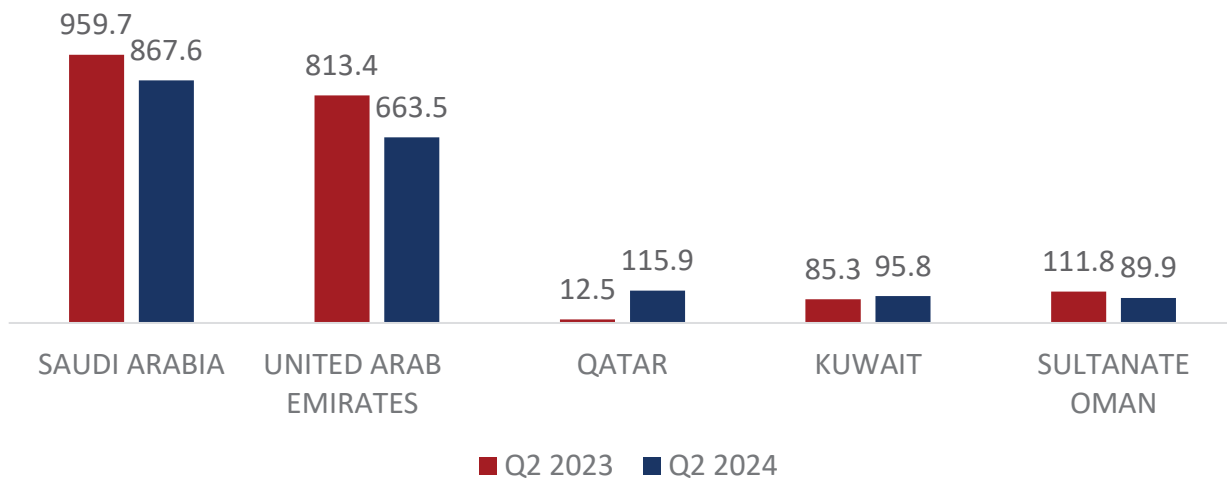
Q2 2022	Q2 2023	Q2 2024	% Change from 2023 to 2024
2,092,646,722	1,982,693,553	1,832,647,689	-8%

The volume of trade exchange between Bahrain and GCC countries has decreased slightly in Q2 2024 compared to the same period in 2023. Trade decreased by 8% from 1.98 billion USD in Q2 2023 to 1.83 billion USD in Q2 2024.

Source: Information and e-Government Authority

829% increase in the volume of trade between Bahrain and Qatar in Q2 2024

Volume of Trade (million USD)



Country	Q2 2022	Q2 2023	Q2 2024	% Change from 2023 to 2024
SAUDI ARABIA	975,948,816	959,689,325	867,588,691	-10%
UNITED ARAB EMIRATES	727,103,880	813,411,731	663,495,236	-18%
QATAR	7,277,032	12,467,603	115,881,247	829%
KUWAIT	129,877,640	85,320,474	95,811,864	12%
SULTANATE OMAN	252,439,354	111,804,420	89,870,652	-20%

Source: Information and e-Government Authority



829% increase in the volume of trade between Bahrain and Qatar in Q2 2024

-10%

Saudi Arabia

Saudi Arabia had the highest volume of trade exchange with Bahrain in Q2 2024. The volume of trade between KSA and Bahrain was 960 million USD in Q2 2023 and decreased by 10% to 868 million USD in Q2 2024.

-18%

United Arab Emirates

The United Arab Emirates had the second-highest volume of trade exchange with Bahrain among GCC countries in Q2 2024. The volume of trade between the two countries has decreased by 18% from 813 million USD in Q2 2023 to 663 million USD in Q2 2024.

829%

Qatar

Trade levels between Qatar and Bahrain have increased by 829%, from 12 million USD in Q2 2023 to 116 million USD in Q2 2024.

12%

Kuwait

Trade between Bahrain and Kuwait has increased as well by 12% from 85 million USD in Q2 2023 to 96 million USD in Q2 2024.

-20%

Oman

Trade between Bahrain and Oman decreased by 20% from 112 million USD in Q2 2023 to 90 million USD in Q2 2024.

Source: Information and e-Government Authority



Bahrain's Top Import Partners in Q2 2024

Country	Total Value of Imports in Q2 2024 (USD)	Top Imported Commodity	Commodity Value (USD)	% of Total Imports from the Country
China	508,076,962	Smartphones	39,499,111	8%
Brazil	416,001,610	Non-agglomerated Iron Ores And Concentrates	362,554,525	87%
Australia	298,317,185	Other Aluminium Oxide	262,460,509	88%
United Arab Emirates	280,240,315	Gold Ingots	67,562,062	24%
United States Of America	236,365,823	Parts For Aircraft Engines	29,133,599	12%

China maintains its position as Bahrain's top import partner in Q2 2024

China is still Bahrain's top import partner with a total import value of 508 million USD. The top imported commodity was smartphones, with a total value of 39 million USD. This commodity accounts for 8% of total imports from China.

Brazil was second largest import partner with an imports value of 416 million USD in Q2 2024. The top imported commodity was Non-agglomerated Iron Ores And Concentrates, valued at 363 million USD and constituting 87% of total imports from Brazil.

Australia was the third top import partner in Q2 2024, with the total value of imports reaching 298 million USD. The top imported commodity was Other Aluminum Oxide, valued at 262 million USD, and it accounts for 88% of total imports.

The United Arab Emirates was Bahrain's fourth import market with total import amount of 280 million USD. The top imported commodity was Gold Ingots, valued at 68 million USD and accounting for 24% of total imports from UAE.

The United States Of America was Bahrain's fifth import market, with a total import amount of 236 million USD. The top commodity imported was Parts For Aircraft Engines at 29 million USD and it accounts for 12% of imports from USA.

Source: Information and e-Government Authority



Bahrain's Top Export Partners in Q2 2024

Country	Total Value of Exports in Q2 2024 (USD)	Top Exported Commodity	Commodity Value (USD)	% of Total Exports from the Country
Saudi Arabia	656,960,206	Agglomerated Iron Ores And Concentrates	133,196,254	20%
United Arab Emirates	383,254,921	Agglomerated Iron Ores And Concentrates	100,650,050	26%
United States Of America	271,227,687	Unwrought Aluminium Alloys	109,482,143	40%
Netherlands	121,677,767	Unwrought Aluminium Alloys	66,696,692	55%
Qatar	104,285,363	Agglomerated Iron Ores And Concentrates	83,617,873	80%

Saudi Arabia maintains its position as Bahrain's top export partner in Q2 2024

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q2 2024, with the total value of exports reaching 657 million USD. The top exported commodity was Agglomerated Iron Ores and Concentrates at 133 million USD, accounting for 20% of total exports to Saudi Arabia.

The United Arab Emirates was Bahrain's second largest export partner, with a total value of exports of 383 million USD. The top exported commodity was Agglomerated Iron Ores and Concentrates at 101 million USD, accounting for 26% of exports.

The United States was Bahrain's third largest export partner with the total value of exports reaching 271 million USD. The top exported commodity was Unwrought Aluminum Alloys at 109 million USD, accounting for 40% of exports to the US.

Total exports to Netherlands amounted to 122 million USD. The top exported commodity was Unwrought Aluminum Alloys at 67 million USD, which constitutes 55% of total exports to Netherlands.

Qatar was Bahrain's fifth largest export partner in Q2 2024, with the total value of exports reaching 104 million USD. The top exported commodity was Agglomerated Iron Ores and Concentrates at 84 million USD, and it accounts for 80% of total exports.

Source: Information and e-Government Authority

Bahrain's Top Traded Commodities in Q2 2024

Top Imports in Bahrain

Commodity	Import Value (USD)
Non-agglomerated Iron Ores And Concentrates	531,721,771
Other Aluminium Oxide	267,817,851
Parts For Aircraft Engines	108,757,777
Gold Ingots	77,055,714
Jewellery Of Gold	65,505,785

The top imported commodity in Q2 2024 was Non-Agglomerated Iron Ores And Concentrates, with the total value of imports reaching 532 million USD. This is followed by Other Aluminium Oxide and Parts for Aircraft Engines, with the total value of imports reaching 268 million USD and 109 million USD, respectively.

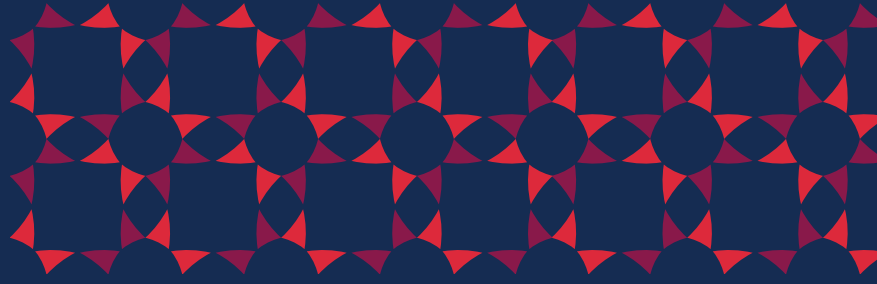
Top Exports from Bahrain

Commodity	Export Value (USD)
Unwrought Aluminium Alloys	710,594,003
Agglomerated Iron Ores And Concentrates	423,492,226
Turbo-jets Of A Thrust Exceeding 25 Kn	173,617,380
Aluminum Wire, Not Alloyed, Over 7 Mm Thick	129,459,630
Processed Cheese, Not Grated Or Powdered	92,296,777

The top exported commodity in Q2 2024 was Unwrought Aluminium Alloys, with the total value of exports reaching 711 million USD. The second and third top exported commodities were Agglomerated Iron Ores and Turbo-jets Of A Thrust Exceeding 25 Kn, with the total value of exports reaching 423 million USD and 174 million USD, respectively.

Source: Information and e-Government Authority



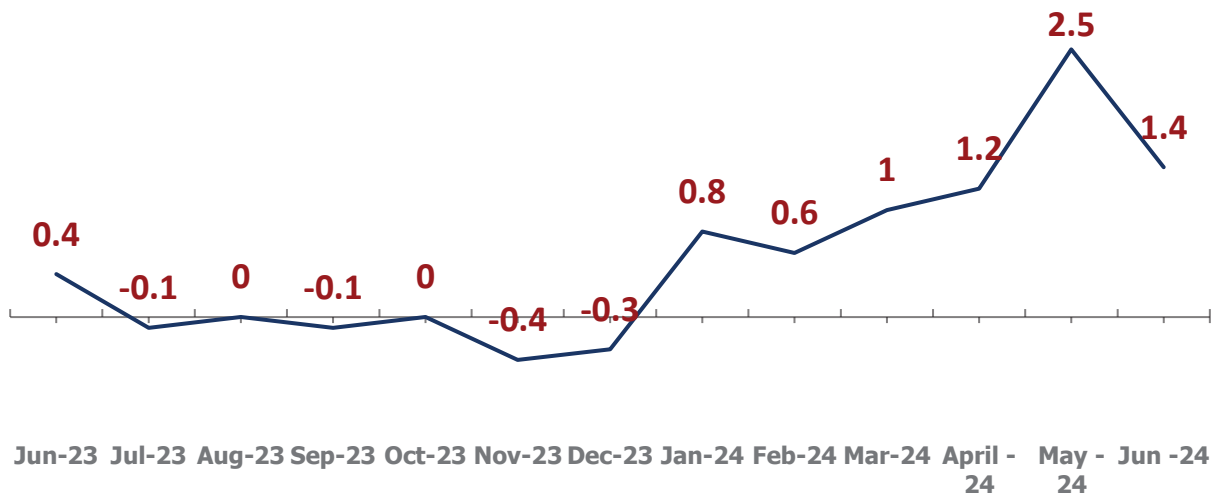


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Local Economic Outlook

1.4% increase in Consumer Price Index (CPI) in June 2024 compared to June 2023

Consumer Price Index, Annual Change (%)

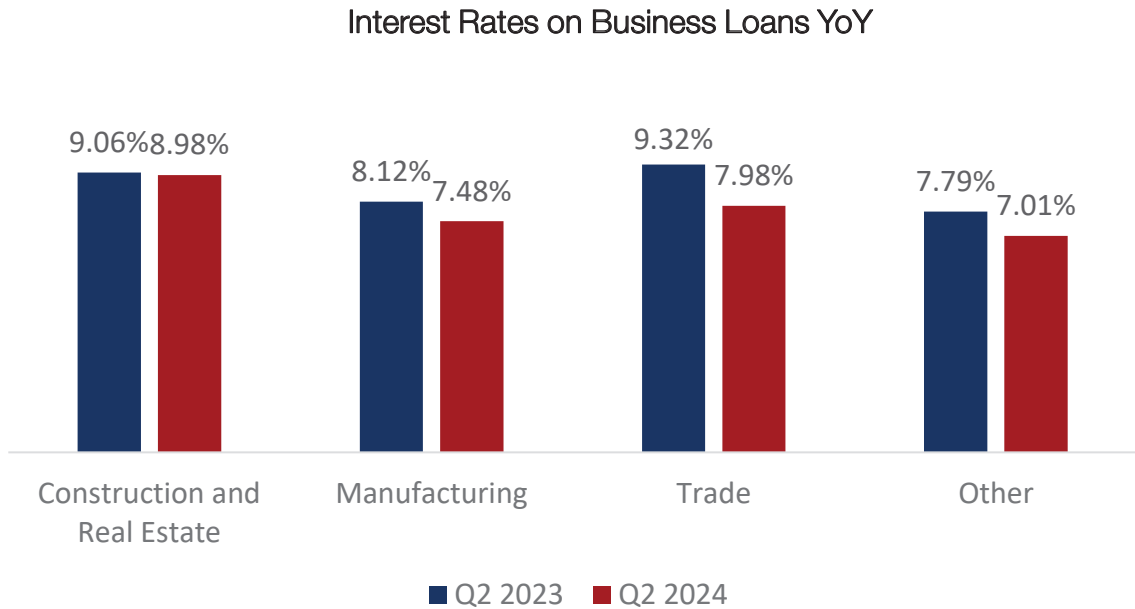


The consumer price index increased in June 2024 compared to June of last year by 1.4%. The most notable changes in the year were:

- +5.2% Increase in Food and Non-alcoholic Beverage group.
- +9.4% Increase in Restaurants and Hotel group.
- +2.4% Increase in Miscellaneous Goods and Services group.
- -3.4% Decrease in Furnishings, Household Equipment and Routine Household Maintenance group.

Source: Information and e-Government Authority

Decrease in interest rates on business loans in all sectors in Q2 2024 YoY



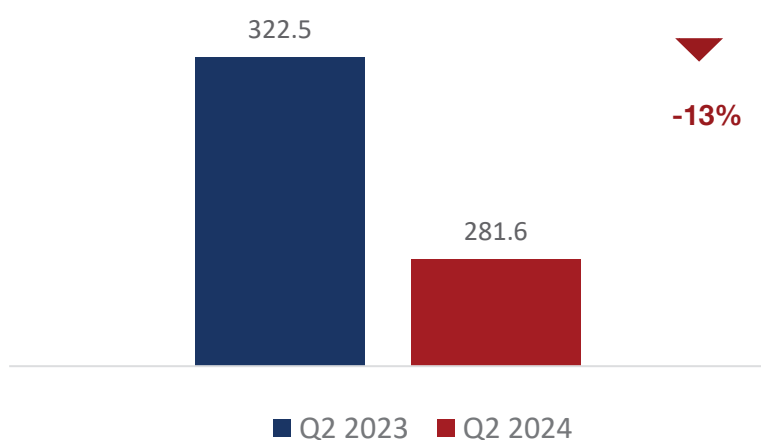
In the Construction and Real Estate sector, the interest rate decreased from 9.06% in Q2 2023 to 8.98% in Q2 2024. Also, the interest rate in the Manufacturing sector decreased from 8.12% in Q2 2023 to 7.48% in Q2 2024, interest rates also decreased in the Trade sector from 9.32% in Q2 2023 to 7.98% in Q2 2024.

Source: Central Bank of Bahrain



13% decrease in ATM withdrawal values in Q2 2024 compared to the same period in 2023

Value of ATM Withdrawals (Million BHD)

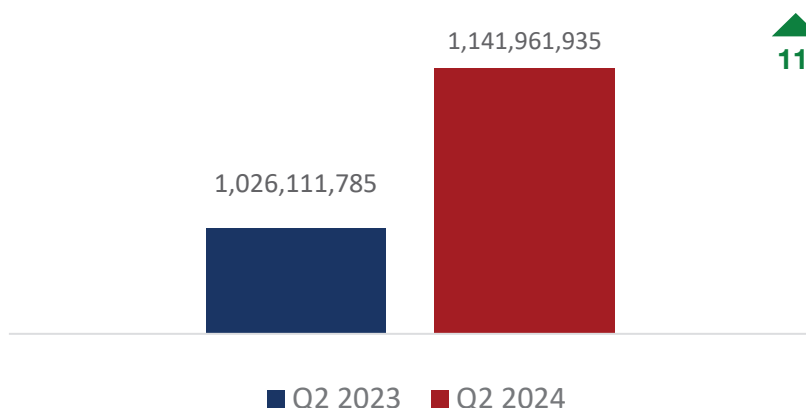


The value of ATM withdrawals decreased by 13%, from 322.5 million BHD in Q2 2023 to 281.6 million BHD in Q2 2024.

Source: Central Bank of Bahrain

11% increase in the value of POS transactions recorded in Q2 2024 compared to the same period in 2023

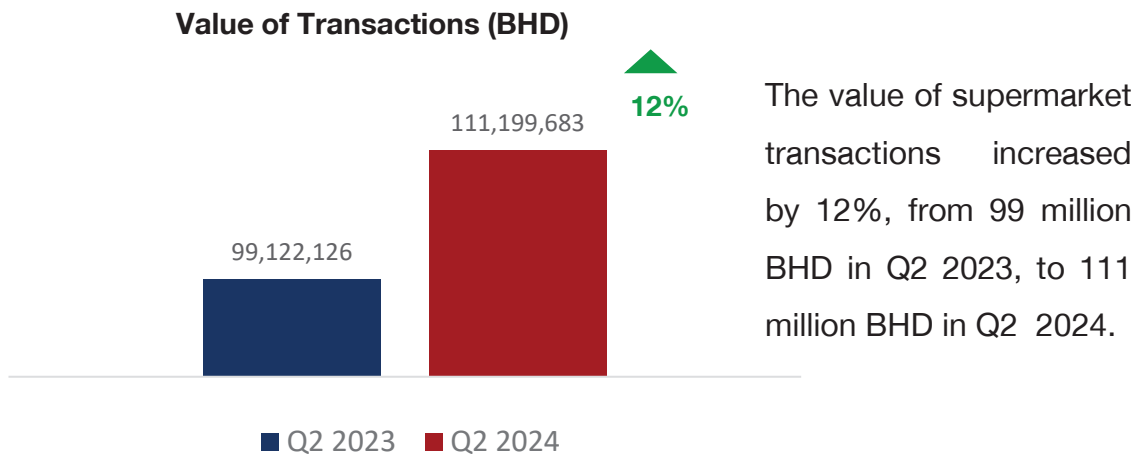
Value of POS Transactions (BHD)



The value of POS transactions increased by 11%, from 1.026 billion BHD in Q2 2023 to 1.142 billion BHD in Q2 2024.

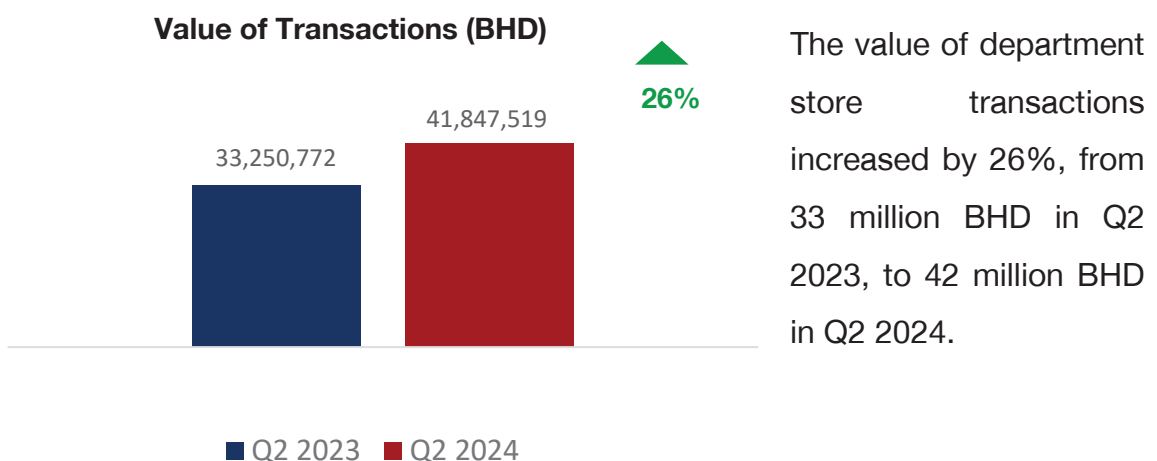
Source: Central Bank of Bahrain

12% increase in the value of supermarket transactions in Q2 2024 compared to the same period in 2023



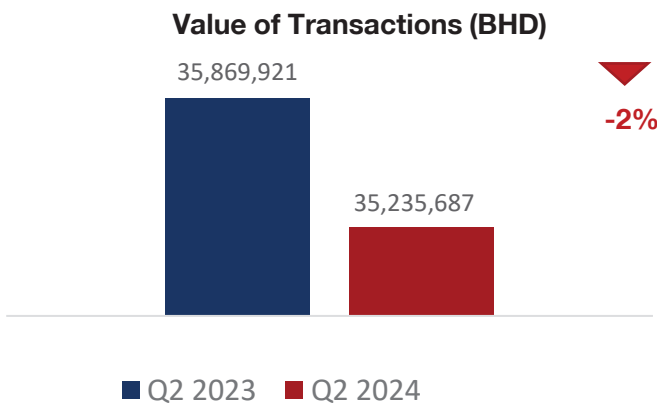
Source: Central Bank of Bahrain

26% increase in the value of department store transactions in Q2 2024 compared to the same period in 2023



Source: Central Bank of Bahrain

2% decrease in the value of jewelry store transactions in Q2 2024 compared to the same period in 2023

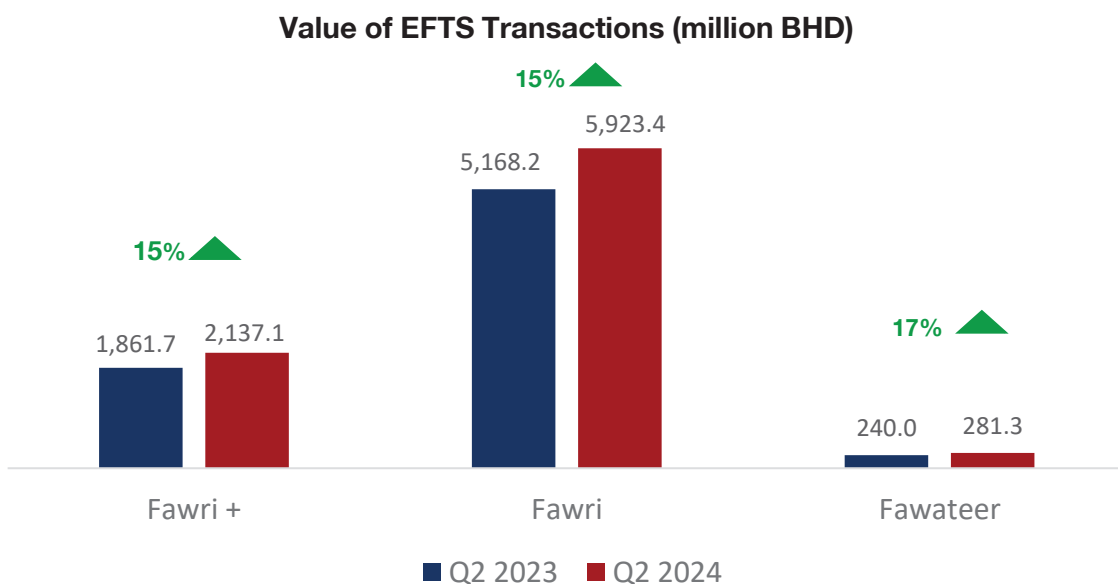


The value of transactions in the jewelry stores sector decreased by 2%, from 36 million BHD in Q2 2023, to 35 million BHD in Q2 2024.

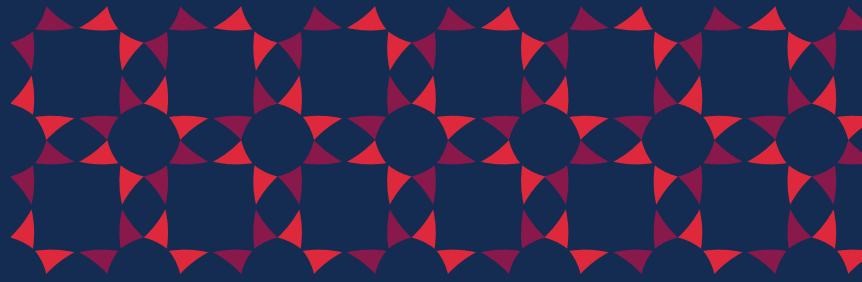
Source: Central Bank of Bahrain

15% increase in transfers via Fawri+ in Q2 2024 compared to the same period in 2023

The value of EFTS transactions through the Fawri+ system increased by 15% from 1.9 billion BHD in Q2 2023 to 2 billion BHD in Q2 2024. The value of EFTS transactions through the Fawri system increased as well by 15% as well from 5.2 billion BHD in Q2 2023 to 5.9 billion BHD in Q2 2024. Fawateer transactions increased by 17% from 240 million BHD in Q2 2023 to 281 million BHD in Q2 2024.



Source: Central Bank of Bahrain



5

Bahrain's Ranking in Global Indices



Bahrain's Ecosystem Value Growth increased by 40%, Achieving Top Rankings in MENA Startup Ecosystem

According to The Global Startup Ecosystem Report 2024 (GSER 2024), Bahrain's Ecosystem Value Growth raised by an impressive 40% from July 2021 to December 2023, compared to the period from 2019 to June 2021.

This growth is calculated based on the value of exits and startup valuations, reflecting Bahrain's robust and expanding startup ecosystem.

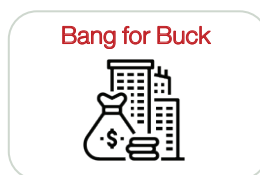
The Global Startup Ecosystem Report 2024 (GSER 2024) further recognizes Bahrain's achievements in the MENA region. The Kingdom has secured a spot in the top 10 for overall Ecosystem Performance, which measures the size and performance of an ecosystem based on the accumulated tech startup value created from exits and funding. Bahrain has also ranked in the top 10 in the Bang for Buck category, which measures the amount of runway tech startups acquire, on average, from a venture capital round. Additionally, Bahrain stands out for its talent and experience, placing in the top 15 for its skilled workforce and entrepreneurial expertise.

The Global Startup Ecosystem Report 2024 is a comprehensive analysis of startup ecosystems worldwide, offering deep insights into the leading startup ecosystems, emerging trends, and key challenges faced by entrepreneurs. The report is based on extensive research and data from 4.5 million startups across 300 global ecosystems in over 55 countries.

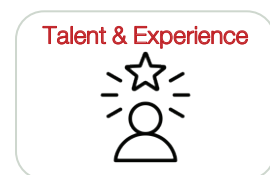
Bahrain's Top Rankings in MENA in GSER 2024



Top 10



Top 10



Top 15

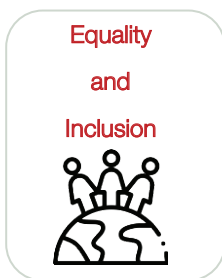
Bahrain Ranks 2nd in Arab World and 3rd in MENA on 2023 Youth Development Index

Bahrain has achieved an astonishing ranking on the Global Youth Development Index (YDI) 2023, securing the 2nd position in the Arab world and the 3rd in the MENA region, and 11th globally. Such an accomplishment reflects Bahrain's deep commitment to nurturing and empowering its youth, highlighting the nation's focus on developing young talent.

The Youth Development Index (YDI) serves as a crucial tool for researchers, policymakers, and civil society, including young people, to monitor progress on youth-related Sustainable Development Goals (SDGs). The index measures youth development across six key domains: Education, Employment and Opportunity, Equality and Inclusion, Health and Wellbeing, Peace and Security, and Political and Civic Participation.

In the YDI 2023, which assessed 183 countries, Bahrain was classified as a 'Very High Youth Development' country with a score of 0.804 out of 1.000. Notably, Bahrain ranked 1st in MENA for Equality and Inclusion, and 1st and 2nd within the Arabian Gulf for Employment and Opportunities, and Peace and Security, respectively. Globally, Bahrain secured the 11th position in both pillars, highlighting the nation's well-established framework for gender equality and youth advancement.

Bahrain's Top Rankings in YDI 2023



1st in MENA



1st in Arabian
Gulf



2nd in Arabian
Gulf

Source: The Global Youth Development Index 2023

Bahrain Ranks 5th Globally and 3rd in Arab World on 2024 ICT Development Index

For the second consecutive year, Bahrain has secured the 5th position globally and the 3rd in the Arab world on the 2024 ICT Development Index (IDI) by the International Telecommunication Union (ITU).

The IDI, designed as a tool for policymakers to evaluate digital development, measures countries' progress in digital connectivity. Bahrain's score of 97.5 points significantly exceeds the global average of 74.8 points, positioning it among the top 42 economies worldwide with an IDI score between 90 and 100. Such an achievement highlights Bahrain's advanced digital infrastructure and underscores its dedication to the strategic objectives outlined in the 2022-2026 telecommunications, information technology, and digital economy plan, positioning the nation as a leader in the sector.

Notably, Bahrain achieved a 100% rate in individual Internet usage, household Internet access, and the percentage of the population covered by at least a 4G/LTE mobile network. Additionally, the Kingdom reported complete 3G and 4G/LTE network coverage, demonstrating its extensive digital reach and connectivity.

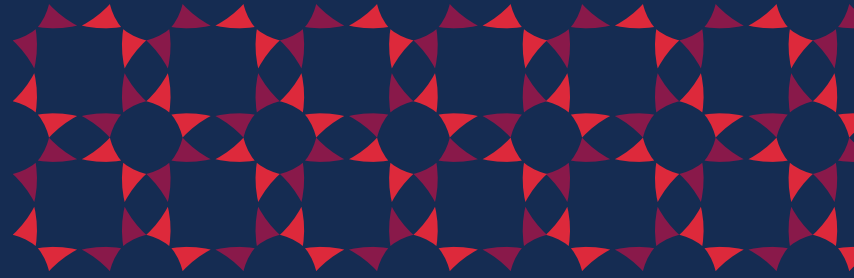
Rankings of GCC Countries in the 2024 ICT Development Index

**Scores are from (0-100) such that 100 is the highest possible score.*

Arab World Ranking	Country	Overall Score
1	Kuwait	100
2	Qatar	97.8
3	Bahrain	97.5
3	United Arab Emirates	97.5
4	Saudi Arabia	95.7
5	Oman	91.7

Source: The 2024 ICT Development Index / [Ministry of Transportation and Telecommunications](#)



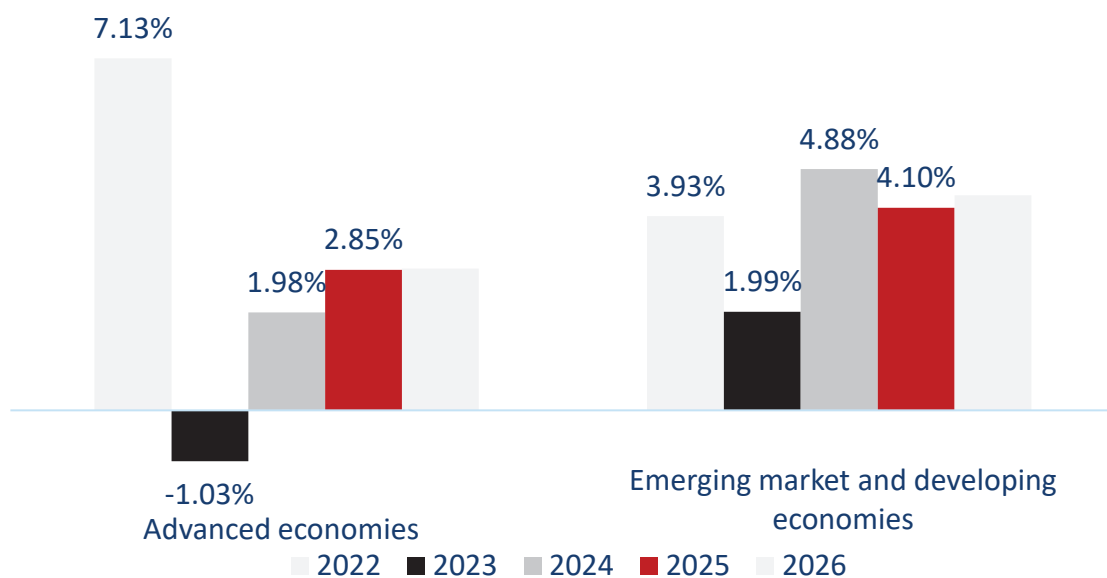


6

Global Economic Outlook

Volume of imports of goods and services is expected to reach 4.10% in 2025 in the Emerging Market and Developing Economies

Volume of imports of goods and services



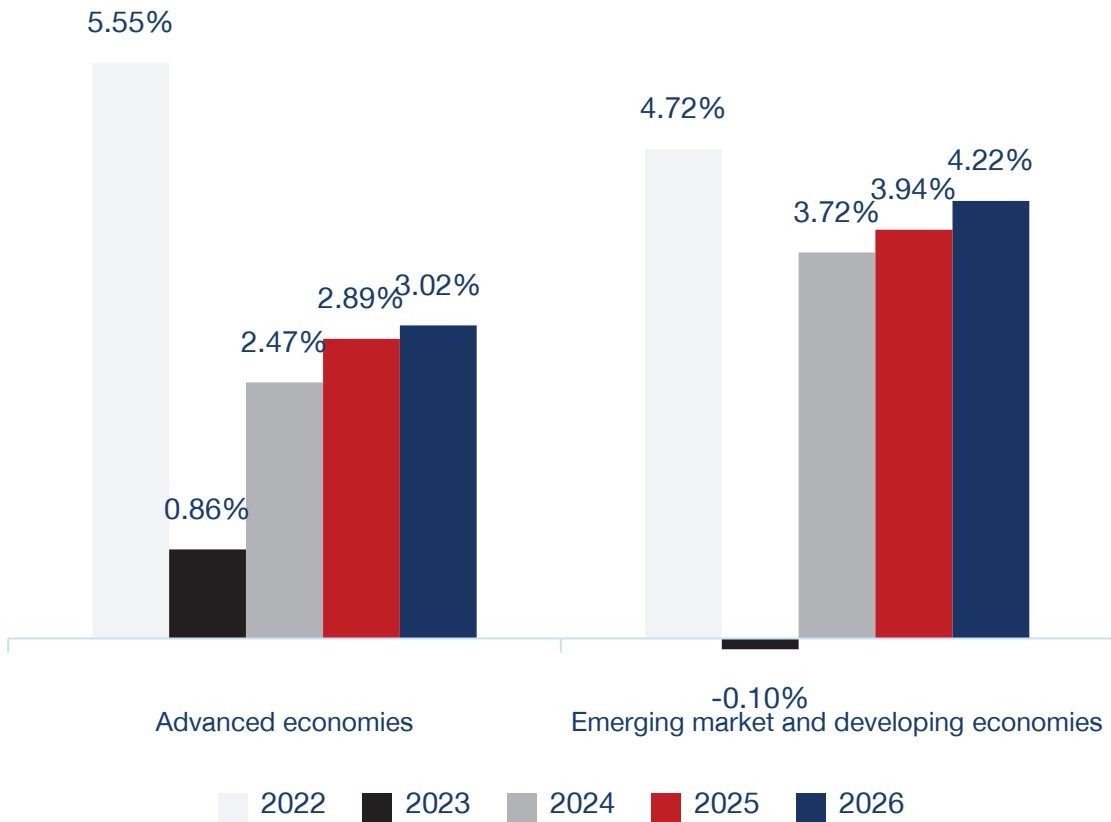
The Volume of imports of goods and services in Advanced Economies decreased from 7.13% in 2022 to -1.03% in 2023 and then expected to start started to increase again to 1.98%, 2.85% and 2.87% in 2024, 2025 and 2026, respectively.

However, in the Emerging Market and Developing Economies, the Volume of imports of goods and decreased from 3.93% in 2022 to 1.99% in 2023 and then started to increase to 4.88% in 2024, taking into consideration that it expected that it will decrease to 4.10% and 4.36% in 2025 and 2026, respectively.

Source: IMF – World Economic Outlook April 2024

Volume of exports of goods and services is expected to reach 2.89% in 2025 in the Advanced Economies

Volume of exports of goods and services



The Volume of exports of goods and services in Advanced Economies decreased from 5.55% in 2022 to 0.86% in 2023 and then expected to start to increase to again 2.47%, 2.89% and 3.02% in 2024, 2025 and 2026, respectively.

However, in the Emerging Market and Developing Economies, the Volume of exports of goods and decreased from 4.72% in 2022 to -0.1% in 2023 and then expected to start to increase to 3.72%, 3.94% and 4.22% in 2024, 2025 and 2026, respectively.

Source: IMF – World Economic Outlook April 2024

5% increase in WTI and Brent oil price in June 2024 YoY

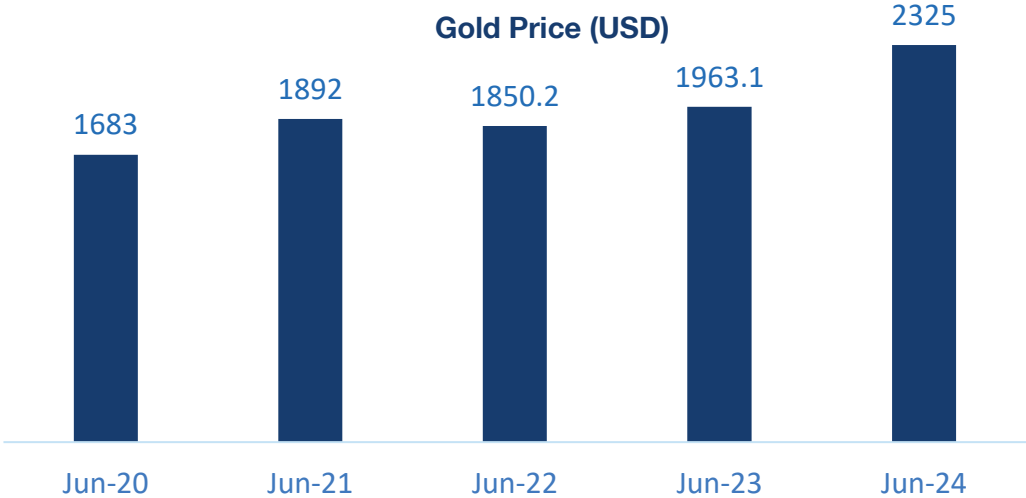
Oil Prices (USD per barrel)

Oil Type	June 2023	June 2024	Percentage Change
WTI	\$71.74	\$75.53	5% ▲
Brent	\$76.13	\$79.62	5% ▲

The price of a barrel of WTI and Brent crude oil has increased by 5% in June 2024 compared to June 2023. The price of a barrel of WTI crude oil has increased from \$71.74 per barrel in 2023 to \$75.53 per barrel in 2024. Also, the price of Brent crude oil has increased from \$76.13 per barrel in 2023 to \$79.62 per barrel in 2024.

Source: Bloomberg

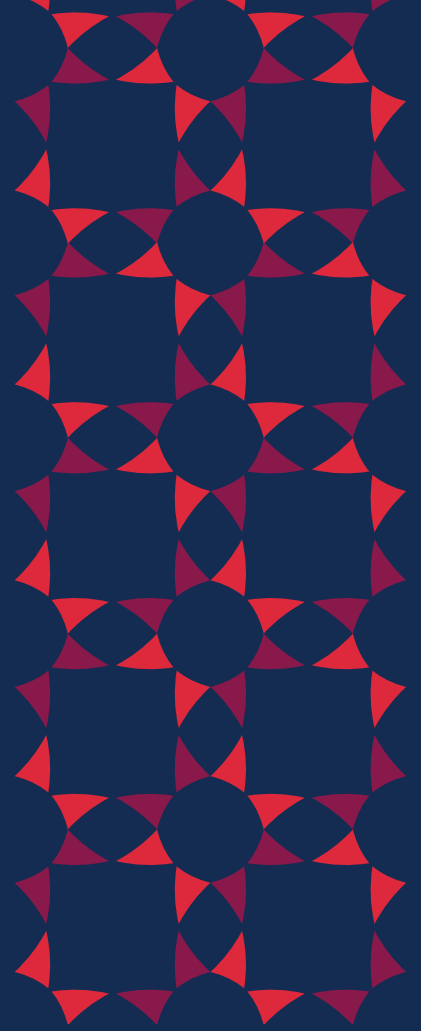
38% increase in gold price over 5-year period



The price of gold reached \$2325 USD in June 2024, an increase of 38% compared to \$1683 USD in June 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.