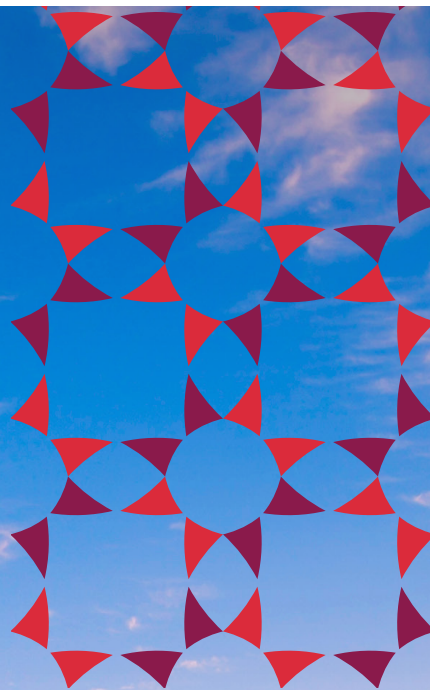


غرفة البحرين  
BAHRAIN CHAMBER



## Overview of the Local Economy

Q3 - 2022





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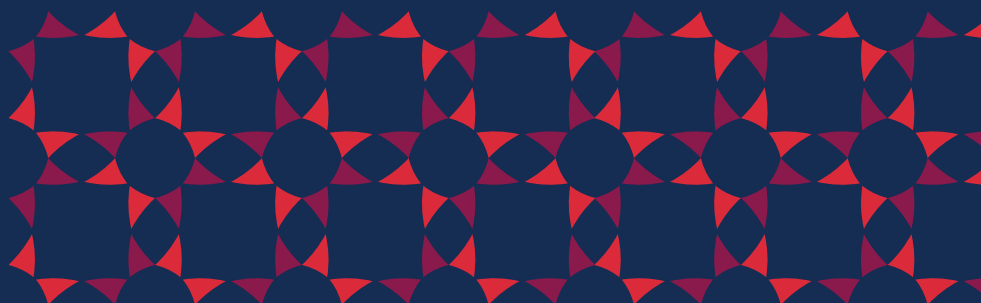
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1

# Executive Summary

## Introduction

Economic indicators have shown further signs of recovery in the Kingdom of Bahrain. In Q2 2022, real GDP and nominal GDP increased by 6.95% and 22.87%, respectively, y-o-y, led by growth in the Hotels and Restaurants and Transport and Communication Sectors. Key tourism indicators show that the tourism sector in Bahrain has almost returned to pre-pandemic levels, with a 562% increase in revenue in Q2 2022 compared to Q2 2021. Bahrain has ranked 1st among GCC countries in a number of global indicators, including the Basel AML Index, the Economic Freedom of the World Index, and the Global Crypto Regulation Index. Additionally, Manama has ranked 1st in the Financial Attractiveness sub-index on the Airinc Surveys' Global 150 Cities Index 2022.

The IMF forecasts a 3.2% growth in the global economy and a 3.7% growth in emerging market and developing economies in 2022. The GDP forecast for the Middle East and Central Asia region is higher than other regions, with growth expected to reach 5.0% in 2022. This is due to the positive outlook for the region's oil exporters. The global inflation rate is expected to reach 8.75% in 2022, while the inflation rate in Bahrain was 4% in August 2022.



### Growth and GDP Contribution of Economic Sectors

- 6.95% real GDP growth and 22.87% nominal GDP growth in Bahrain in Q2 2022.
- Crude Oil and Natural Gas sector is the highest contributor to GDP in Q2 2022 at 17.07%.



### Trade Exchange

- 9% increase in volume of trade between Bahrain and GCC in Q3 2022 compared to Q3 2021.
- 29.5% increase in the volume of trade between Bahrain and Oman in Q3 2022 compared to Q3 2021.
- China maintains its position as Bahrain's top import partner in Q3

2022.

- Saudi Arabia maintains its position as Bahrain's top export partner in Q3 2022.



## Local Economic Outlook

- Inbound tourism revenue increased by 562% in Q2 2022 compared to Q2 2021.
- 4.0% increase in Consumer Price Index (CPI) in August 2022 compared to August 2021.
- 15.1% increase in Restaurants and Hotels price index in August 2022 compared to August 2021.
- 8.9% decrease in Clothing and Footwear price index in August 2022 compared to August 2021.
- Qatar has the highest inflation rate among GCC countries at 5.40%.
- Increase in the number of employees in Q2 2022 compared to Q2 2021.
- 4.5% increase in worker remittances in Q2 2022 compared to the same period in 2021.
- Increase in the outflow of worker remittances in the GCC in 2021.
- Increase in interest rates on business loans in some business sectors.
- ATM withdrawals decline by 2.2% in June 2022 compared to the same period in 2021.
- 74% increase in the number of POS transactions in June 2022 compared to June 2021.
- 65.2% increase in the value of POS transactions recorded in June 2022 compared to June 2021.
- 41.3% increase in the number of supermarket transactions in June 2022 compared to the same period in 2021.
- 25.7% increase in the value of supermarket transactions in June 2022 compared to the same period in 2021.
- 17% increase in the number of department store transactions in June

2022 compared to the same period in 2021.

- 17% increase in the value of department store transactions in June 2022 compared to the same period in 2021.
- 64.1% increase in transfers via Fawateer in Q2 2022 compared to the same period in 2021.



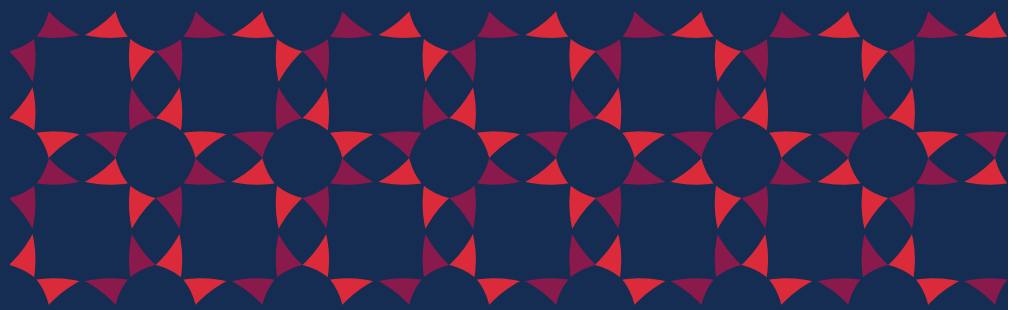
## Global Rankings

- Bahrain ranked 1st in the Arab World on Basel AML Index 2022.
- Manama ranked 1st globally in Financial Attractiveness on Airinc Surveys' Global 150 Cities Index 2022.
- Bahrain ranked 1st in MENA on the Economic Freedom of the World index.
- Bahrain ranked 1st among GCC and 7th globally for its proactive approach to crypto asset regulations.



## Global Economic Outlook

- IMF forecasts 3.2% growth in the global economy and 3.7% growth in emerging market and developing economies in 2022.
- IMF forecasts 5.0% growth in Middle East and Central Asia in 2022.
- Global inflation rate expected to reach 8.75% in 2022.
- The United States has the largest economy worldwide with a GDP of 22.9 trillion USD in 2021.
- 12% increase in Brent oil prices and 10% increase in WTI oil prices in October 2022 compared to October 2021.
- 41% increase in gold prices in October 2022 compared to October 2021.



## 2

# Growth and GDP Contribution of Economic Sectors

## 6.95% real GDP growth and 22.87% nominal GDP growth in Bahrain in Q2 2022

### Economic Sector Growth in Q2 – 2022 Compared to Q2 2021

Sector	Growth in Constant Prices	Growth in Current Prices
Agriculture and Fishing	5.78%	1.02%
Mining and Quarrying	-2.05%	48.44%
Manufacturing	7.63%	49.78%
Electricity and Water	0	3.44%
Construction	2.60%	5.09%
Trade	7.51%	2.66%
Hotels and Restaurants	18.13%	25.55%
Transport and Communication	15.12%	5.94%
Education Services (public and private)	6.81%	7.79%
Health Services (public and private)	-2.84%	-2.91%
Social and Personal Services	2.79%	4.08%
Real Estate and Business Services	4.49%	3.27%
Financial Corporations	3.56%	4.38%
Other Government Services	7.57%	4.33%
<b>GDP</b>	<b>6.95%</b>	<b>22.87%</b>
<b>Oil GDP</b>	<b>-2.20%</b>	<b>51.66%</b>
<b>Non-oil GDP</b>	<b>9.05%</b>	<b>17.83%</b>

Source: Information and e-Government Authority

In Q2 2022, GDP grew by 6.95% in constant prices and 22.87% in current prices compared to Q2 2021. Economic growth was mainly driven by non-oil sectors, which grew by 9.05% in constant prices. The sectors that witnessed the highest real growth rates are Hotels and Restaurants by 18.1% and Transport and Communication by 15.1%. Other sectors that grew significantly include Manufacturing by 7.6%, Trade by 7.5% and Government Services by 7.1%. On the other hand, the oil sector contracted by 2.2%.

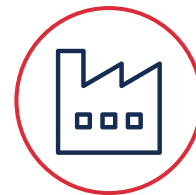
### **Economic Sector Growth in Q2 – 2022 Compared to Q2 2021**



**Hotels and  
Restaurants**  
**18.1%**



**Transport and  
Communication**  
**15.1%**



**Manufacturing**  
**7.6%**

## Crude Oil and Natural Gas sector is the highest contributor to GDP in Q2 2022 at 17.07%

The Crude Oil and Natural Gas Sector is the highest contributor to GDP in Q2 2022 compared to Q2 2021 at 17.07%, followed by Finance and Insurance Sector at 16.77% and Manufacturing at 13.93%. 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 20.20% in Q2 2020 to 17.07% in Q2 2022. This is due to successful diversification efforts, and growth in the non-oil sectors.

### The most prominent sectors contributing to the GDP in the second quarter of 2022



Crude Oil and Natural Gas



Finance and Insurance



Manufacturing

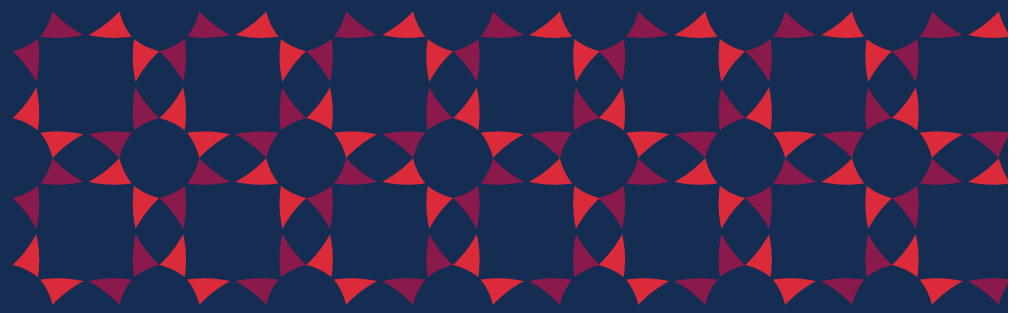
### Real GDP Contribution by Sector

Sector	Q2 2020	Q2 2021	Q2 2022
Crude Oil and Natural Gas	20.20%	18.66%	17.07%
Finance and Insurance	16.74%	17.32%	16.77%
Manufacturing	14.31%	13.85%	13.93%
Government Services	14.24%	13.93%	13.95%
Construction	7.80%	7.39%	7.09%
Transport and Communication	4.27%	5.98%	6.44%
Real Estate and Business Activities	5.36%	5.31%	5.19%
Trade	4.32%	4.26%	4.28%
Hotels and Restaurants	1.01%	1.38%	1.53%
Electricity and Water	1.63%	1.58%	1.48%

Source: Information and e-Government Authority





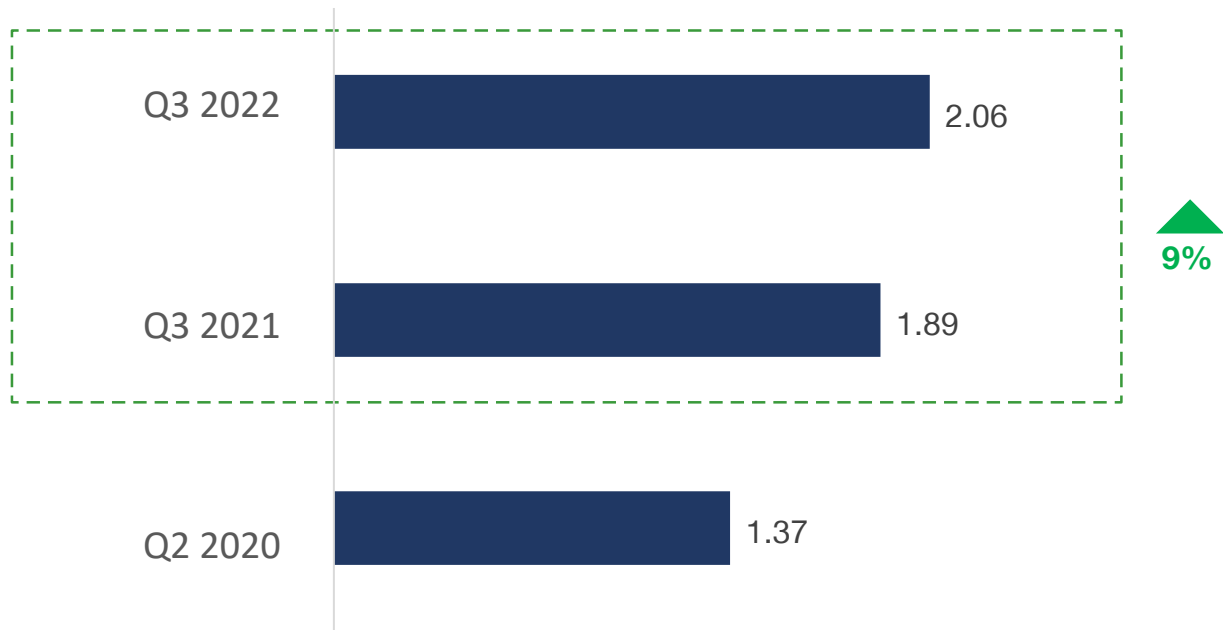


3

## Trade Exchange

## 9% increase in volume of trade between Bahrain and GCC in Q3 2022 compared to Q3 2021

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

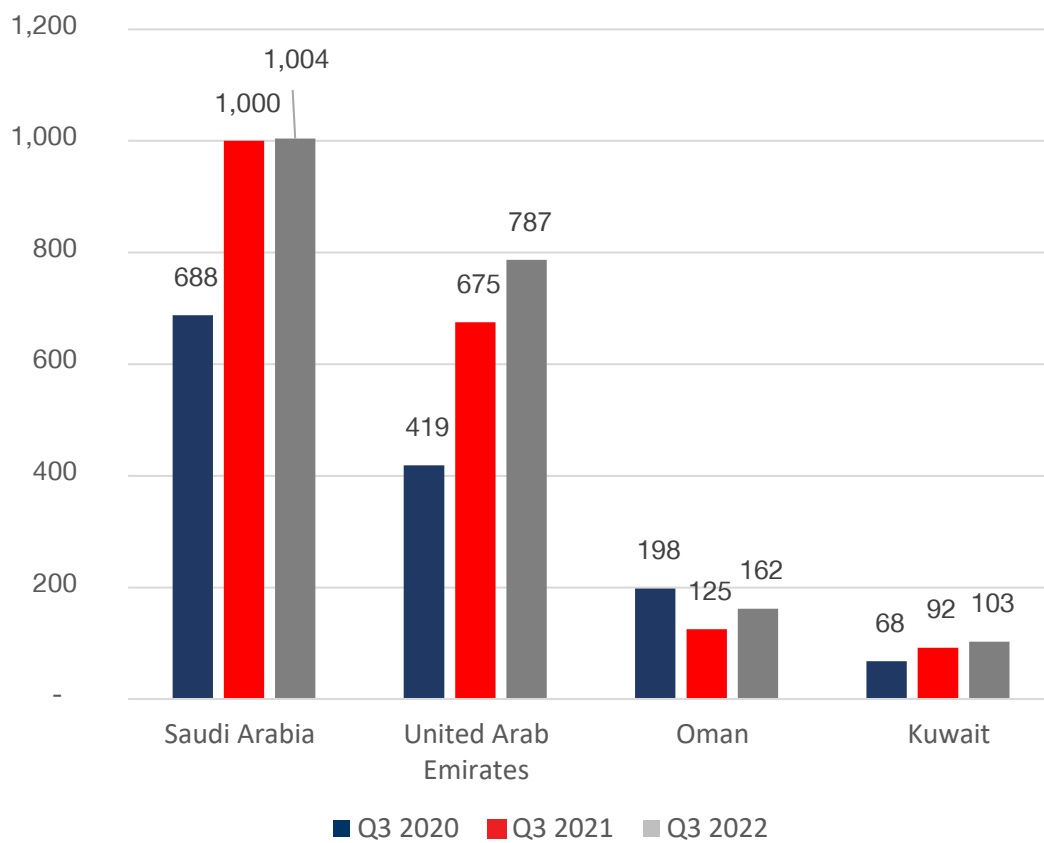


Q3 2020	Q3 2021	Q3 2022	% Change from 2021 to 2022
1,373,240,367	1,892,297,793	2,056,785,876	9%

Source: Information and e-Government Authority

## 29.5% increase in the volume of trade between Bahrain and Oman in Q3 2022 compared to Q3 2021

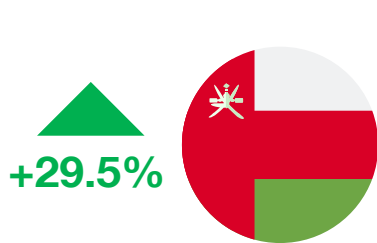
### Volume of Trade (million USD)



Country	Q3 2020	Q3 2021	Q3 2022	% Change from 2021 to 2022
<b>Saudi Arabia</b>	688,419,983	1,000,193,023	1,004,315,576	<b>0.4%</b>
<b>United Arab Emirates</b>	418,701,158	674,572,903	786,862,641	<b>16.6%</b>
<b>Oman</b>	197,796,823	125,419,039	162,370,974	<b>29.5%</b>
<b>Kuwait</b>	68,322,403	92,112,829	103,236,685	<b>12.1%</b>

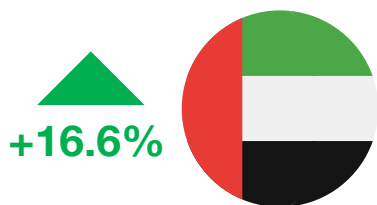
Source: Information and e-Government Authority

## 29.5% increase in the volume of trade between Bahrain and Oman in Q3 2022 compared to Q3 2021



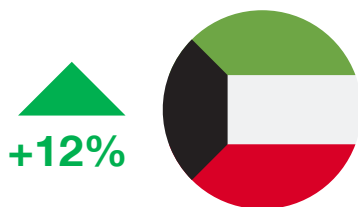
### Oman

Oman had the highest increase in the volume of trade with Bahrain among GCC countries in Q3 2022. The volume of trade between Oman and Bahrain increased by 29.5%, from 125 million USD in Q3 2021 to 162 million USD in Q3 2022.



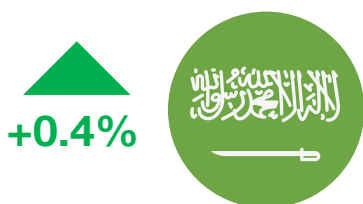
### United Arab Emirates

The volume of trade between the United Arab Emirates and Bahrain increased by 16.6% from 675 million USD in Q3 2021 to 787 million USD in Q3 2022. The UAE has the second-highest volume of trade with Bahrain among GCC countries.



### Kuwait

The trade exchange between Kuwait and Bahrain increased by 12.1% in Q3 2021 compared to Q3 2022, from 92 million USD to 103 million USD.



### Saudi Arabia

The volume of trade between Saudi Arabia and Bahrain only increased by 0.4% in Q3 2022 on an annual basis, from 1 billion USD to 1.004 billion USD. However, Saudi Arabia has maintained its position as Bahrain's top trade partner in terms of volume of trade among GCC countries.

Source: Information and e-Government Authority

## Bahrain's top import partners in Q3 2022

### China maintains its position as Bahrain's top import partner in Q3 2022

Country	Total Value of Imports in Q3 2022 (million USD)	Top Imported Commodity	Commodity Value (million USD)	% of Total Imports from the Country
China	567	Smartphones	33.7	6%
Brazil	501	Non-agglomerated iron ores and concentrates	479.2	96%
Australia	328	Other aluminum oxide	297.6	91%
United Arab Emirates	318	Gold ingots	98.1	31%
United States	272	Parts for aircraft engines	87.4	32%

China remained Bahrain's top import partner in Q3 2022 with a total import value of 567 million USD. The top imported commodity was smartphones, with a total value of 33.7 million USD. This commodity accounts for 6% of total imports from China.

Brazil was Bahrain's second largest import partner in Q3, with the total value of imports reaching 501 million USD. The top imported commodity was non-agglomerated iron ores and concentrates, valued at 479.2 million USD.

Australia was Bahrain's third largest import market, with a total import amount of 328 million USD. The top commodity imported was other aluminum oxide at 297.6 million USD and it accounts for 91% of imports from Australia.

Total imports from the United Arab Emirates are valued at 318 million USD. The top imported commodity was gold ingots, valued at 98.1 million USD.

Total imports from the United States reached 272 million USD in the third quarter of 2022. The top imported commodity was parts for aircraft engines, at 87.4 million USD.

Source: Information and e-Government Authority

## Bahrain's top export partners in Q3 2022

### Saudi Arabia maintains its position as Bahrain's top export partner in Q3 2022

Country	Total Value of Exports in Q3 2022 (million USD)	Top Exported Commodity	Commodity Value (million USD)	% of Total Exports from the Country
Saudi Arabia	792	Agglomerated iron ores and concentrates	229.0	29%
United States Of America	478	Unwrought aluminum alloys	312.1	65%
United Arab Emirates	469	Agglomerated iron ores and concentrates	153.4	33%
Netherlands	243	Unwrought aluminium alloys	172.1	71%
Mexico	211	Unwrought aluminium alloys	204.3	97%

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q3 2022, with the total value of exports reaching 792 million USD. The top exported commodity was agglomerated iron ores and concentrates at 229 million USD.

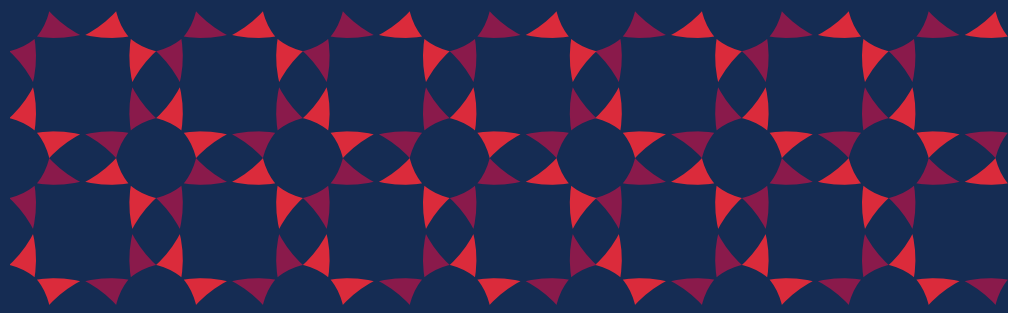
The United States of America was Bahrain's second largest export partner, with the total value of exports amounting to 478 million USD. The top exported commodity was unwrought aluminium alloys at 312.1 million USD, accounting for 65% of exports to the US.

Total exports from the United Arab Emirates amounted to 469 million USD, making it Bahrain's third largest export partner. The top exported commodity was agglomerated iron ores and concentrates at 153.4 million USD.

Total exports to the Netherlands amounted to 243 million USD. The top exported commodity was unwrought aluminium alloys at 172.1 million USD, and accounts for 71% of total exports to the Netherlands.

**Mexico** was Bahrain's fifth largest export partner in the third quarter of 2022, with the total value of exports reaching 211 million USD. The top exported commodity was unwrought aluminium alloys at 204.3 million USD and it constitutes 97% of total exports to **Mexico**.

Source: Information and e-Government Authority



# 4

## Local Economic Outlook

## Inbound tourism revenue increased by 562% in Q2 2022 compared to Q2 2021

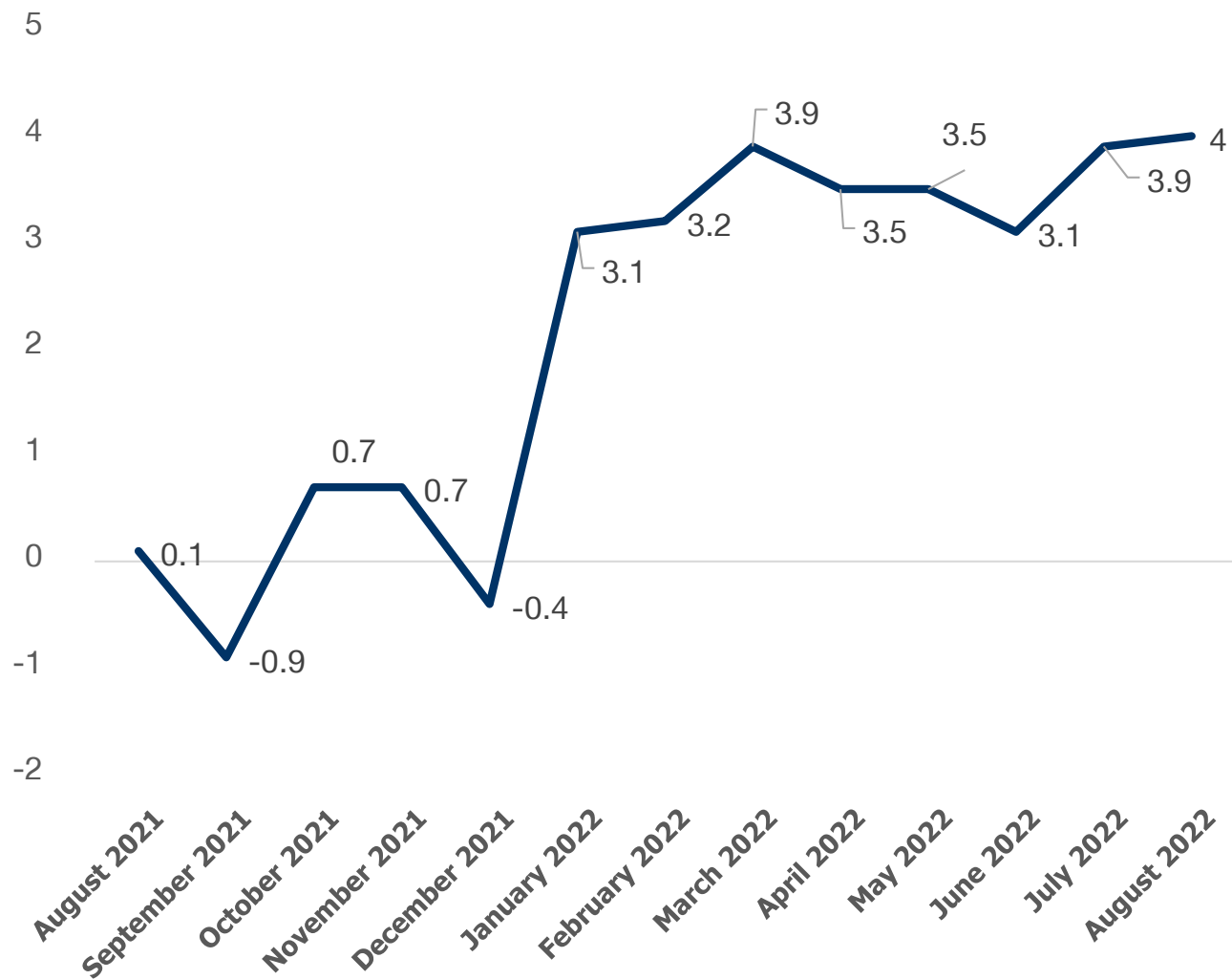
The tourism sector in Bahrain has continued on its path to recovery in Q2 2022, and the key tourism indicators have almost returned to pre-pandemic levels. International arrivals and inbound tourism flows have increased by 622% and 796%, respectively, in Q2 2022 compared to Q2 2021. Furthermore, total overnights in the Kingdom have increased by 422%. The total revenue generated by inbound tourists has increased by 562%, from 49.9 million BD in Q2 2021 to 330.4 million BD in Q2 2022.

### Key Tourism Indicators- Q2 2022

Indicator	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Change from 2021 to 2022
International Arrivals (thousand) (excl. Bahrainis)	3,124	47	363	2,621	622%
Inbound Tourism Flows (thousand) (excl. residents in Bahrain & arrivals for non-tourism purposes)	2,783	36	254	2,278	796%
Total Overnights (thousand)	3,091	152	569	2,973	422%
Total Inbound Tourism Receipts (million BD)	364.9	9.3	49.9	330.4	562%

Source: Information and e-Government Authority

## 4% increase in Consumer Price Index (CPI) in August 2022 compared to August 2021



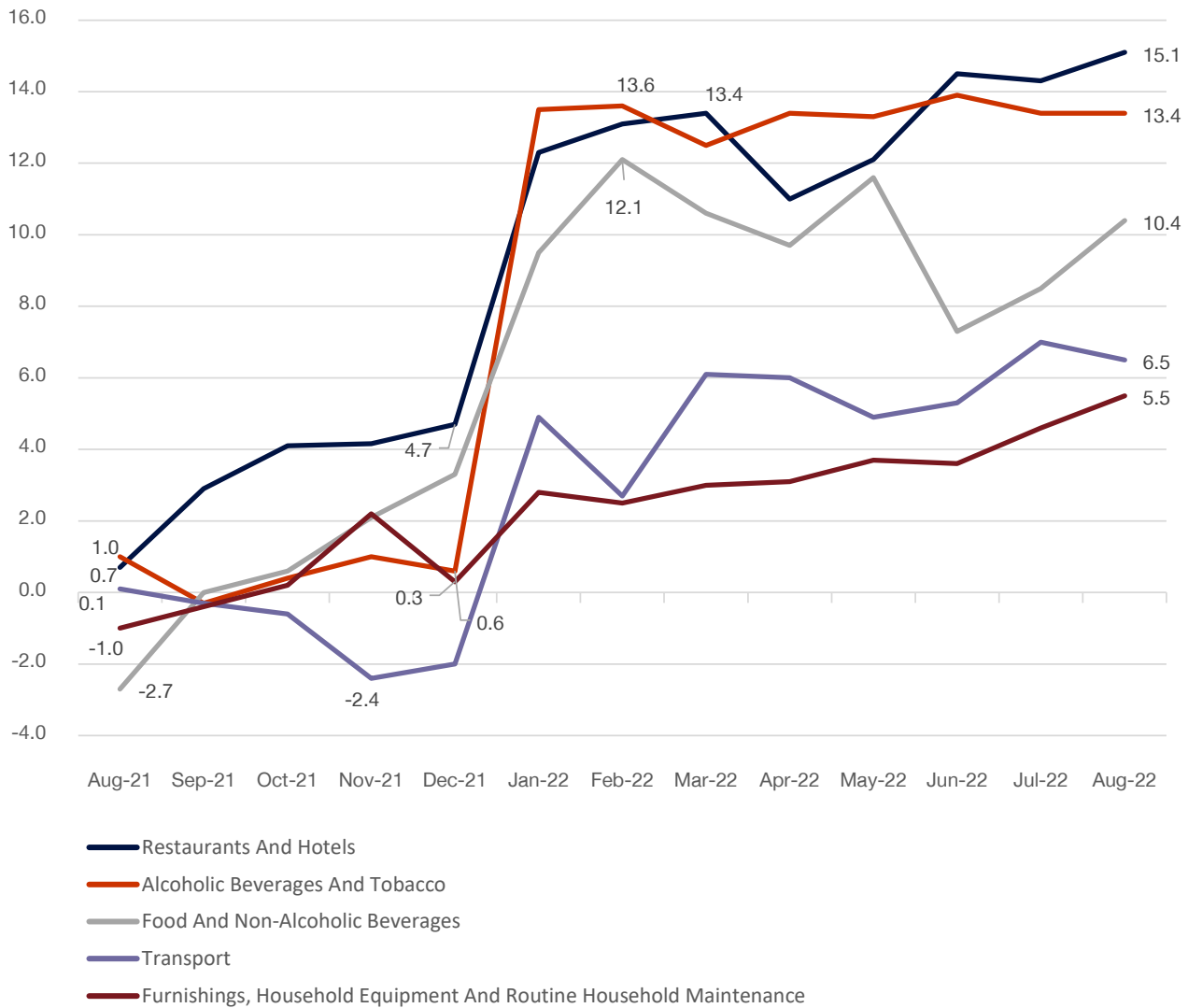
The consumer price index increased in August 2022 by 4% compared to August 2021. The most significant changes during that period are as follows:

- A 10.4% increase in the food and non-alcoholic beverages group.
- A 15.1% increase in the hotels and restaurants group.
- A 6.4% increase in the transport group.
- A 5.5% increase in the furnishings, household equipment and routine household maintenance group.

Source: Information and e-Government Authority

## 15.1% increase in Restaurants and Hotels price index in August 2022 compared to August 2021

### Sectors with Highest CPI Increase in August 2022 (y-o-y)

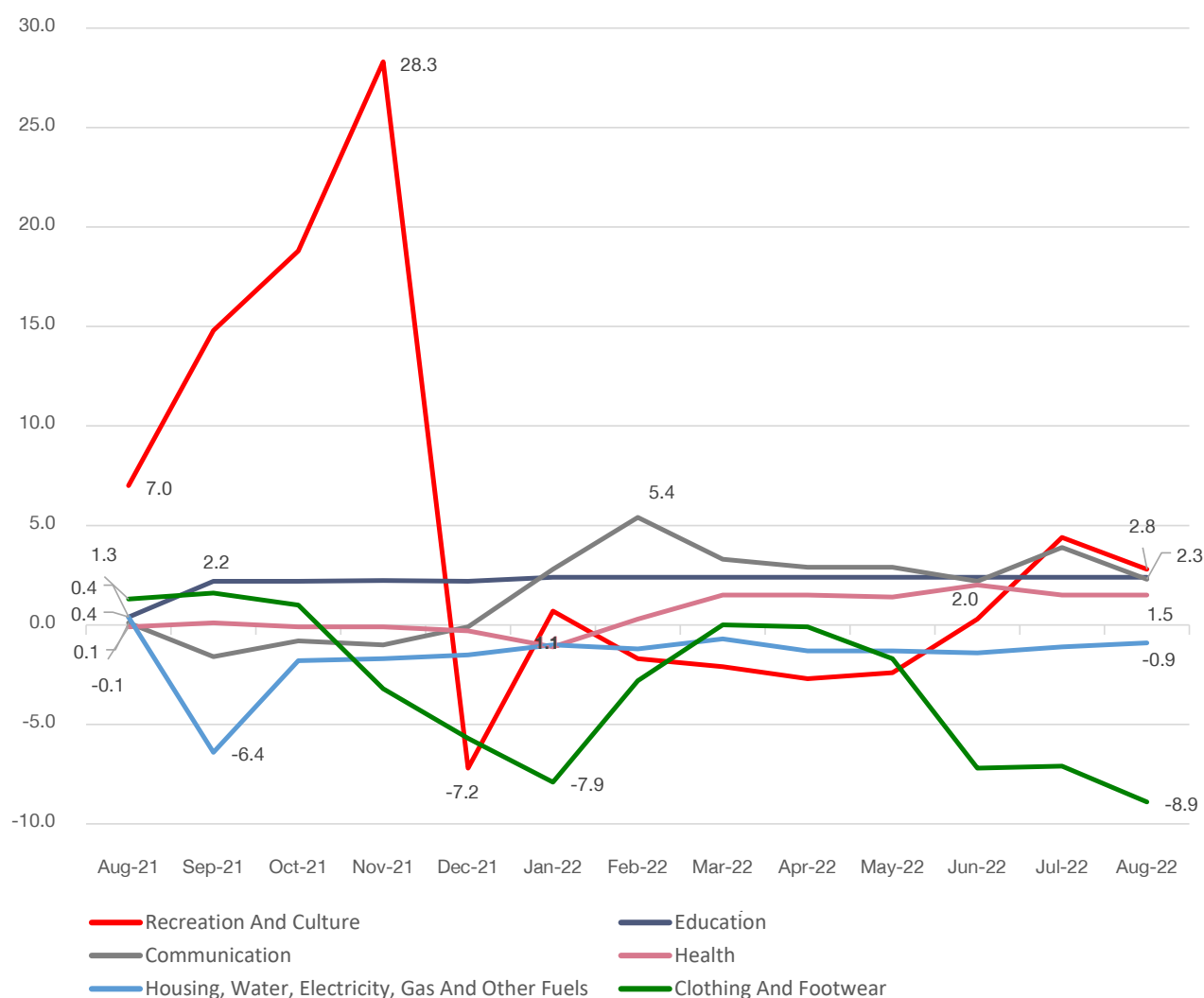


The Restaurants and Hotels sector witnessed the highest increase in prices in August 2022 at 15.1%, compared to the same month in the previous year. The second highest sector with a y-o-y increase is Alcoholic Beverages and Tobacco, reaching 13.4%. The prices in the Food and Non-Alcoholic Beverages sector increased by 10.4% in August 2022, which is lower than its 12.1% increase in February 2022. Prices in the Transport sector and the Furnishings, Household Equipment and Routine Household Maintenance sector rose by 6.5% and 5.5%, respectively.

Source: Information and e-Government Authority

## 8.9% decrease in Clothing and Footwear price index in August 2022 compared to August 2021

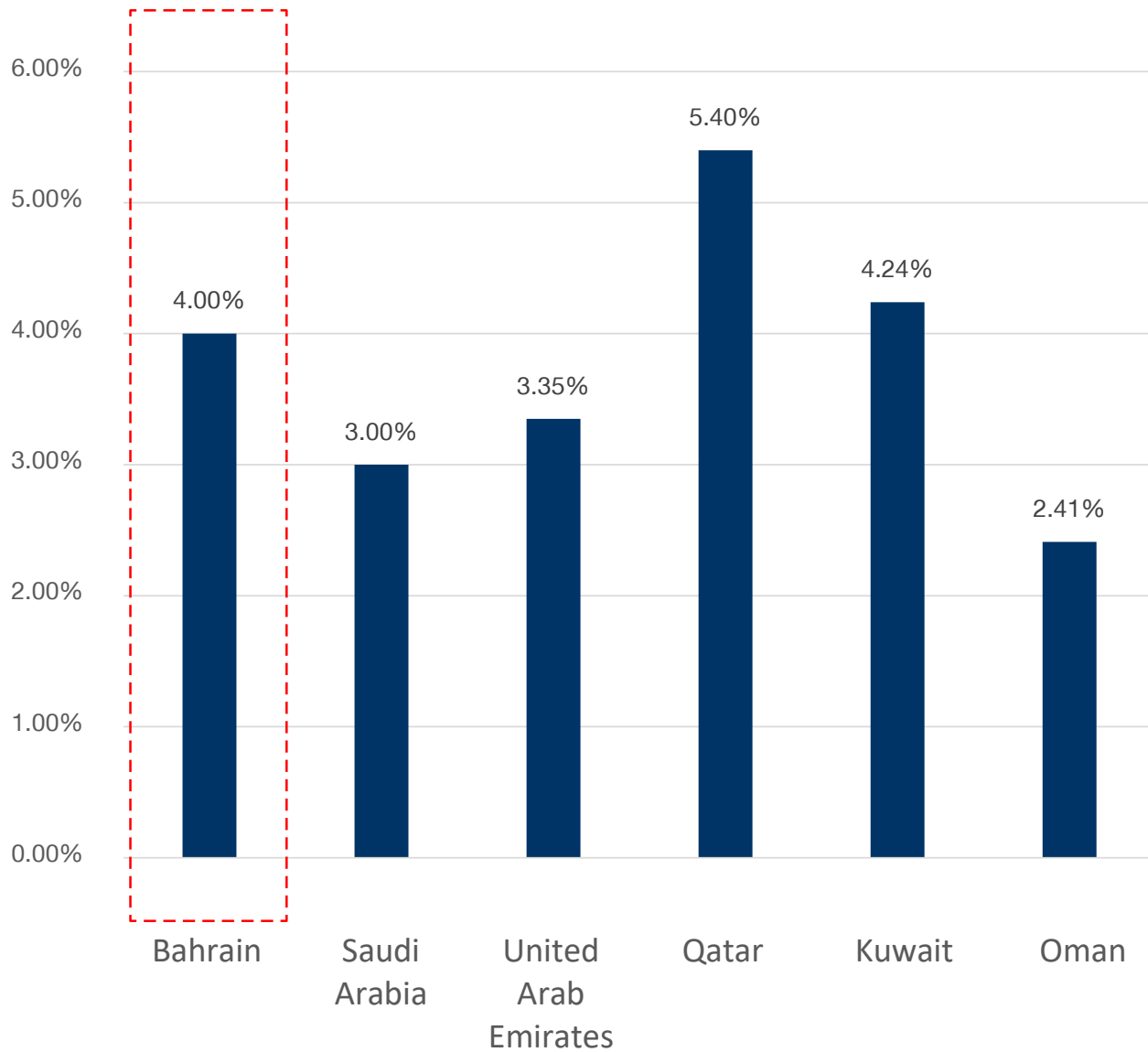
### Sectors with Lowest CPI Increase in August 2022 (y-o-y)



The prices in the Recreation and Culture sector increased by 2.8% in August 2022 compared to August 2021, which is significantly lower than its increase of 28.3% in November 2021. Price changes in the Education sector have been quite consistent over the past year and amounted to 2.4% in August 2022. The prices in the Communication and Health sectors increased by 2.3% and 1.5%, respectively. On the other hand, prices in the Housing, Water, Electricity, Gas and Other Fuels sector declined by 0.9% on a y-o-y basis. The largest decline in prices in August 2022 is in the Clothing and Footwear sector, which decreased by 8.9% on an annual basis.

Source: Information and e-Government Authority

## Qatar has the highest inflation rate among GCC countries at 5.40%

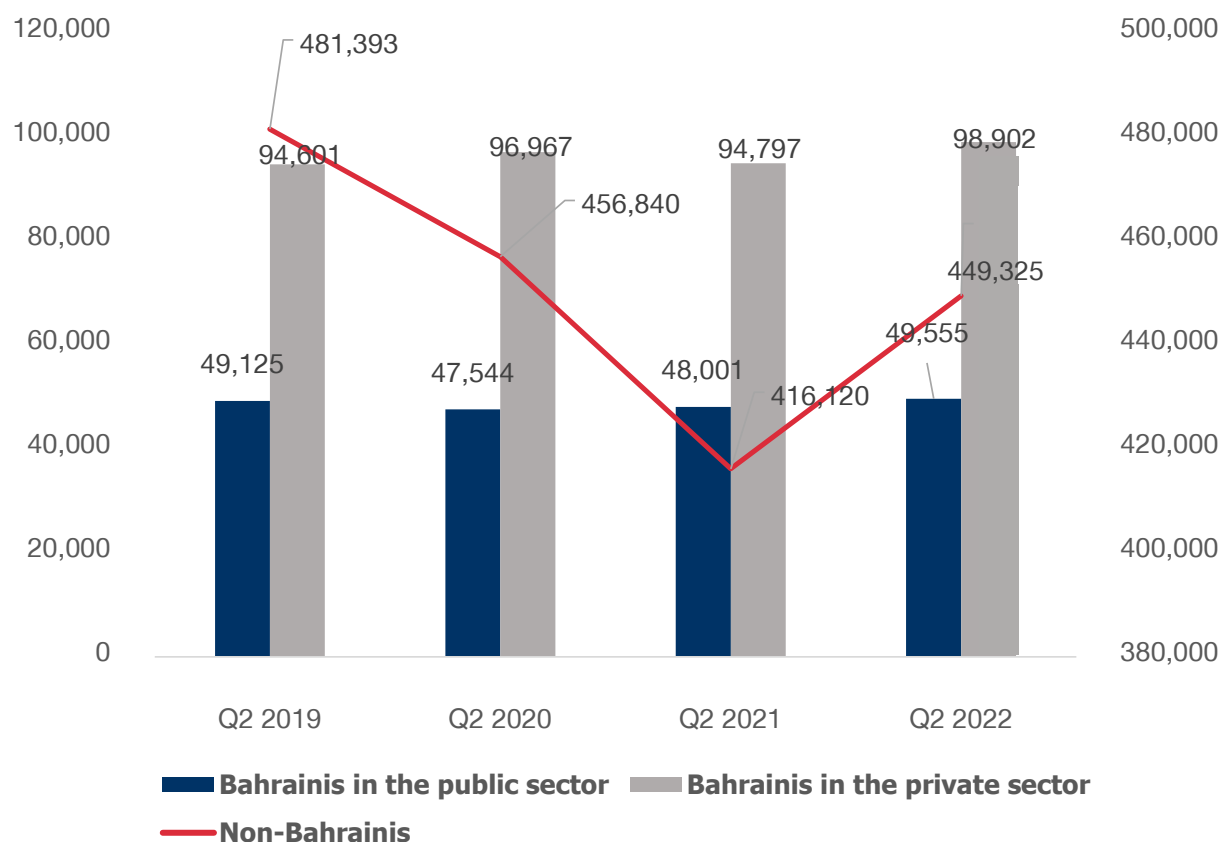


Qatar has the highest inflation rate among GCC countries at 5.40%, followed by Kuwait at 4.24% and Bahrain at 4%. Moreover, inflation in the United Arab Emirates reached 3.35%. Saudi Arabia and Oman have relatively lower inflation rates compared to the other GCC countries, at 3% and 2.41%, respectively.

Source: latest figures from official data sources in GCC countries – Information and EGovernment Authority (Bahrain), General Authority for Statistics (KSA), Kuwait News Agency, Qatar Central Bank, National Center for Statistics & Information (Oman), Emarat Alyoum

## Increase in the number of employees in Q2 2022 compared to Q2 2021

### Number of Insured Employees in the Labor Market



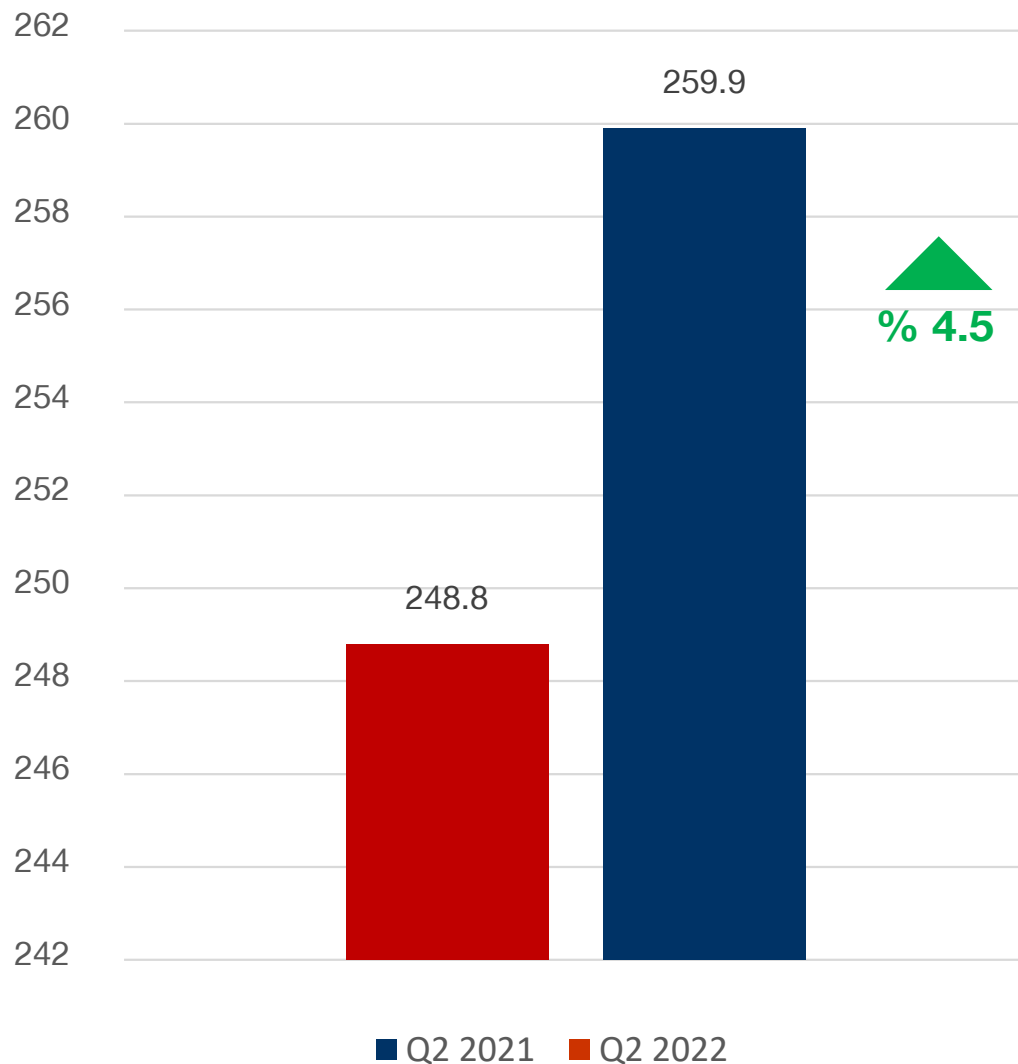
	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Change from 2020 to 2021
Bahrainis in the public sector	49,125	47,544	48,001	49,555	3.2%
Bahrainis in the private sector	94,601	96,967	94,797	98,902	4.3%
Non-Bahrainis	481,393	456,840	416,120	449,325	8%

The number of Bahrainis in the public and private sectors increased by 3.2% and 4.3% respectively in Q2 2022 compared to Q2 2021. The number of employed non-Bahrainis also increased by 8% in Q2 2022 compared to Q2 2021.

Source: Social Insurance Organization

## 4.5% increase in worker remittances in Q2 2022 compared to the same period in 2021

### Workers' Remittances (million BHD)

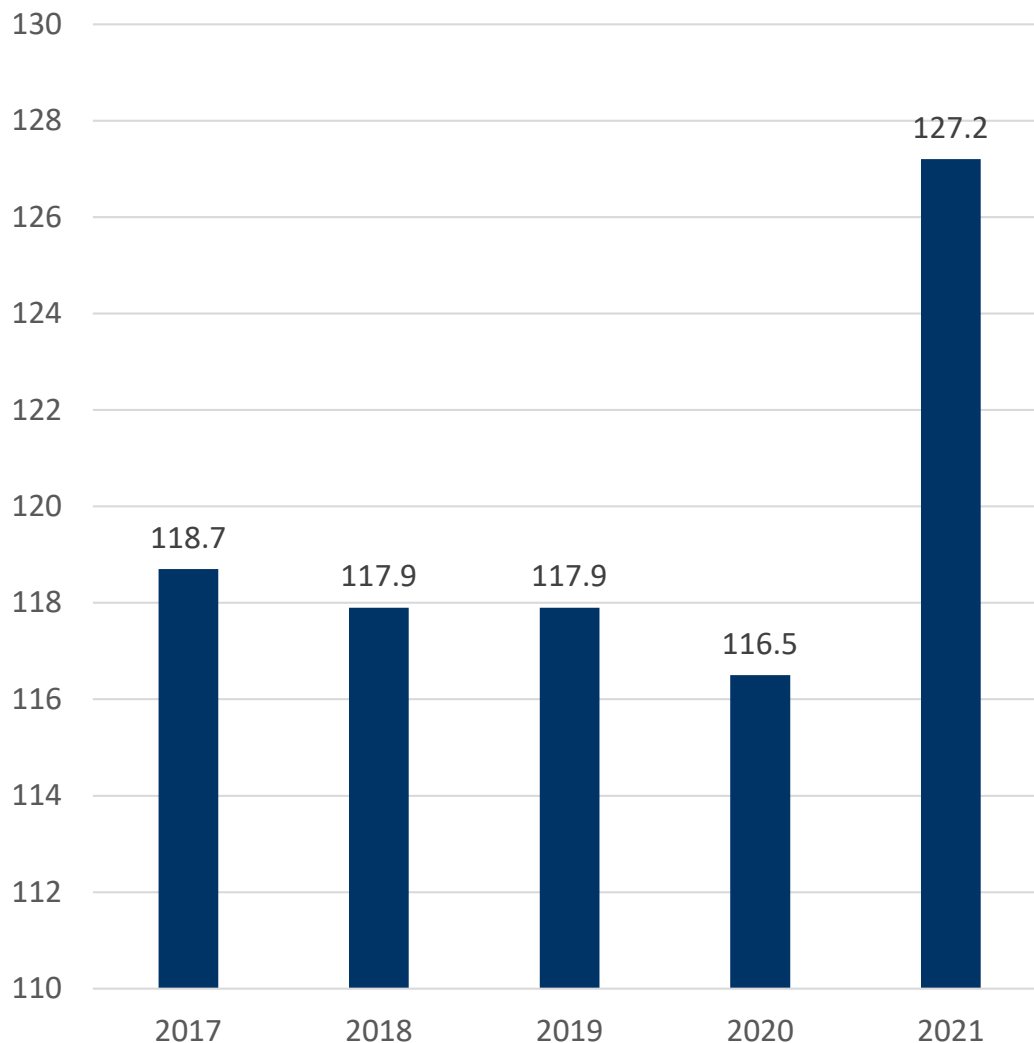


Worker remittances are defined as a transfer made by migrant workers and residents in a country, to their relatives in their country of origin. Remittances are classified as for more than a year, regardless of their legal status, to the beneficiaries in their country of origin. Worker remittances increased by 4.5% from 248.8 million BHD in Q2 2021 to 259.9 million BHD in Q2 2022.

Source: Central Bank of Bahrain

## Increase in the outflow of worker remittances in the GCC in 2021

### Outflow of Worker Remittances in the GCC from 2017 to 2021 (billion USD)

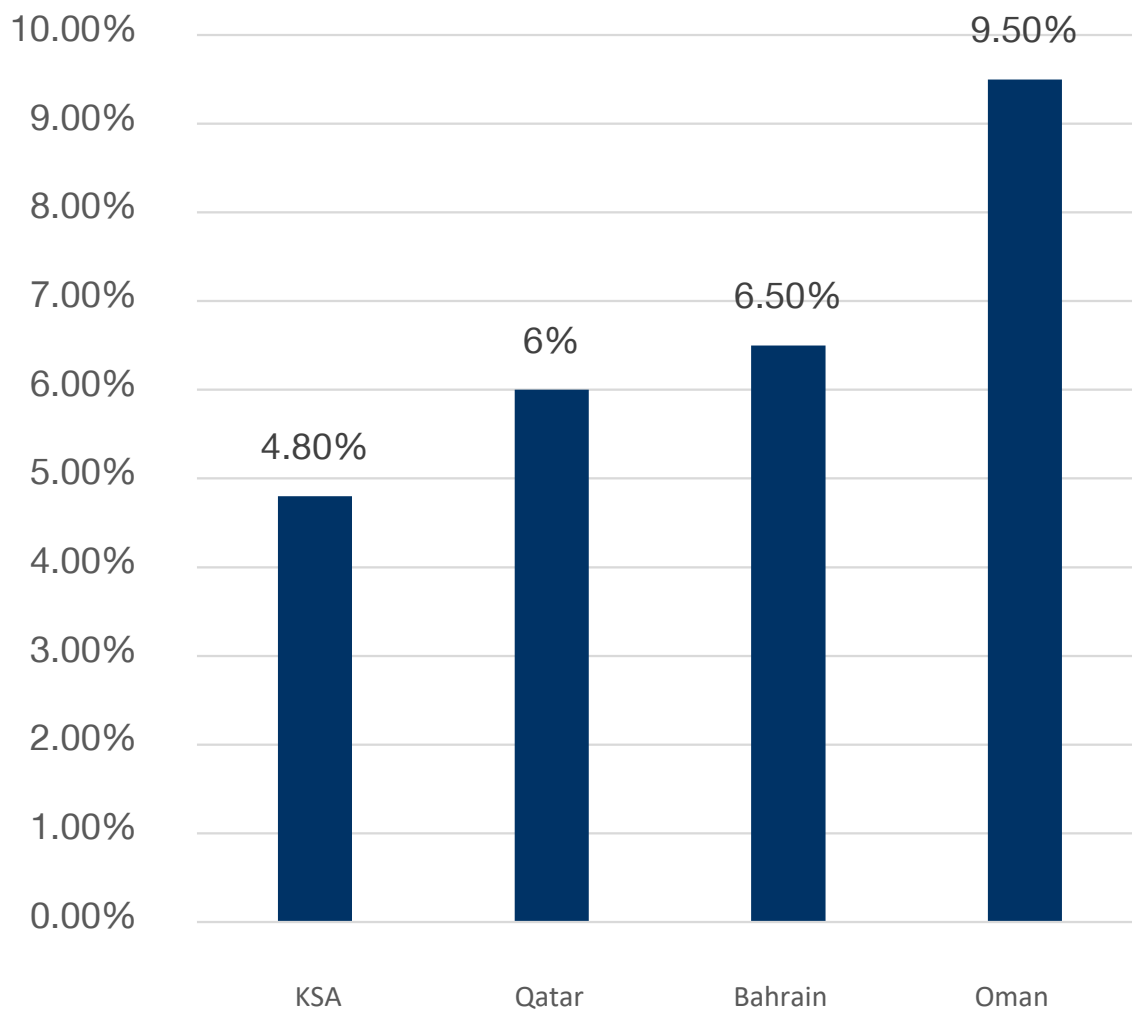


The outflow of worker remittances in the GCC amounted to about 127.2 billion USD in 2021, compared to about 116.5 billion USD in 2020, registering a growth of 9.2%. This is after the total remittances declined over the last four years. The increase in remittance outflows is a result of its growth in most member states, with the percentage ranging from 6.1% in Kuwait to 15.9% in Saudi Arabia. At the same time, the volume of worker remittance outflows decreased in Oman and Bahrain by 7.5% and 7.7%, respectively. Worker remittances from the UAE constitute the highest volume of the total amount in the GCC, at 37.3%. This is followed by 31.3% in Saudi Arabia, while remittances in the rest of the countries combined amounted to 31.4% of the total GCC amount.

Source: GCC Statistical Centre

## Increase in the outflow of worker remittances in the GCC in 2021

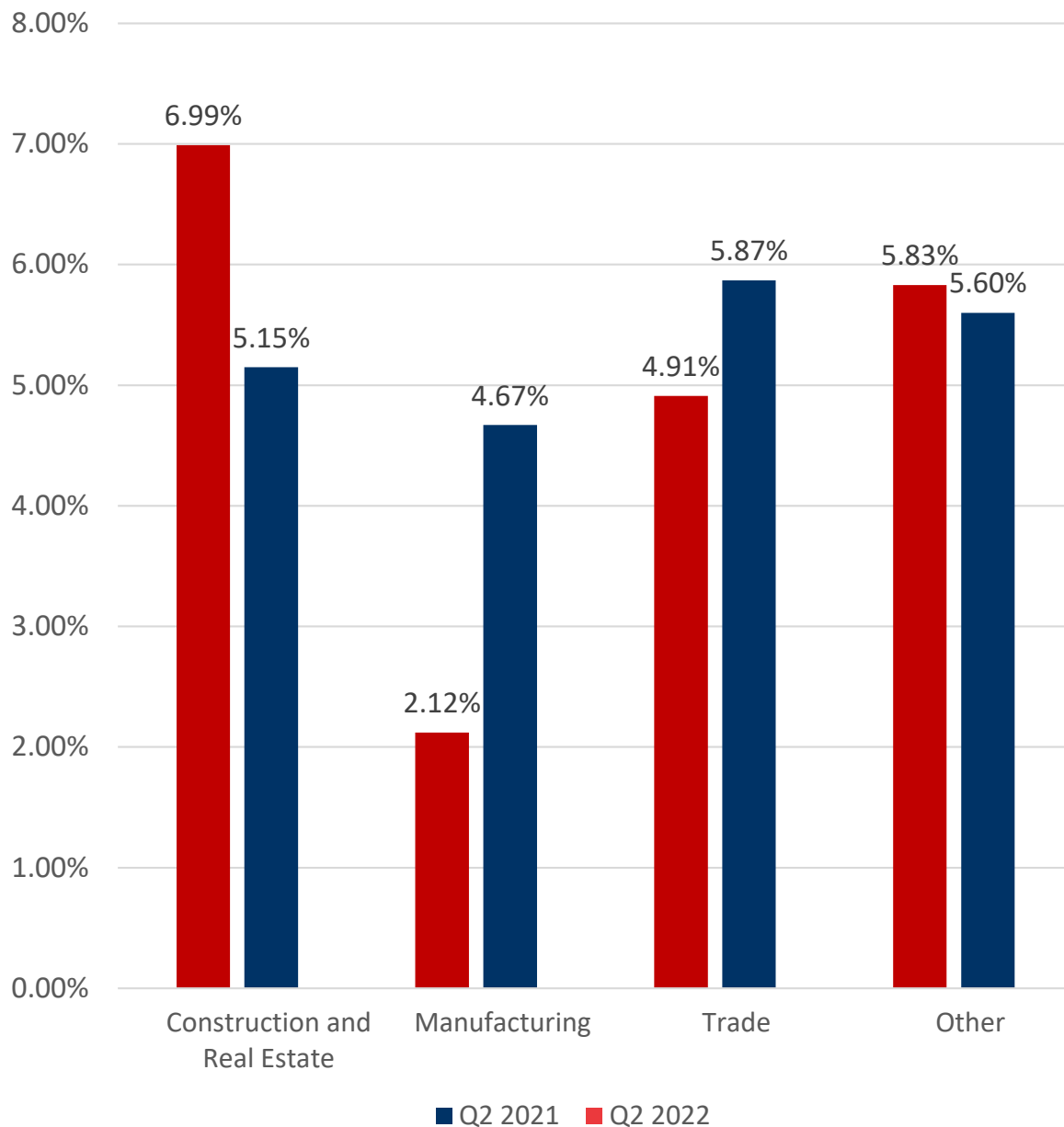
### Ratio of Worker Remittances to GDP in 2021 (at current prices)



The ratio of worker remittances to GDP in Oman was 9.5%, followed by 6.5% and 6.0% in Bahrain and Qatar, respectively, and 4.8% in Saudi Arabia.

Source: GCC Statistical Centre

## Increase in interest rates on business loans in some business sectors

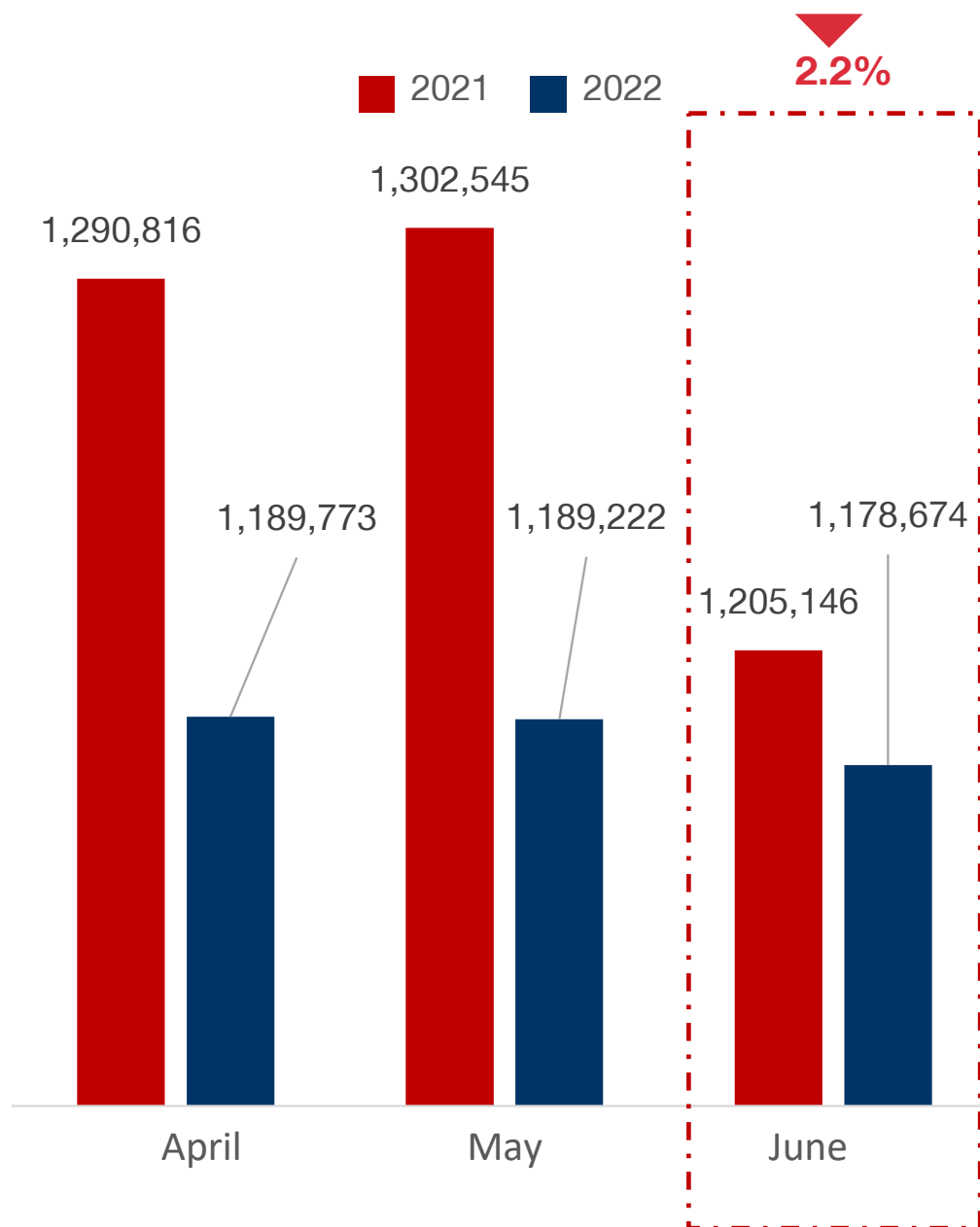


Interest rates on business loans increased in some business sectors during Q2 2022 compared to the same period in 2021. The interest rate in the Manufacturing sector increased from 2.12% in Q2 2021 to 4.67% in the same period in 2022, It also increased in the Trade Sector from 4.91% in Q2 2021 to 5.87% in Q2 2022. The interest rate, however, decreased in the Construction and Real Estate Sector from 6.99% in Q2 2021 to 5.15% in Q2 2022.

Source: Central Bank of Bahrain

## ATM withdrawals decline by 2.2% in June 2022 compared to the same period in 2021

Number of ATM Withdrawals



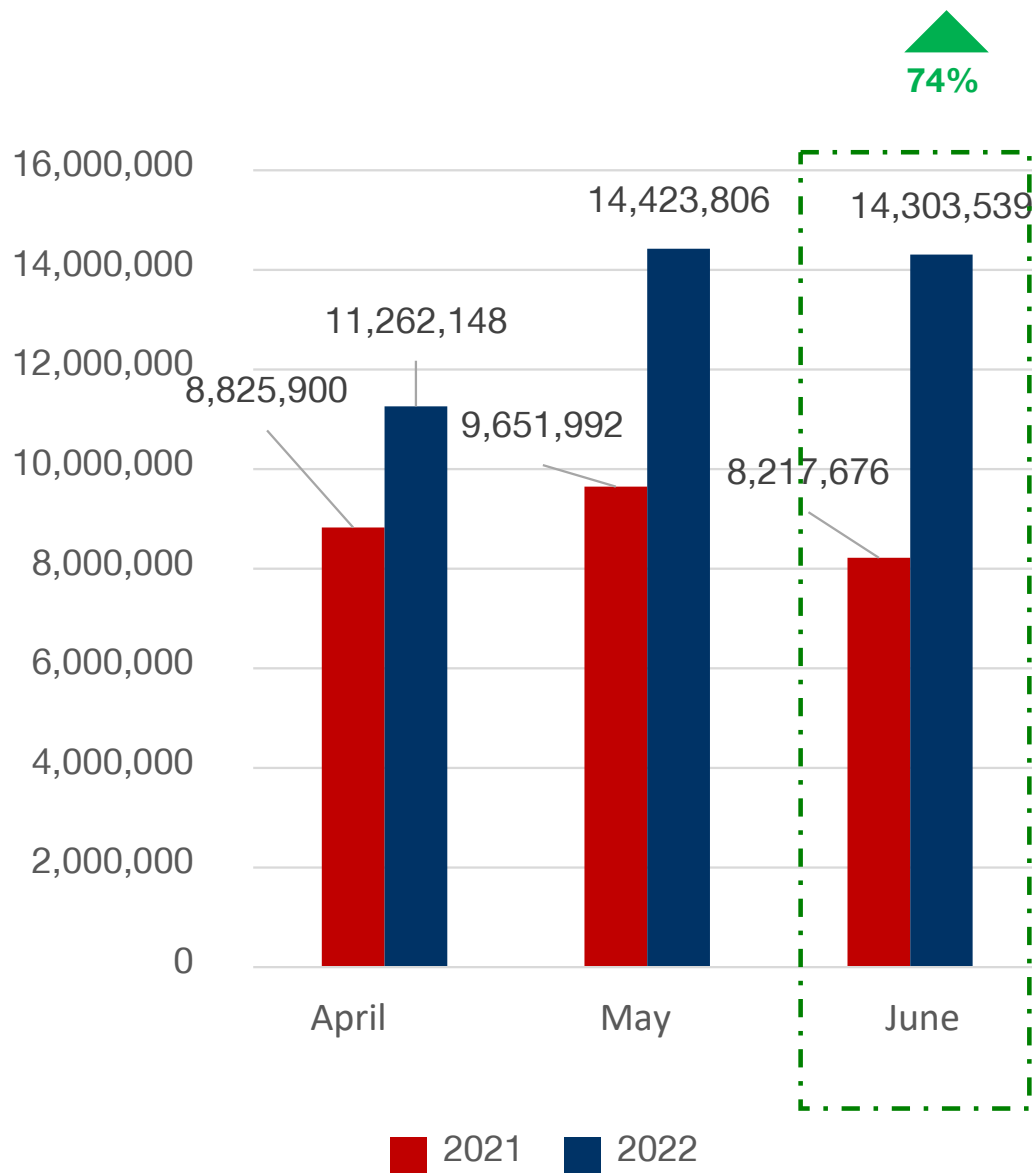
The number of ATM withdrawal transactions in June 2022 was about 1.18 million, a 2.2% decrease from the 1.20 million registered in June 2021.

There was also a decline of 7.9% in the number of ATM withdrawals in April, from around 1.29 million in 2021 to 1.19 million in 2022.

Source: Central Bank of Bahrain

## 74% increase in the number of POS transactions in June 2022 compared to June 2021

Number of POS Transactions



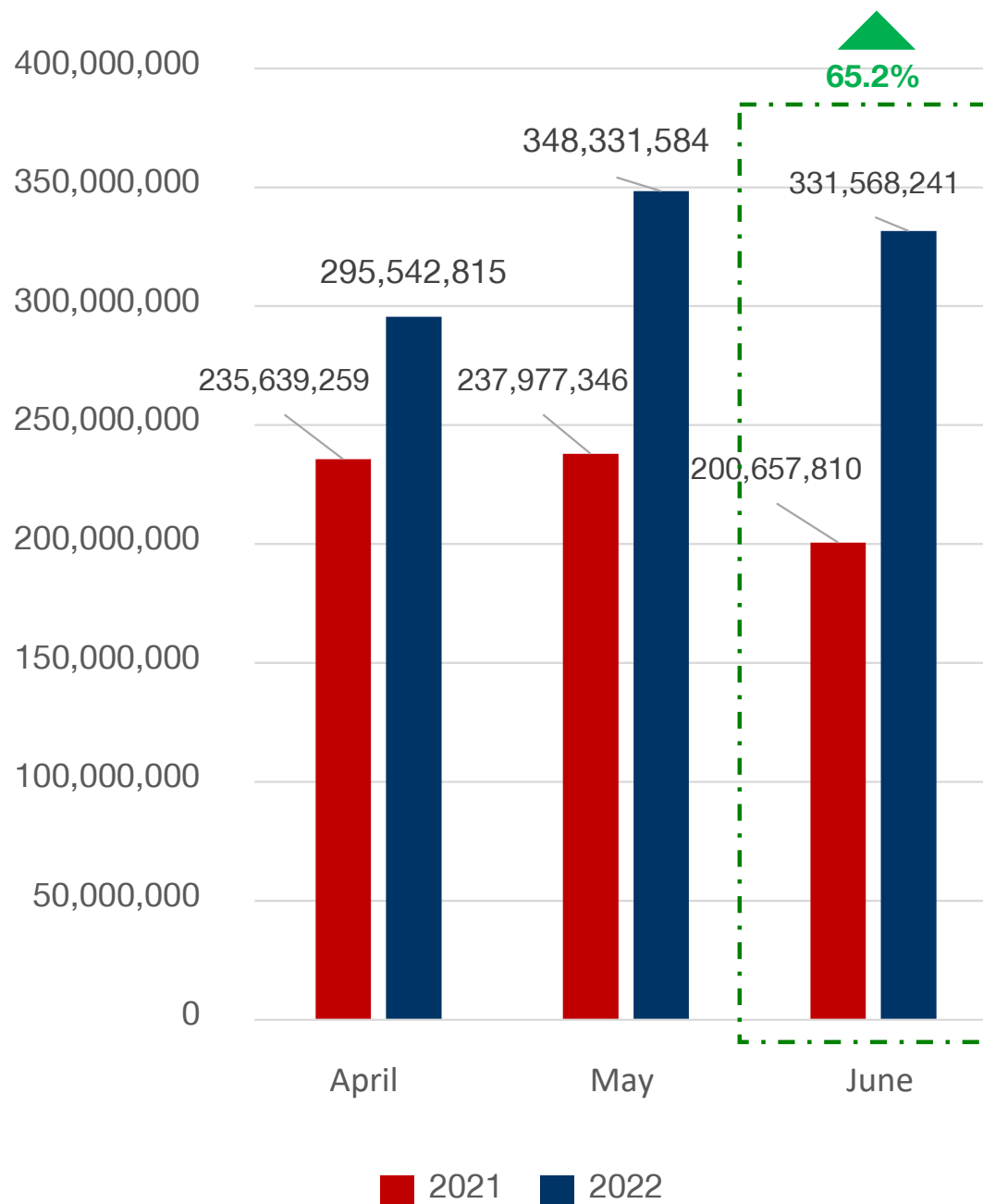
The number of POS transactions in all sectors increased significantly in the second quarter of 2022 compared to the same period in 2021.

POS transactions increased by 74% in June 2022, from 8.2 million in 2021 to 14.3 million in 2022.

Source: Central Bank of Bahrain

## 65.2% increase in the value of POS transactions recorded in June 2022 compared to June 2021

Value of POS Transactions (BHD)



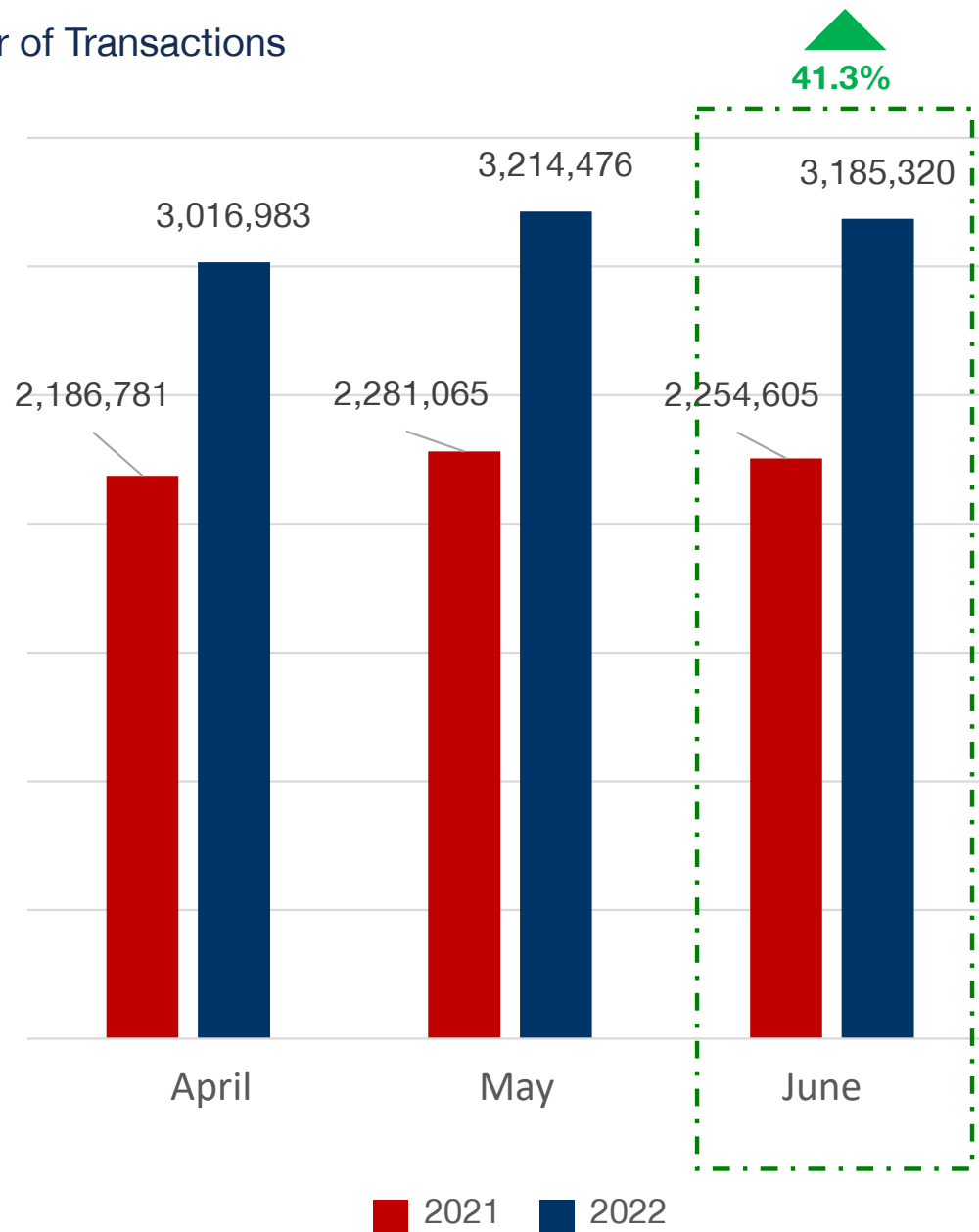
The value of POS transactions in all sectors also increased significantly in the second quarter of 2021 compared to the same period in 2022.

The value of sales increased by 65.2% in June from 200.7 million BHD in 2021 to 331.6 BHD dinars in 2022.

Source: Central Bank of Bahrain

## 41.3% increase in the number of supermarket transactions in June 2022 compared to the same period in 2021

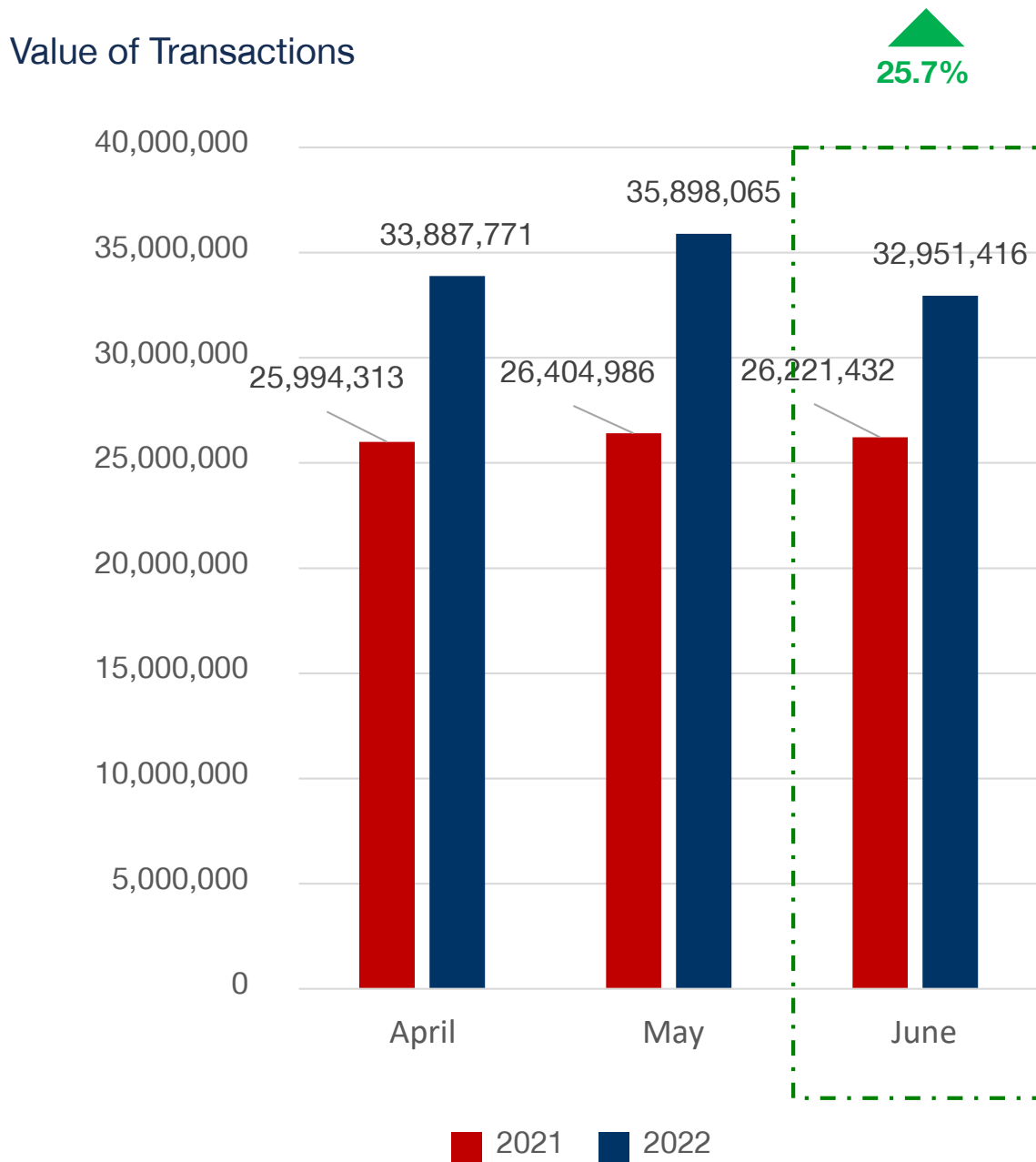
Number of Transactions



The number of supermarket transactions increased by 41.3% in June 2022, from 2.3 million transactions in June 2021, to 3.2 million transactions in June 2022.

Source: Central Bank of Bahrain

## 25.7% increase in the value of supermarket transactions in June 2022 compared to the same period in 2021

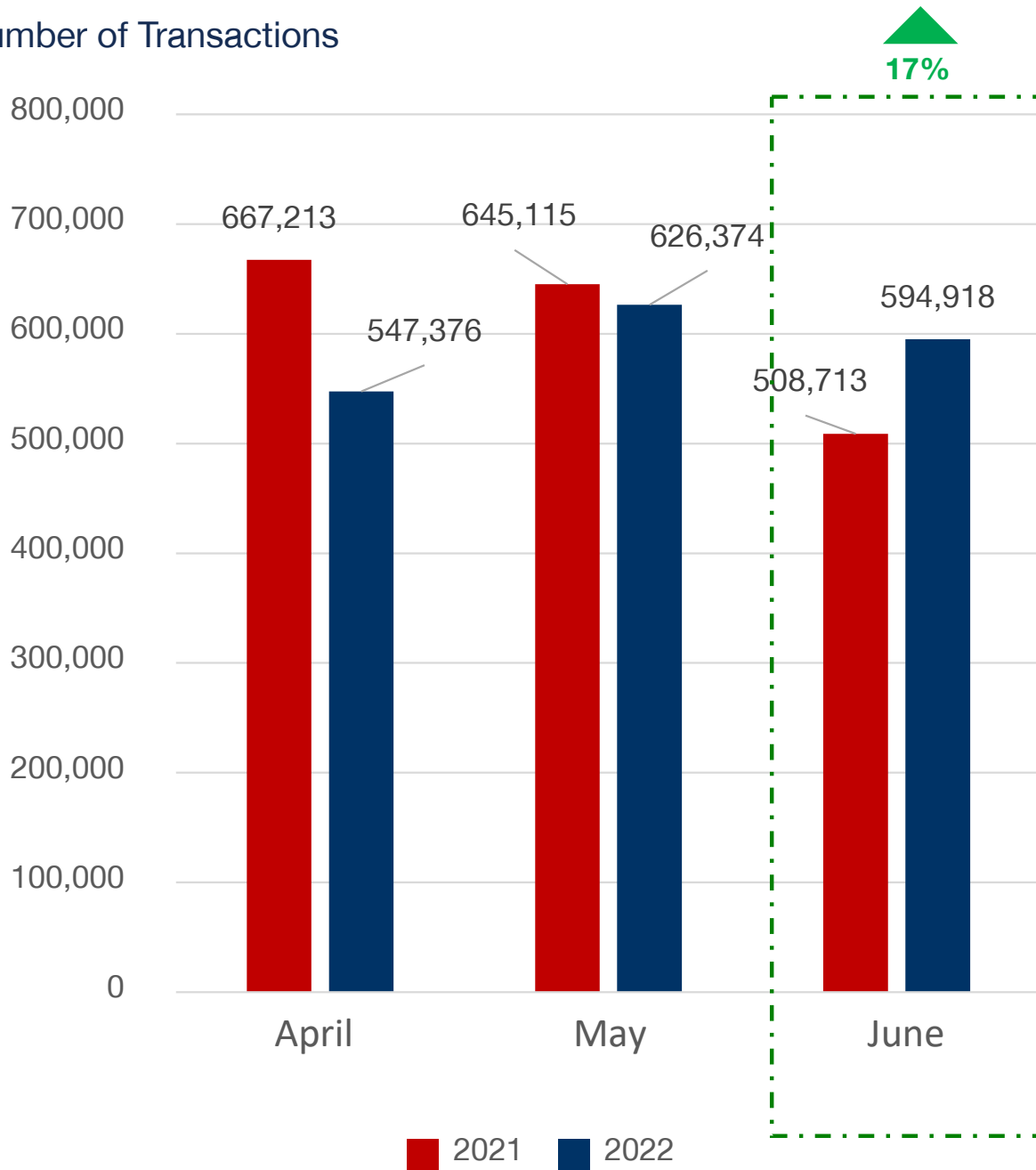


The value of supermarket transactions increased by 25.7% in June 2022, from 26.2 million BHD in June 2021, to 33 million BHD in June 2022.

Source: Central Bank of Bahrain

## 17% increase in the number of department store transactions in June 2022 compared to the same period in 2021

Number of Transactions

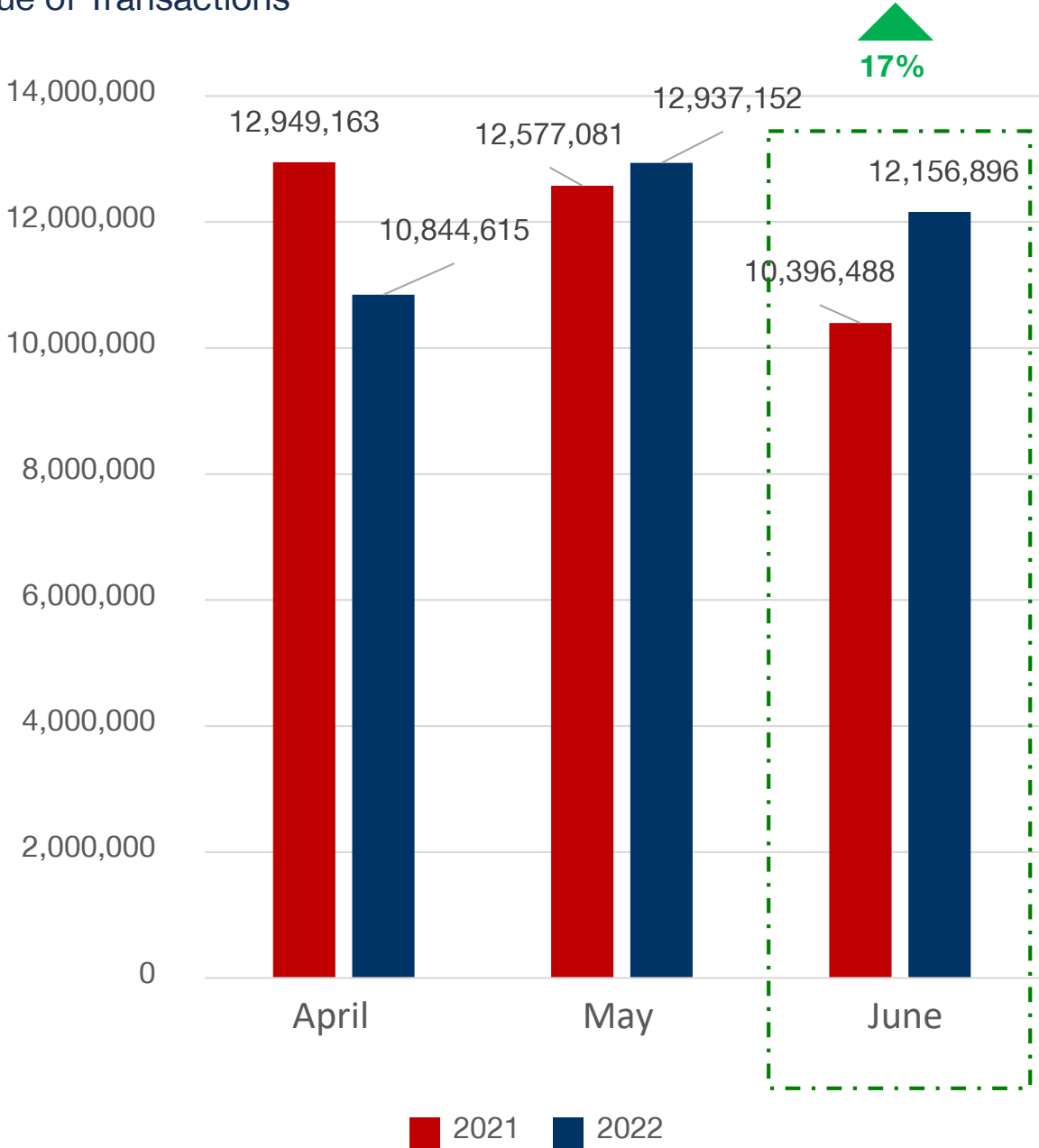


The number of the transactions in the department stores sector increased by 17% in June 2022, from 508,713 transactions in June 2021, to 594,918 transactions in June 2022.

Source: Central Bank of Bahrain

# 17% increase in the value of department store transactions in June 2022 compared to the same period in 2021

Value of Transactions



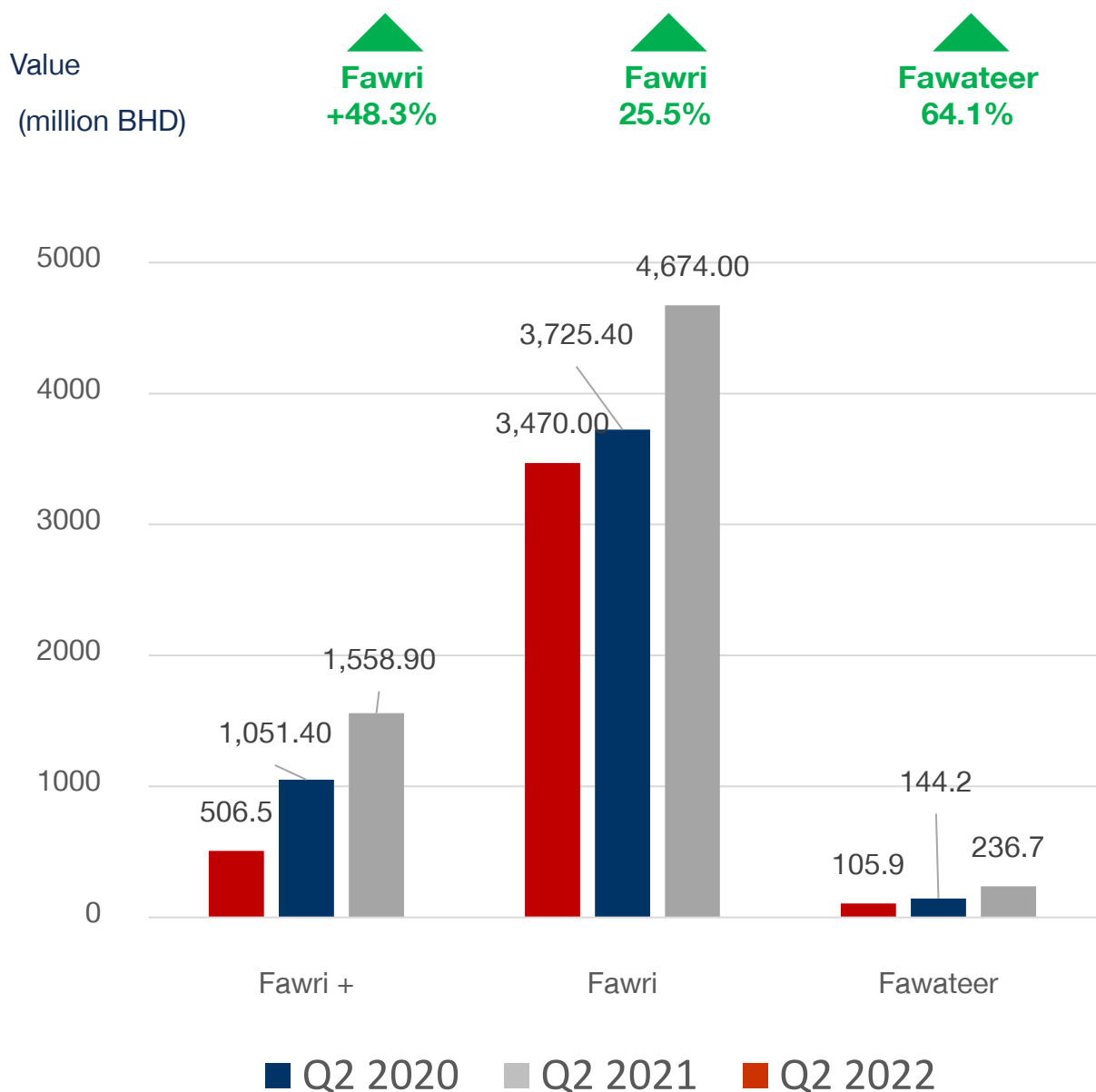
The value of the transactions in the department stores sector increased by 17% in June 2022, from 10.4 million BHD in June 2021, to 12.2 million BHD in June 2022.

Source: Central Bank of Bahrain

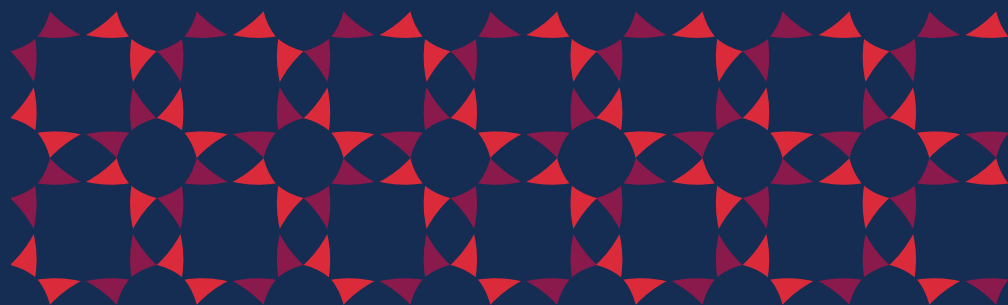
## 64.1% increase in transfers via Fawateer in Q2 2022 compared to the same period in 2021

The value of EFTS transactions through the Fawri+ system increased by 48.3% from 1,051 million BHD in Q2 2021 to 1,559 million BHD in the second quarter of 2022, and by 207.8% compared to the same period in 2020. There was also a 25.5% increase in transfers via Fawri from 3,725.4 million to 4,674 million BHD in the second quarter of 2022. Fawateer transactions increased by 64.1% from 144.2 million BHD to 236.7 million BHD in the second quarter of 2022.

### % Change (2021-2022)



Source: Central Bank of Bahrain



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## Bahrain's Ranking in Global Indices

## Bahrain ranked 1st in the Arab World on Basel AML Index 2022

The Kingdom of Bahrain ranks 1st in the Arab world on the 2022 Basel AML Index, an annual ranking that assesses the risk of money laundering and terrorist financing. The overall score in the MENA region improved from 5.08 to 4.93 this year, primarily in the domains of quality of AML/CFT framework and financial transparency and standards. At the same time, risk scores increased in relation to corruption and bribery, public transparency and accountability, and political and legal risks. Bahrain's score slightly decreased, from 4.50 in 2021 to 4.83 in 2022 and the Kingdom's ranking has decreased from the 85th to the 81st position worldwide.

### Risk Ranking of MENA Countries

Risk Level Ranking in Region (1=lowest, 7=highest)	Country	Score
1	Bahrain	4.83
2	Egypt	4.84
3	Tunisia	4.89
4	Jordan	5.07
5	Morocco	5.16
6	Saudi Arabia	5.28
7	United Arab Emirates	5.70

Source: Basel AML Index 2022

## Manama ranked 1st globally in Financial Attractiveness on Airinc Surveys' Global 150 Cities Index 2022

AIRINC's Global 150 Cities Index highlights the cities that have the ideal combination of high salaries, low taxes and costs, and quality of life. In the Overall Attractiveness indicator, Manama ranked 44th globally and 3rd among GCC countries. However, for the fourth consecutive year, Manama has ranked 1st globally in Financial Attractiveness. Supported by forward-looking regulations, a favourable tax regime, and boasting one of the region's most cost-effective locations, Bahrain continues to lead the region in financial attractiveness.

### Overall Attractiveness Ranking of GCC Countries

Rank	County
5	Dubai, U.A.E
11	Abu Dhabi, U.A.E
30	Doha, Qatar
44	Manama, Bahrain
52	Muscat, Oman
60	Kuwait City, Kuwait
69	Riyadh, Saudi Arabia

Source: Airinc

## Bahrain ranked 1st in MENA on the Economic Freedom of the World index

Rank	County	Score
39	Bahrain	7.47
49	United Arab Emirates	7.35
76	Qatar	6.99
86	Saudi Arabia	6.78
88	Kuwait	6.73
93	Oman	6.65

Bahrain ranked first among MENA countries on the Economic Freedom of the World Index, jumping 17 positions from the previous report. The Economic Freedom of the World Index by the Fraser Institute measures the degree to which the policies and institutions of countries are supportive of economic freedom. Besides the market openness that the Kingdom boasts, Bahrain is also supported by a growing economy, forward-looking regulations, and over USD 30 billion worth of strategic projects in the pipeline, as outlined in the Economic Recovery Plan.

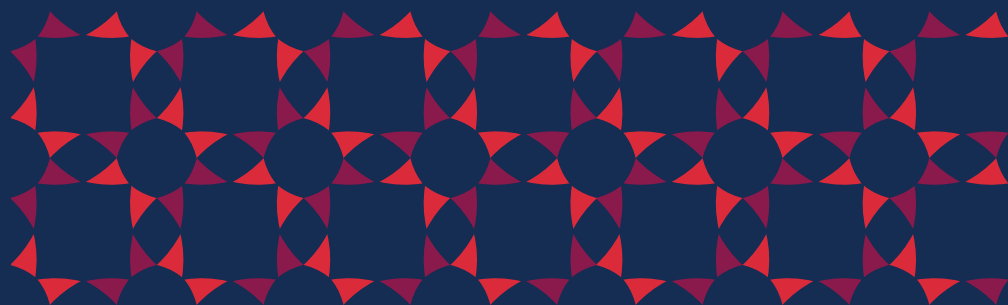
Source: Fraser Institute

## Bahrain ranked 1st among GCC and 7th globally for its proactive approach to crypto asset regulations

Rank	County	Score
7	Bahrain	4.35
13	United Arab Emirates	3.85

Bahrain ranks 1st among GCC and 7th globally for its proactive approach to crypto asset regulations. Solidus Labs scores key countries whose governments lead the way with effective regulations that protect consumers and encourage innovation. Thanks to Bahrain's forward-looking government, the Kingdom was the first country in the GCC to grant crypto-asset provider licenses setting itself as a key hub for crypto in the region.

Source: Solidus Labs

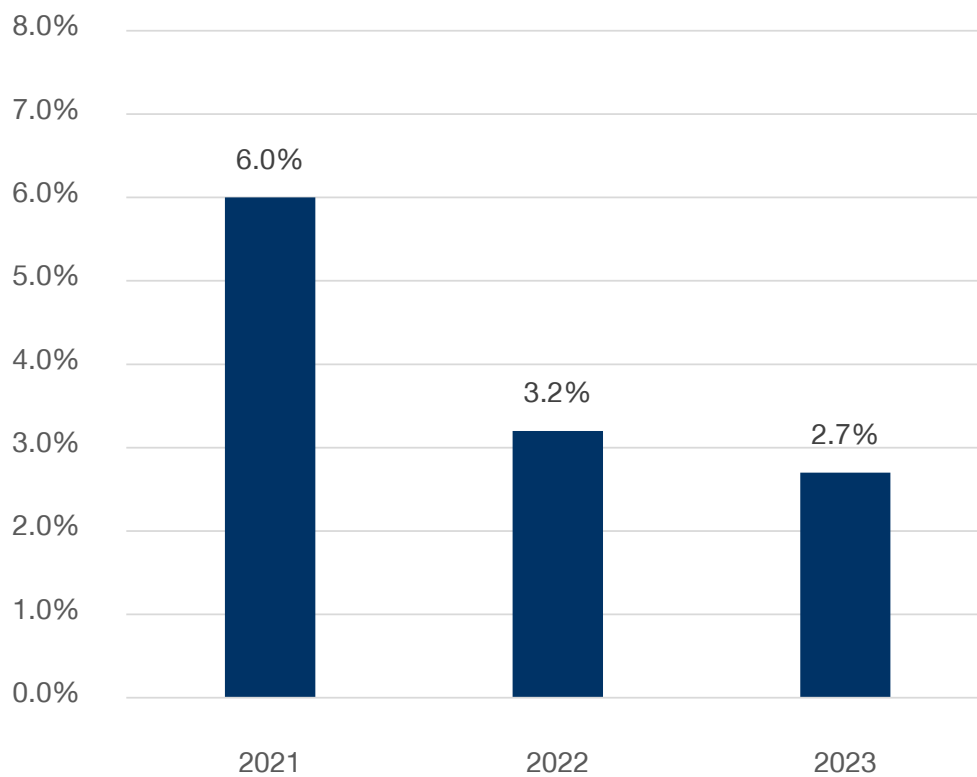


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## Global Economic Outlook

# IMF forecasts 3.2% growth in the global economy and 3.7% growth in emerging market and developing economies in 2022

### Global Economy Growth



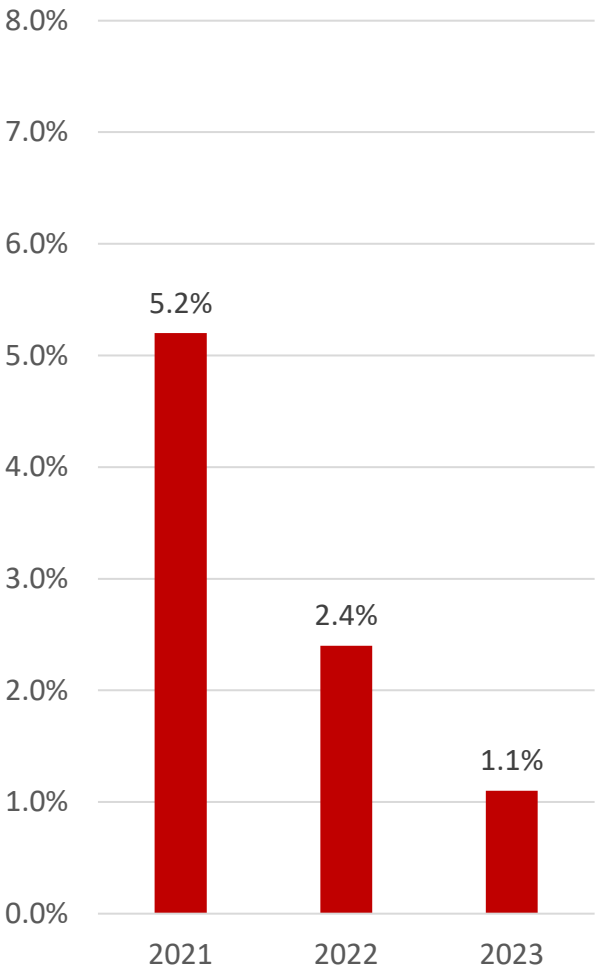
According to the IMF, the global economy is expected to slowdown from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. Global influences on the growth rate include significant slowdowns in the world's largest economies, with the contraction in the US GDP in the first half of 2022, and a euro area contraction in the second half of the year. Lockdowns and the real estate crisis in China have also impacted global economic growth. Global inflation is expected to increase from 4.7% in 2021 to 8.8% in 2022, but then to decrease to 6.5% in 2023. High inflation has been widespread among advanced economies, but there has been greater variability among emerging market and developing economies.

Source: IMF – World Economic Outlook October 2022

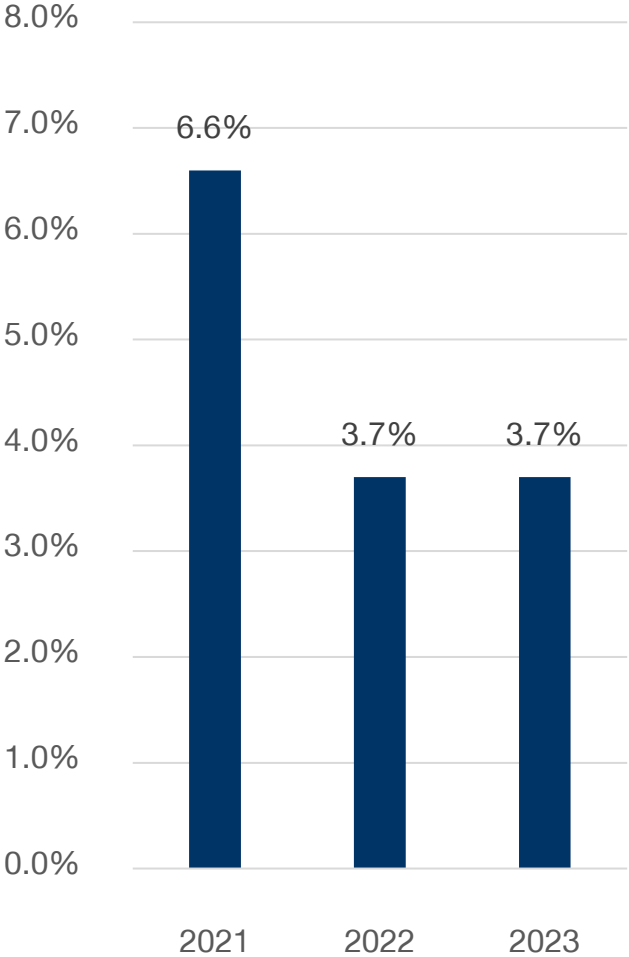


# IMF forecasts 3.2% growth in the global economy and 3.7% growth in emerging market and developing economies in 2022

### Advanced Economies Growth



### Emerging Market and Developing Economies Growth

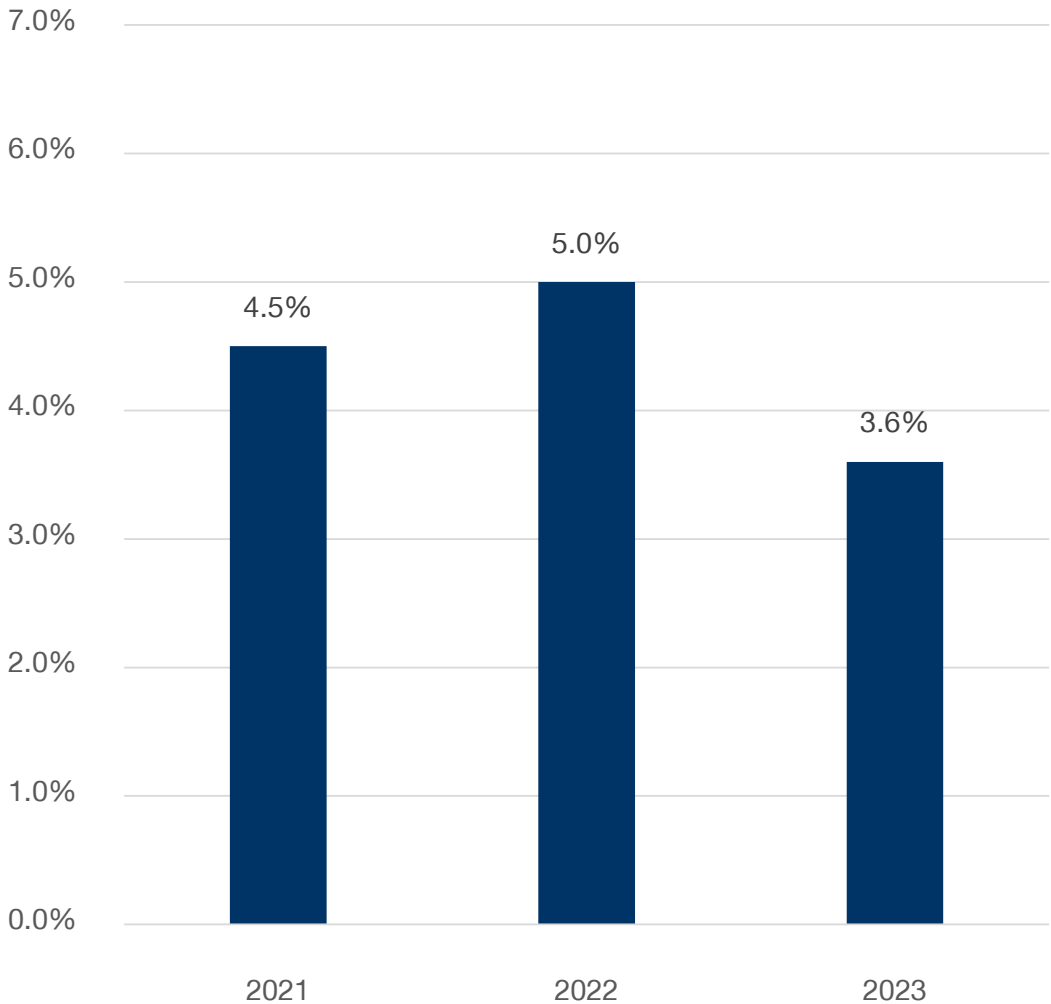


The GDP growth in advanced economies is expected to decrease from 5.2% in 2021 to 2.4% in 2022, and then further contract to 1.1% in 2023. In emerging market and developing economies, GDP is expected to decrease from 6.6% in 2021 to 3.7% in 2022 and 2023.

Source: IMF – World Economic Outlook October 2022

# IMF forecasts 5.0% growth in Middle East and Central Asia in 2022

## Middle East and Central Asia Economies Growth

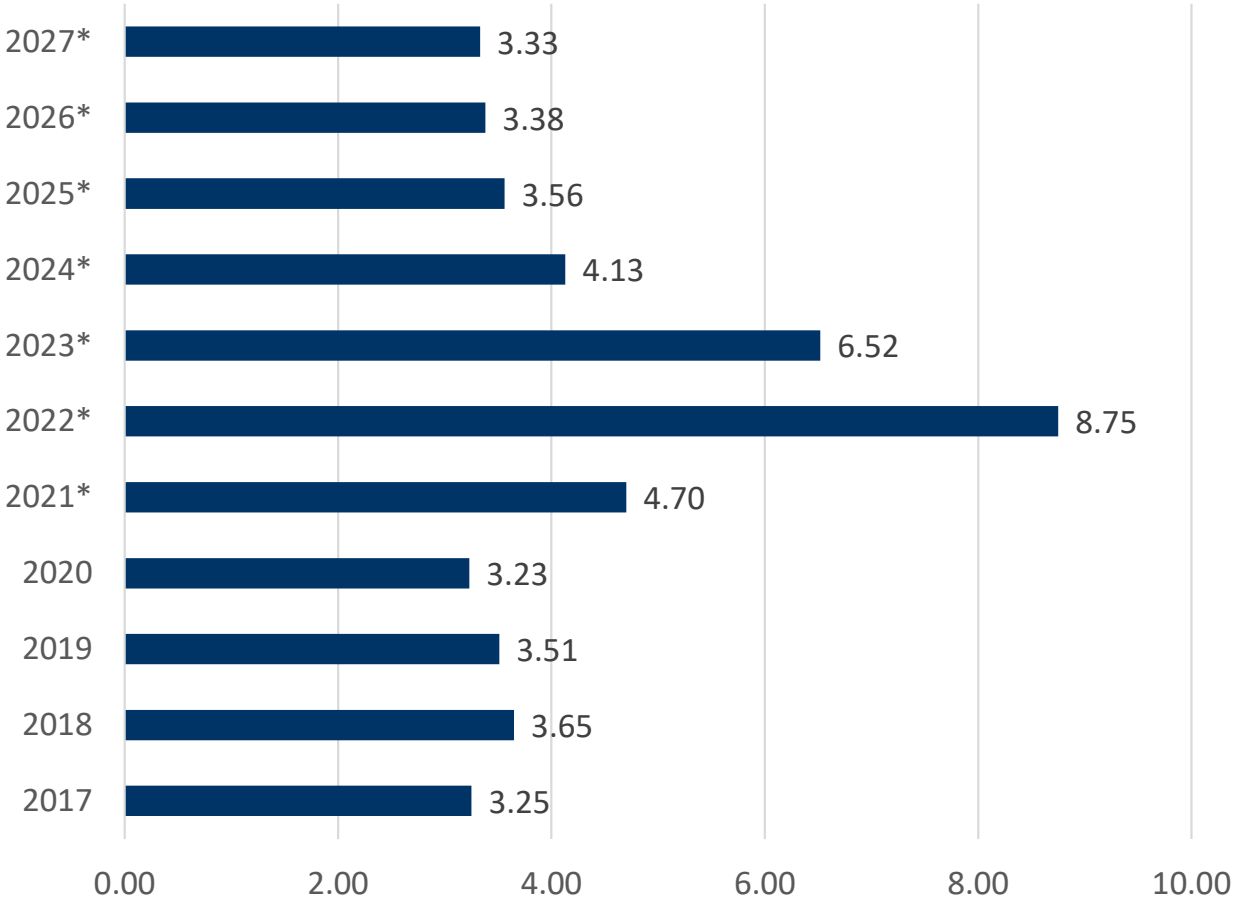


The GDP growth in Middle East and Central Asia is expected to increase from 4.5% in 2021 to 5.0% in 2022, due to a positive outlook for the region’s oil exporters and the limited impact of the war in Ukraine on the region. In 2023, the growth rate is expected to decrease to 3.6%.

Source: IMF – World Economic Outlook October 2022

# Global inflation rate expected to reach 8.75% in 2022

## Global Inflation Rate

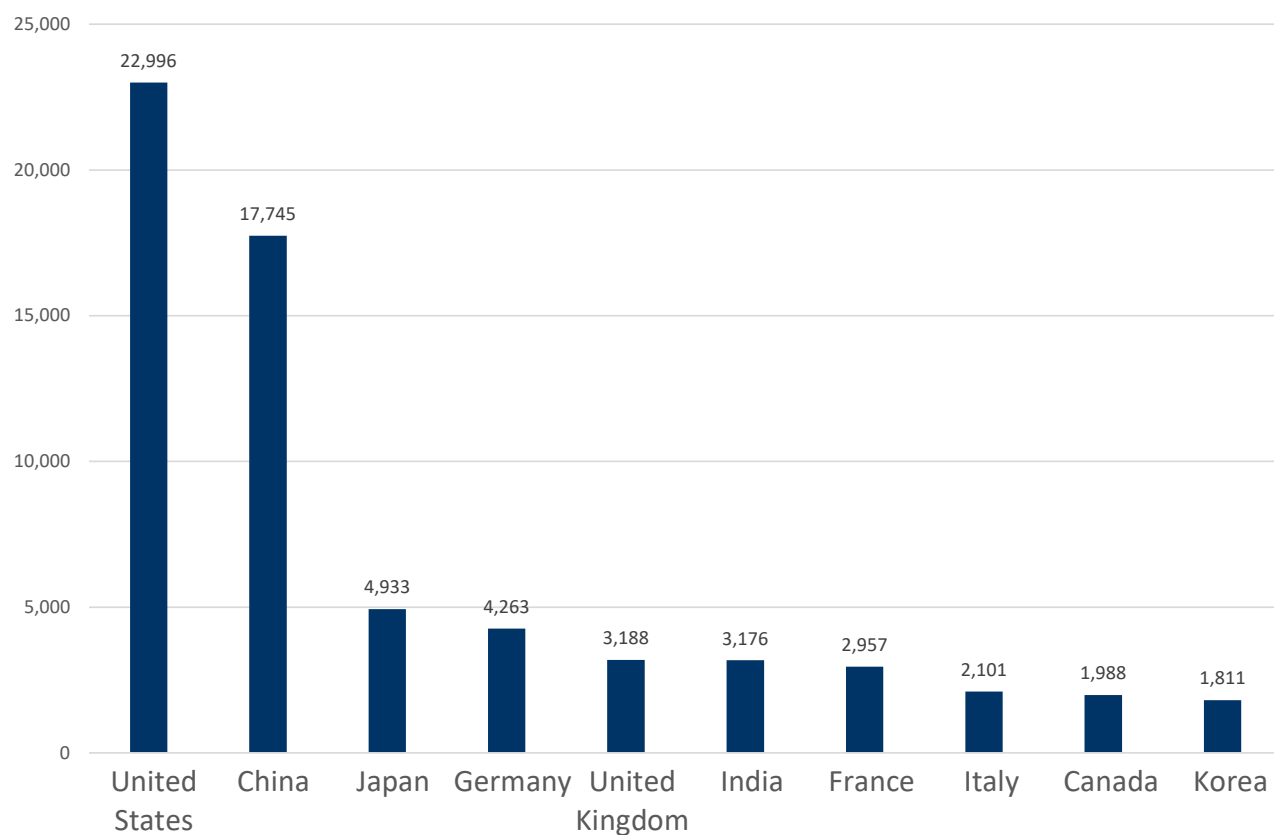


The global inflation rate declined briefly at the beginning of the pandemic, from 3.51% in 2019 to 3.23% in 2020. However, it increased to 4.70% in 2021. The average inflation rate is expected to reach 8.75% in 2022, which will be the peak rate over the past 10 years. The IMF expects inflation to decrease to 6.52% in 2023, and to continue declining gradually until 2027.

Source: IMF – World Economic Outlook October 2022

# The United States has the largest economy worldwide with a GDP of 23 trillion USD in 2021

**GDP (billion USD, Current Prices)**



The United States has the largest economy worldwide, with its GDP amounting to almost 23 trillion USD in 2021. It is followed by China, with a GDP of 17.7 trillion USD, and Japan with a GDP of 4.9 trillion USD.

Source: IMF – World Economic Outlook October 2022

## 12% increase in Brent oil prices and 10% increase in WTI oil prices in October 2022 compared to October 2021



Oil Type	October 2021	October 2022	Percentage Change
WTI	\$75.88 USD per barrel	\$83.63 USD per barrel	10% ▲
Brent	\$79.28 USD per barrel	\$88.86 USD per barrel	12% ▲

The price of a barrel of WTI crude oil increased by 10% to \$83.63 USD per barrel in October 2022 compared to \$75.88 USD per barrel in October 2021. The price of a barrel of Brent crude oil increased by 12% to \$88.86 USD per barrel in October 2022 compared to \$79.28 USD per barrel in October 2021.

Source: Bloomberg



## 41% increase in gold prices in October 2022 compared to October 2021

October 2018	October 2019	October 2020	October 2021	October 2022
1,205.60	1,512.90	1,907.60	1,758.40	1,702



Gold prices reached \$1,702 USD in October 2022, an increase of 41% compared to \$1,205.60 USD in October 2018.

Source: Bloomberg



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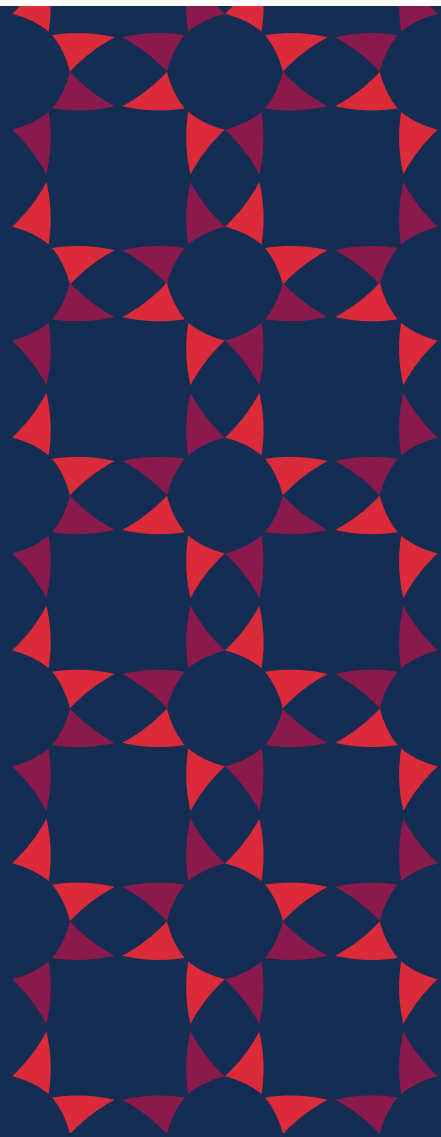
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**غرفة البحرين**  
**BAHRAIN CHAMBER**

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.