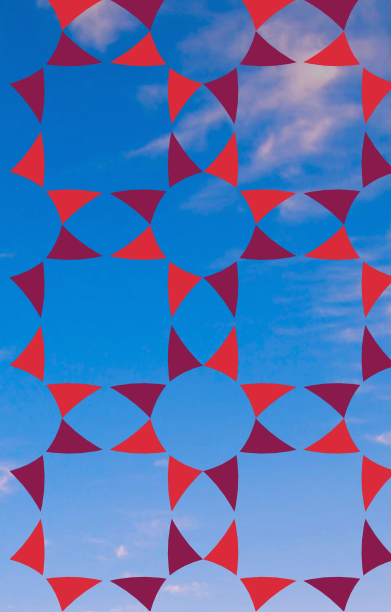


غرفة البحرين
BAHRAIN CHAMBER



Overview of the Local Economy

Q3 - 2024





Report Content

1 Executive Summary

Page 1

2 GDP Growth and Contribution
of Economic Sectors

Page 5

3 Trade Exchange

Page 8

4 Local Economic Outlook

Page 15

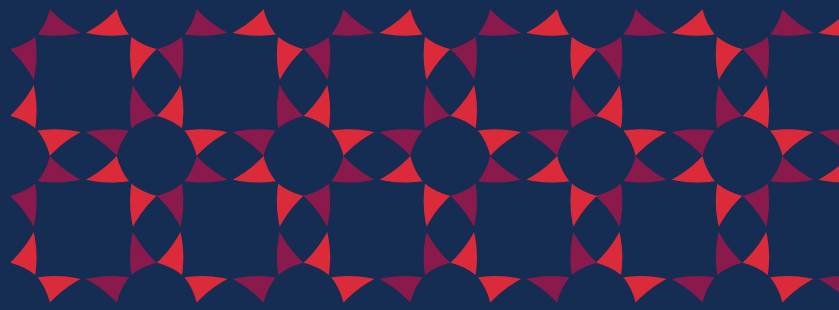
5 Bahrain's Ranking in Global Indices

Page 22

6 Global Economic Outlook

Page 25





1

Executive Summary

Introduction

Real GDP grew by 2.1% in Q3 2024 YoY, propelled by 3.9% growth in the non-oil sector. Some of the sectors that witnessed high real growth rates include Information and Communication at 11.9%, Business Activities at 8.1%, and Public Administration at 5.9%. The Financial and Insurance Activities is the highest contributor to real GDP at 17.7%.

Trade between Bahrain and GCC countries has decreased by 10% from 1.96 billion USD in Q3 2023 to 1.76 billion USD in Q3 2024.

Fawri+ transaction has increased by 14%, while POS transaction has increased by 15% in Q3 2024 compared to the same period in 2023. taking into consideration that Bahrain Ranked 18th Globally in E-Government Survey 2024.

The Investments in the Advanced Economies decreased to 22.2% in 2024, on the other hand The General Government Revenue is expected to increase to 45.7% in 2025 in the European Union according to the IMF – World Economic Outlook October 2024.

Key Indicators in Q3 2024

GDP Growth (YoY)



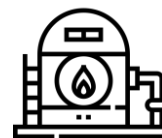
Real GDP Growth

+2.1%



Non-Oil GDP Growth

+3.9%



Oil GDP Growth

-8.1%

Top Growing Non-Oil Activities (YoY)



Information and Communication

11.9%



Business Activities

8.1%



Public Administration

5.9%




Financial and Insurance Activities






5.8%

Trade Exchange

Bahrain's Top Import Partners

Country	Total Value of Imports (USD)
 China	586,536,514
 Australia	442,477,257
 Brazil	334,096,747
 United States of America	261,144,043
 United Arab Emirates	244,084,840

Bahrain's Top Export Partners

Country	Total Value of Exports (USD)
 Saudi Arabia	646,723,209
 United Arab Emirates	396,296,684
 United States Of America	291,447,271
 Netherlands	119,427,911
 Brazil	115,111,937

Source: Information and eGovernment Authority

Key Indicators in Q3 2024

Local Economic Outlook



POS Transactions

15% YoY



Fawri+ Transactions

14% YoY



CPI Sep 2024

+0.4% YoY

Interest Rates on Business Loans Q3 2024

Sector	%
Construction & Real Estate	8.61%
Trade	8.39%
Manufacturing	6.47%
Other	6.24%

Bahrain's Ranking on Global Indices



Bahrain ranked 21st globally in World Competitiveness Ranking 2024



Khalifa Bin Salman Port Ranked First Globally Among Small Ports



Bahrain Ranked 18th Globally in E-Government Survey 2024

Global Economic Outlook



Investments in the Advanced Economies decreased to 22.2% in 2024



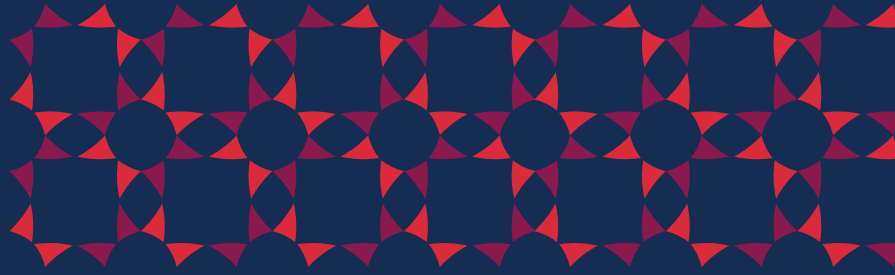
General Government Revenue is expected to increase to 45.7% in 2025 in the European Union

Oil Type	Price - Sep 2024
WTI	\$67.67
Brent	\$71.06

WTI and Brent Oil Price Change Sep 2024

+21% and +20% YoY

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



2

Growth and GDP Contribution of Economic Sectors

Information and Communication Activities is the fastest growing sector at 11.9% YoY in Q3 2024



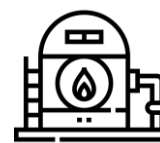
Real GDP Growth

+2.1%



Non-Oil GDP Growth

+3.9%



Oil GDP Growth

-8.1%

Real GDP Growth by Non-oil Economic Activities –Q3 2024 (YoY)

Sector	YoY Growth
Information and Communication	▲ 11.9%
Business Activities	▲ 8.1%
Other	▲ 7.3%
Public Administration	▲ 5.9%
Financial and Insurance Activities	▲ 5.8%
Manufacturing	▲ 4.2%
Education	▲ 2.6%
Wholesale and Retail Trade	▲ 2.1%
Construction	▲ 0.4%
Transportation and Storage	▼ -0.2%
Real Estate Activities	▼ -0.3%
Accommodation and Food Services	▼ -3.4%
Human Health and Social Work	▼ -9.5%

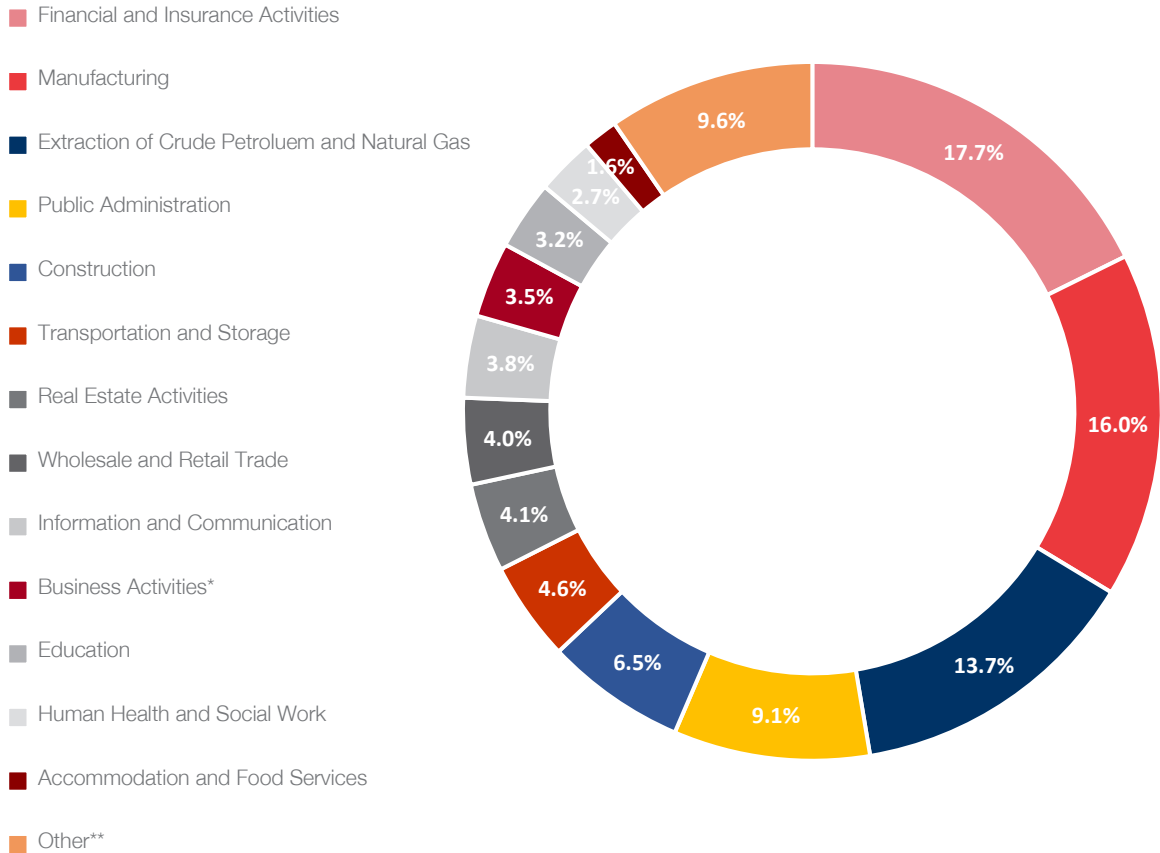
Bahrain's real GDP grew by 2.1% YoY in Q3 2024, propelled by a 3.9% growth in the non-oil sector and a -8.1% decrease in the oil sector. The Information and Communication witnessed the highest YoY growth by 11.9%. The second fastest growing activity was the Business Activities at 8.1% YoY, followed by Public Administration at 5.9% YoY.

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



Financial and Insurance Activities is the highest contributor to real GDP at 17.7% in Q3 2024

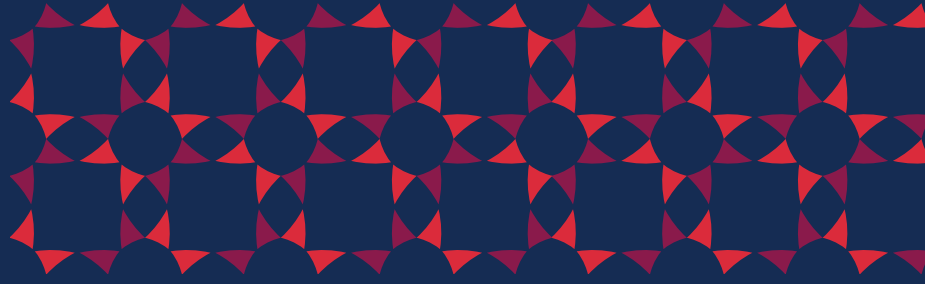
Economic Activities Contribution to Real GDP – Q3 2024



*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 Q3 2024 at 17.7%, followed by the Manufacturing at 16.0%, and the Crude Petroleum and Natural Gas at 13.7%.

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

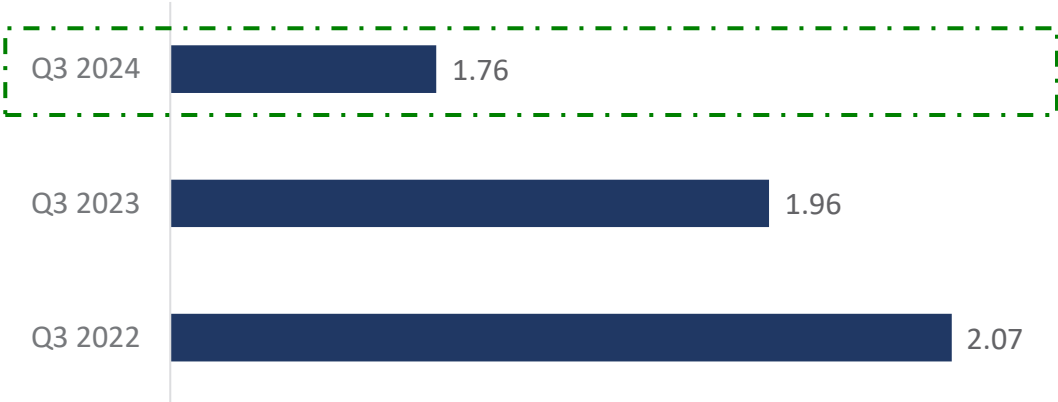


3

Trade Exchange

10% decrease in volume of trade between Bahrain and GCC countries in Q3 2024 YoY

Volume of Trade between Bahrain and GCC (billion USD)

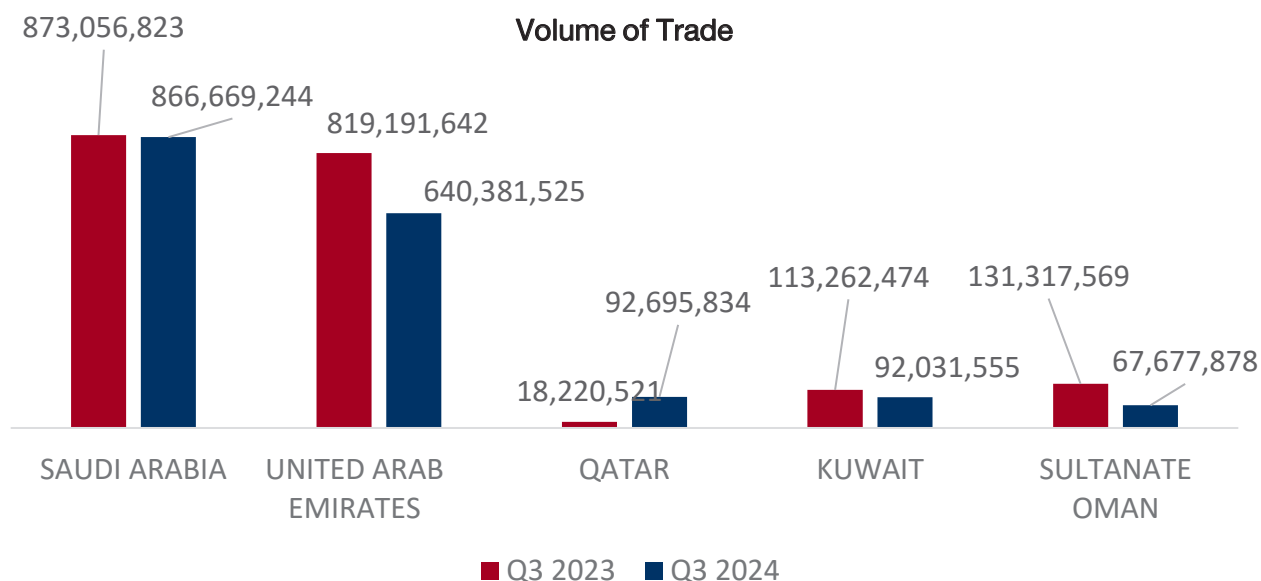


Q3 2022	Q3 2023	Q3 2024	% Change from 2023 to 2024
2,066,556,696	1,955,049,028	1,759,456,036	-10%

The volume of trade exchange between Bahrain and GCC countries has decreased in Q3 2024 compared to the same period in 2023. Trade decreased by 10% from 1.96 billion USD in Q3 2023 to 1.76 billion USD in Q3 2024.

Source: Information and e-Government Authority

409% increase in the volume of trade between Bahrain and Qatar in Q3 2024



Country	Q3 2022	Q3 2023	Q3 2024	% Change from 2023 to 2024
SAUDI ARABIA	1,004,315,576	873,056,823	866,669,244	-1%
UNITED ARAB EMIRATES	786,862,641	819,191,642	640,381,525	-22%
QATAR	9,770,819	18,220,521	92,695,834	409%
KUWAIT	103,236,685	113,262,474	92,031,555	-19%
SULTANATE OMAN	162,370,974	131,317,569	67,677,878	-48%

Source: Information and e-Government Authority

409% increase in the volume of trade between Bahrain and Qatar in Q3 2024

-1%

Saudi Arabia

Saudi Arabia had the highest volume of trade exchange with Bahrain in Q3 2024. The volume of trade between KSA and Bahrain was 873 million USD in Q3 2023 and decreased by 1% to 867 million USD in Q3 2024.

-22%

United Arab Emirates

The United Arab Emirates had the second-highest volume of trade exchange with Bahrain among GCC countries in Q3 2024. The volume of trade between the two countries has decreased by 22% from 819 million USD in Q3 2023 to 640 million USD in Q3 2024.

409%

Qatar

Trade levels between Qatar and Bahrain have increased by 409%, from 18 million USD in Q3 2023 to 93 million USD in Q3 2024.

-19%

Kuwait

Trade between Bahrain and Kuwait has decreased as well by 19% from 113 million USD in Q3 2023 to 92 million USD in Q3 2024.

-48%

Oman

Trade between Bahrain and Oman decreased by 48% from 131 million USD in Q3 2023 to 68 million USD in Q3 2024.

Source: Information and e-Government Authority

Bahrain's Top Import Partners in Q3 2024

Country	Total Value of Imports in Q3 2024 (USD)	Top Imported Commodity	Commodity Value (USD)	% of Total Imports from the Country
China	586,536,514	Smartphones	39,623,977	7%
Australia	442,477,257	Other Aluminum Oxide	413,875,035	94%
Brazil	334,096,747	Non-Agglomerated Iron Ores and Concentrates	310,398,795	93%
United States of America	261,144,043	Parts for Aircraft Engines	49,598,786	19%
United Arab Emirates	244,084,840	Jewellery Of Gold	42,086,811	17%

China maintains its position as Bahrain's top import partner in Q3 2024

China is still Bahrain's top import partner with a total import value of 587 million USD. The top imported commodity was smartphones, with a total value of 40 million USD. This commodity accounts for 7% of total imports from China.

Australia was second largest import partner with an imports value of 442 million USD in Q3 2024. The top imported commodity was Other Aluminum Oxide, valued at 414 million USD and constituting 94% of total imports from Australia.

Brazil was the third top import partner in Q2 2024, with the total value of imports reaching 334 million USD. The top imported commodity was Non-Agglomerated Iron Ores and Concentrates, valued at 310 million USD, and it accounts for 93% of total imports.

The United States Of America was Bahrain's fourth import market with total import amount of 261 million USD. The top imported commodity was Parts for Aircraft Engines, valued at 50 million USD and accounting for 19% of total imports from the US.

The United Arab Emirates was Bahrain's fifth import market, with a total import amount of 224 million USD. The top commodity imported was Jewellery Of Gold at 42 million USD and it accounts for 17% of imports from UAE.

Source: Information and e-Government Authority

Bahrain's Top Export Partners in Q3 2024

Country	Total Value of Exports in Q3 2024 (USD)	Top Exported Commodity	Commodity Value (USD)	% of Total Exports from the Country
Saudi Arabia	646,723,209	Agglomerated Iron Ores And Concentrates	124,741,621	19%
United Arab Emirates	396,296,684	Agglomerated Iron Ores And Concentrates	72,008,923	18%
United States Of America	291,447,271	Unwrought Aluminium, Not Alloyed	67,729,763	23%
Netherlands	119,427,911	Unwrought Aluminium Alloys	57,793,914	48%
Brazil	115,111,937	Urea, Whether Or Not In Aqueous Solution	71,844,724	62%

Saudi Arabia maintains its position as Bahrain's top export partner in Q3 2024

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q3 2024, with the total value of exports reaching 647 million USD. The top exported commodity was Agglomerated Iron Ores and Concentrates at 125 million USD, accounting for 19% of total exports to Saudi Arabia.

The United Arab Emirates was Bahrain's second largest export partner, with a total value of exports of 396 million USD. The top exported commodity was Agglomerated Iron Ores and Concentrates at 72 million USD, accounting for 18% of exports.

The United States was Bahrain's third largest export partner with the total value of exports reaching 291 million USD. The top exported commodity was Unwrought Aluminum , Not Alloyed at 68 million USD, accounting for 23% of exports to the US.

Total exports to Netherlands amounted to 119 million USD. The top exported commodity was Unwrought Aluminum Alloys at 58 million USD, which constitutes 48% of total exports to Netherlands.

Brazil was Bahrain's fifth largest export partner in Q3 2024, with the total value of exports reaching 115 million USD. The top exported commodity was Urea, Whether Or Not In Aqueous Solution at 72 million USD, and it accounts for 62% of total exports.

Source: Information and e-Government Authority

Bahrain's Top Traded Commodities in Q3 2024

Top Imports in Bahrain

Commodity	Import Value (USD)
OTHER ALUMINIUM OXIDE	452,131,230
NON-AGGLOMERATED IRON ORES AND CONCENTRATES	440,424,972
PARTS FOR AIRCRAFT ENGINES	103,521,505
Smartphones	63,002,538
Jewellery Of Gold	58,183,922

The top imported commodity in Q3 2024 was OTHER ALUMINIUM OXIDE with the total value of imports reaching 452 million USD. This is followed by Non-Agglomerated Iron Ores And Concentrates and Parts for Aircraft Engines, with the total value of imports reaching 440 million USD and 104 million USD, respectively.

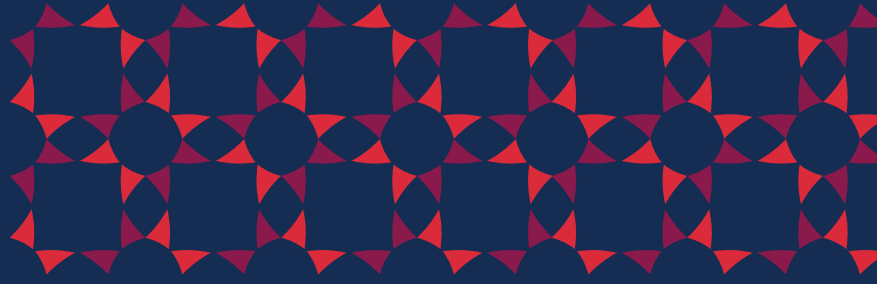
Top Exports from Bahrain

Commodity	Export Value (USD)
Unwrought Aluminium Alloys	649,937,510
Agglomerated Iron Ores And Concentrates	390,787,029
Unwrought Aluminium, Not Alloyed	225,330,665
Aluminum Wire, Not Alloyed, Over 7 Mm Thick	127,046,083
Bridges And Bridge-sections	97,418,724

The top exported commodity in Q3 2024 was Unwrought Aluminium Alloys, with the total value of exports reaching 650 million USD. The second and third top exported commodities were Agglomerated Iron Ores and Unwrought Aluminum, Not Alloyed, with the total value of exports reaching 391 million USD and 225 million USD, respectively.

Source: Information and e-Government Authority



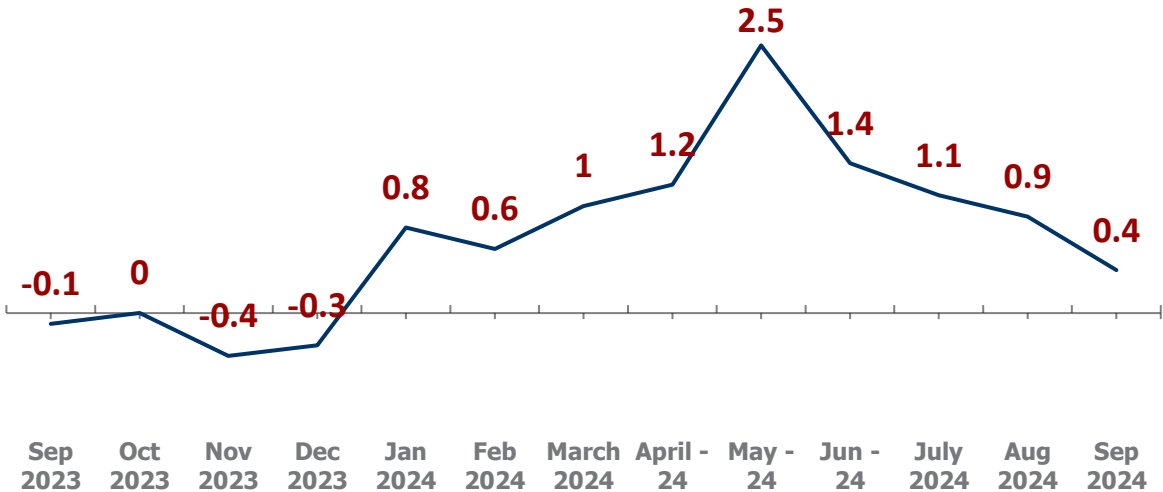


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Local Economic Outlook

0.4% increase in Consumer Price Index (CPI) in September 2024 compared to September 2023

Consumer Price Index, Annual Change (%)



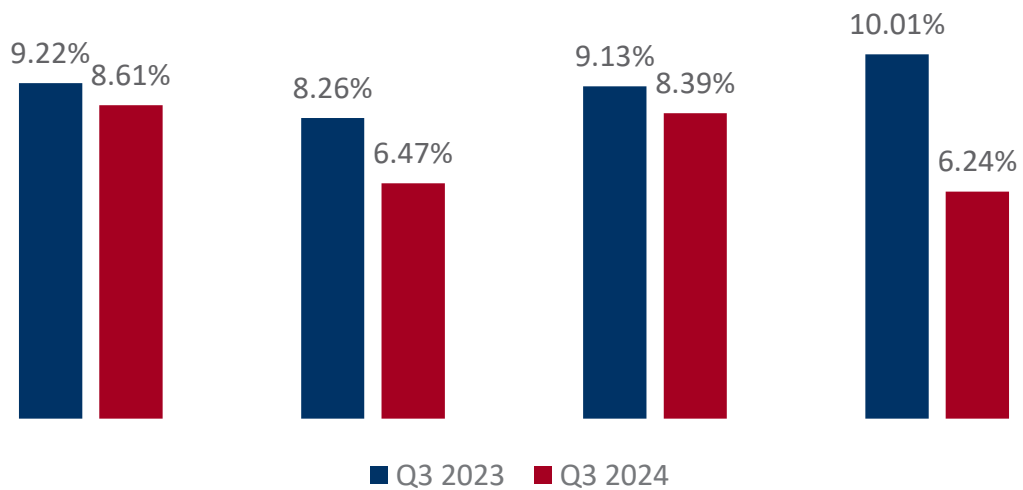
The consumer price index increased in September 2024 compared to September 2023 by 0.4%.

- +10.3% Increase in Restaurants and Hotel Group
- +2.4% Increase in Transport Group .
- +2.2% Increase in Communication Group .
- -6.8% Decrease in Recreation and Culture Group .

Source: Information and e-Government Authority

Decrease in interest rates on all of business loans in all sectors in Q3 2024 YoY

Interest Rates on Business Loans YoY



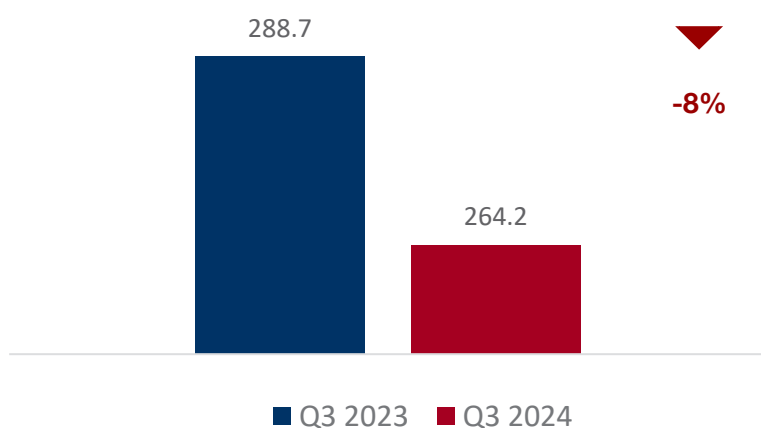
In the Construction and Real Estate sector, the interest rate decreased from 9.22% in Q3 2023 to 8.61% in Q3 2024. Also, the interest rate in the Manufacturing sector decreased from 8.26% in Q3 2023 to 6.47% in Q3 2024, interest rates also decreased in the Trade sector from 9.13% in Q3 2023 to 8.39% in Q3 2024.

Source: Central Bank of Bahrain



8% decrease in ATM withdrawal values in Q3 2024 compared to the same period in 2023

Value of ATM Withdrawals (Million BHD)

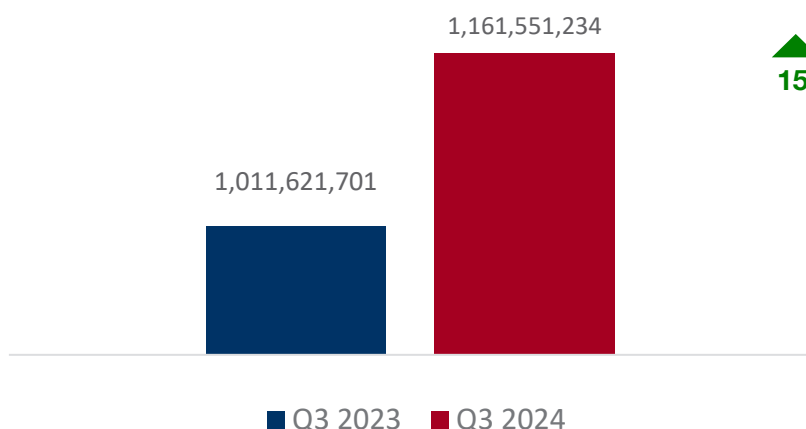


The value of ATM withdrawals decreased by 8%, from 288.7 million BHD in Q3 2023 to 264.2 million BHD in Q3 2024.

Source: Central Bank of Bahrain

15% increase in the value of POS transactions recorded in Q3 2024 compared to the same period in 2023

Value of POS Transactions (BHD)

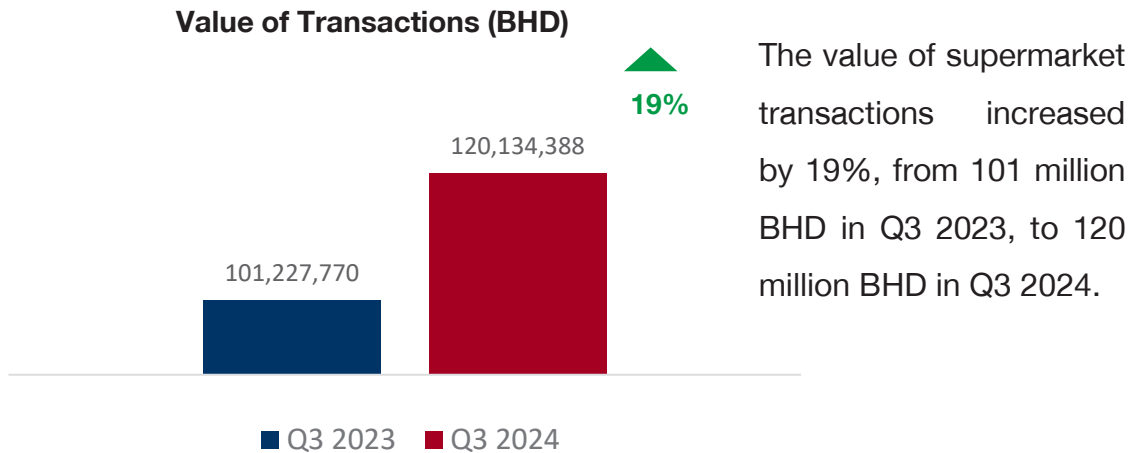


The value of POS transactions increased by 15%, from 1.012 billion BHD in Q3 2023 to 1.162 billion BHD in Q3 2024.

Source: Central Bank of Bahrain

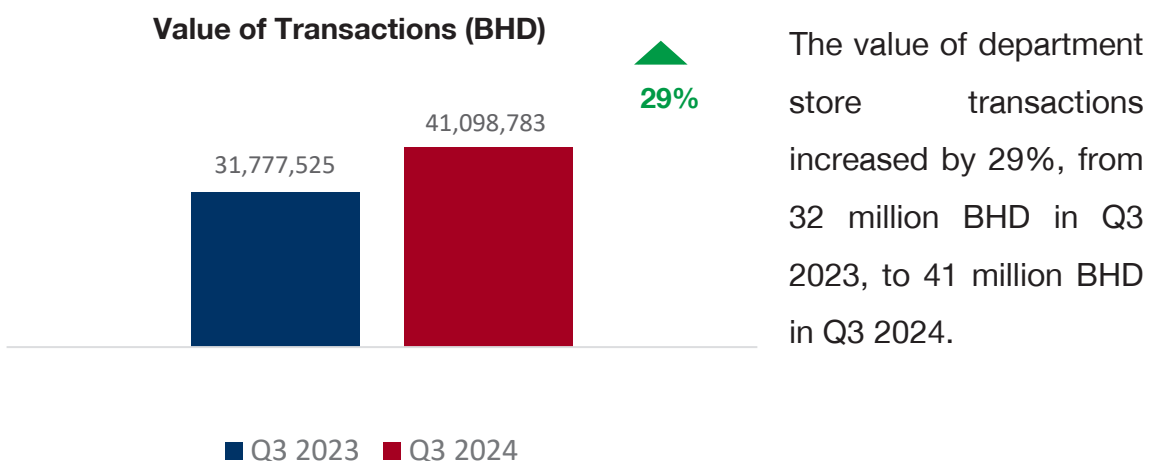


19% increase in the value of supermarket transactions in Q3 2024 compared to the same period in 2023



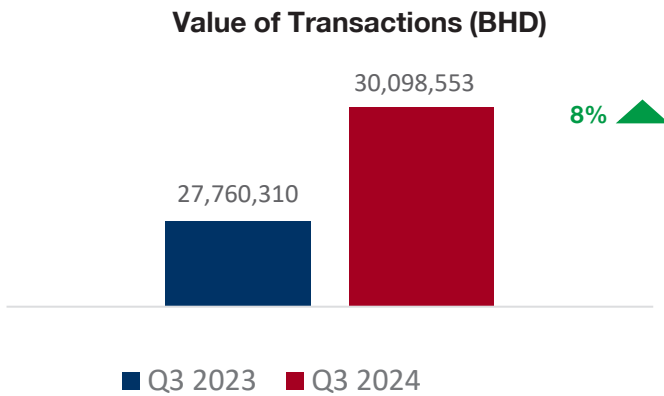
Source: Central Bank of Bahrain

29% increase in the value of department store transactions in Q3 2024 compared to the same period in 2023



Source: Central Bank of Bahrain

8% increase in the value of jewelry store transactions in Q3 2024 compared to the same period in 2023

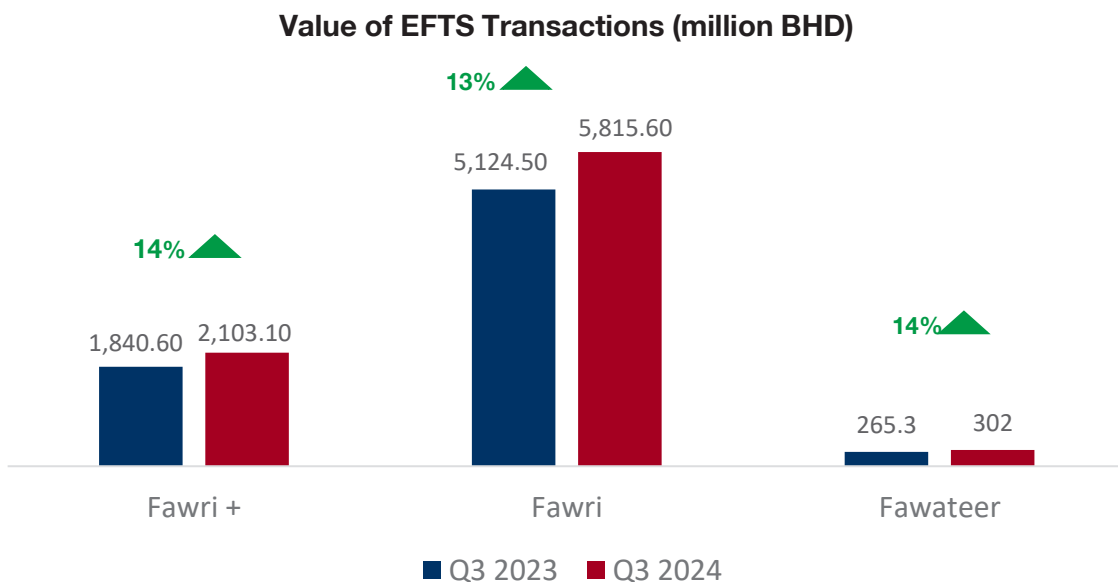


The value of transactions in the jewelry stores sector increased by 8%, from 28 million BHD in Q3 2023, to 30 million BHD in Q3 2024.

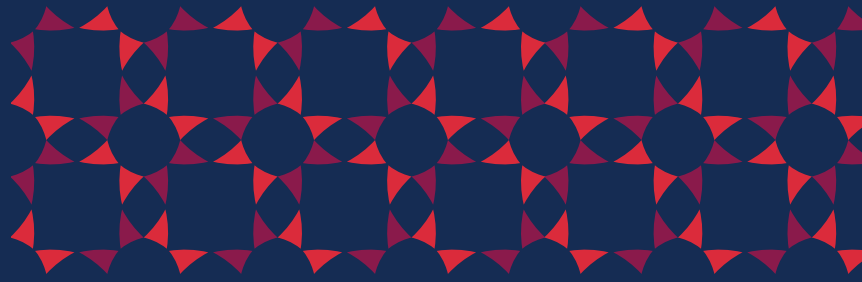
Source: Central Bank of Bahrain

14% increase in transfers via Fawri+ in Q3 2024 compared to the same period in 2023

The value of EFTS transactions through the Fawri+ system increased by 14% from 1.8 billion BHD in Q3 2023 to 2 billion BHD in Q3 2024. The value of EFTS transactions through the Fawri system increased by 13% as well from 5.1 billion BHD in Q3 2023 to 5.8 billion BHD in Q3 2024. Fawateer transactions increased by 14% from 265 million BHD in Q3 2023 to 302 million BHD in Q3 2024.



Source: Central Bank of Bahrain



5

Bahrain's Ranking in Global Indices



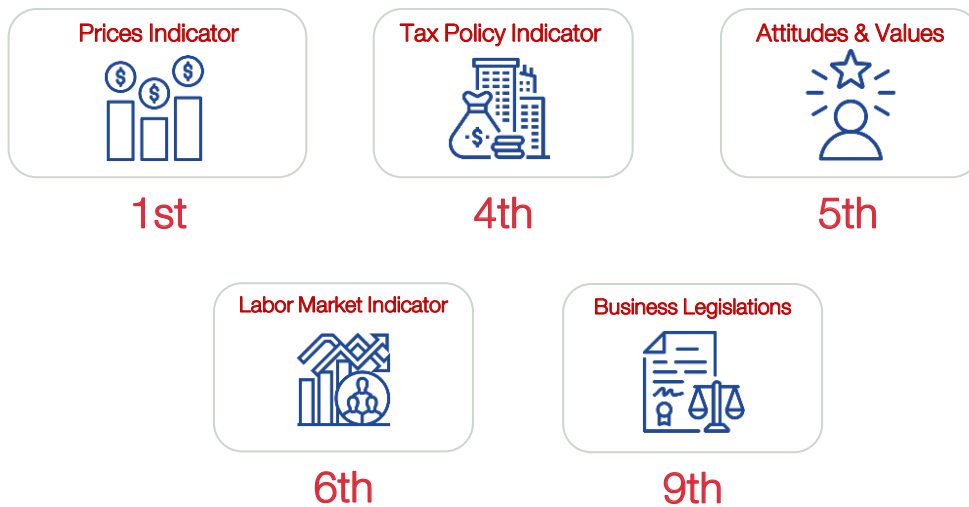
Bahrain ranked 21st globally in World Competitiveness Ranking 2024

The Kingdom of Bahrain continues to strengthen its global competitiveness, ranking 21st out of 67 economies in the IMD World Competitiveness Ranking 2024. Such achievement marks a notable improvement of nine places compared to its 2022 performance, underscoring the nation's strategic focus on fostering economic resilience and sustainable development.

The IMD World Competitiveness Ranking evaluates economies based on four key factors: economic performance, government efficiency, business efficiency, and infrastructure. These metrics collectively capture a nation's ability to promote prosperity and prepare for future challenges.

Among its standout achievements, the Kingdom ranked 1st globally in the prices indicator, showcasing the country's ability to maintain cost competitiveness. Additionally, Bahrain ranked 4th in tax policy, highlighting its business-friendly fiscal environment, and 6th in the labor market indicator, reflecting its success in fostering a dynamic and efficient workforce. The country also achieved 5th place in attitudes and values and 9th in business legislation, emphasizing its progressive approach to governance and regulatory frameworks.

Bahrain's Top Rankings Globally in The IMD World Competitiveness Ranking 2024



Source: World Competitiveness Ranking 2024

Khalifa Bin Salman Port Ranked First Globally Among Small Ports

Bahrain's Khalifa Bin Salman Port (KBSP) has achieved global recognition as the most efficient small port in the world, according to the *Container Port Performance Index 2023* (CPPI). This esteemed index, produced by the World Bank in collaboration with S&P Global, highlights KBSP's exceptional performance and its pivotal role in advancing Bahrain's position in global trade and logistics.

In the overall rankings, KBSP climbed to 43rd place among 405 ports worldwide, representing a remarkable improvement of 30 positions compared to its performance in 2022. Moreover, KBSP was ranked 1st as the Most Improved Port in the GCC and 10th among the Best Ports in West, Central, and South Asia.

The CPPI serves as a vital reference for global economic stakeholders, including national governments, port authorities, development agencies, and private-sector operators, providing key insights to enhance efficiency and competitiveness. The evaluation framework examines various performance metrics, such as terminal capacity utilization, operational costs, landside connectivity, and ship-to-shore transfer efficiency, offering a comprehensive perspective on port operations.

Khalifa Bin Salman Port Rankings



Most Efficient Small Port Globally



1st

Most improved port in GCC



Top 10

Best Ports in West, Central, and South Asia.

Source: The *Container Port Performance Index 2023*, Bahrain EDB



Bahrain Ranked 18th Globally in E-Government Survey 2024

Bahrain has achieved significant progress in the UN E-Government Survey. The Kingdom now ranks 18th worldwide, marking a remarkable leap of 36 positions, placing it among the countries with "Very High" e-government development.

In the Telecommunications Infrastructure Index (TII), Bahrain ranks 10th globally, climbing 55 places since 2022. Additionally, Bahrain secured 18th place in the E-Participation Index, advancing 47 positions, and 23rd place in the Online Service Index (OSI), rising by 31 spots. These rankings underscore Bahrain's robust technical infrastructure, unified eServices platform, and overall digital transformation efforts. In the Human Capital Index, Bahrain achieved 32nd place globally, marking an improvement of 33 positions.

Bahrain's Top Rankings Globally in The E-Government Survey 2024

Telecommunications
Infrastructure Index



10th

E-Participation Index



18th

Online Service Index



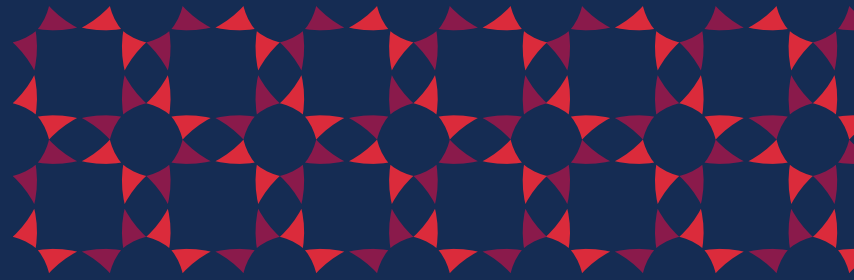
23rd

Human Capital Index



32nd

Source: UN E-Government Survey 2024/ iga.gov

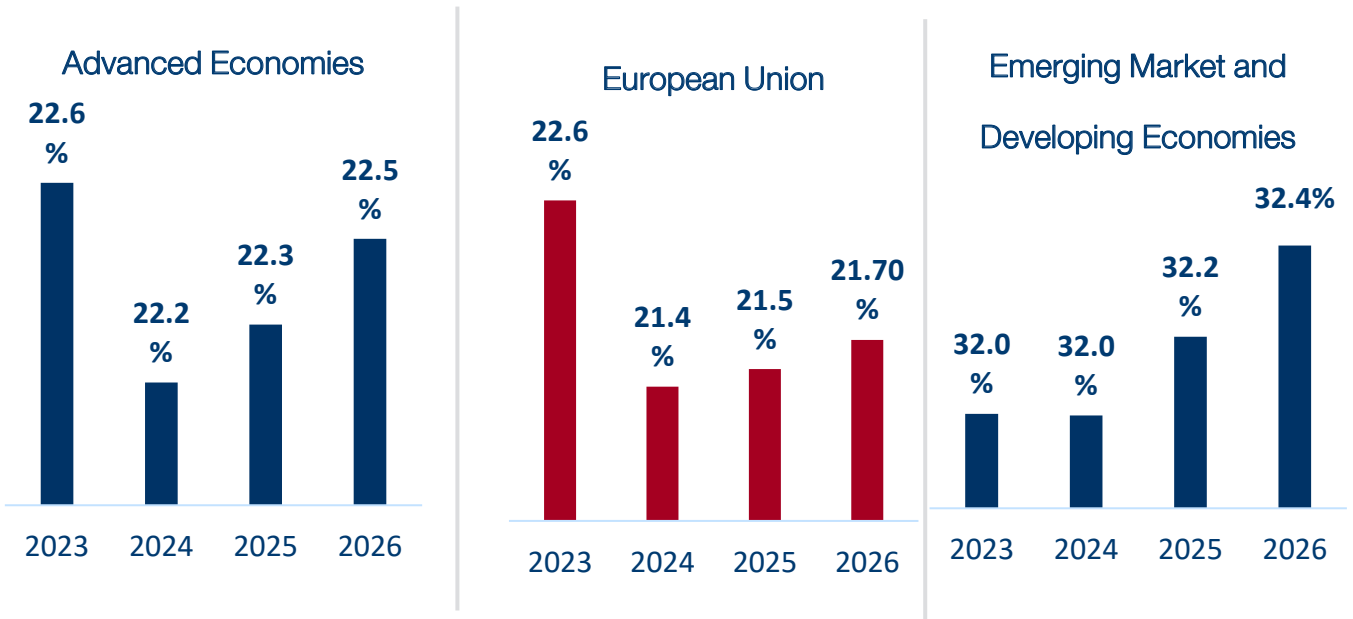


6

Global Economic Outlook

Investments in the Advanced Economies decreased to 22.2% in 2024

Investment (% of GDP)



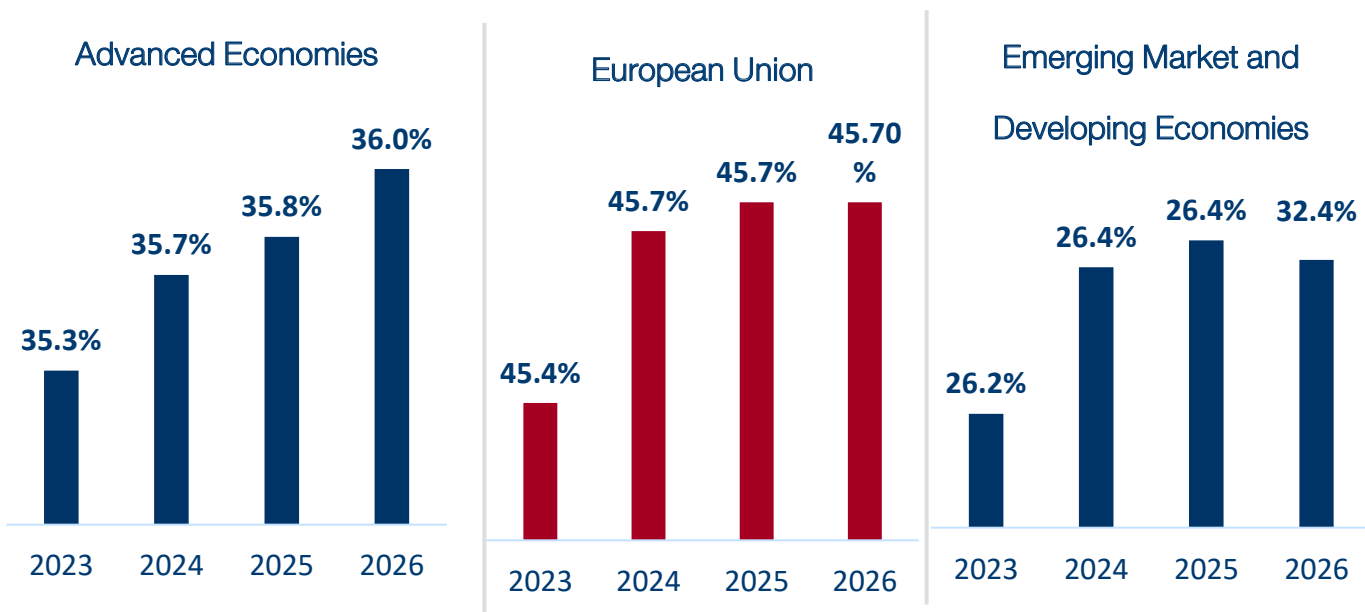
According to the IMF's "World Economic Outlook" report released in October 2024, the investments (as a percentage of GDP) in the Advanced Economies decreased from 22.6% in 2023 to 22.2% and 22.3% in 2024 and 2025. In the European Union, it decreased from 22.6% in 2023 to 21.4% and 21.5% in 2024 and 2025 respectively and expected to increase to 21.7% in 2026. While in Emerging Market and Developing Economies, it expected to increase from 32% in 2023 and 2024 to 32.2% and 32.4% in 2025 and 2026, respectively.

Source: IMF – World Economic Outlook October 2024



General Government Revenue is expected to increase to 45.7% in 2025 in the European Union

General government revenue (% of GDP)



According to the IMF's "World Economic Outlook" report released in October 2024, the General government revenue (% of GDP) in the Advanced Economies increased from 35.3% in 2023 to 35.7% and 35.8% in 2024 and 2025. In the European Union, it is expected to increase from 45.4% in 2023 to 45.7% in 2024, 2025 and 2026. While in Emerging Market and Developing Economies, it increased from 26.2% in 2023 to 26.4% in 2024 and 2025.

Source: IMF – World Economic Outlook October 2024



21% increase in WTI oil price in Sep 2024 YoY

Oil Prices (USD per barrel)

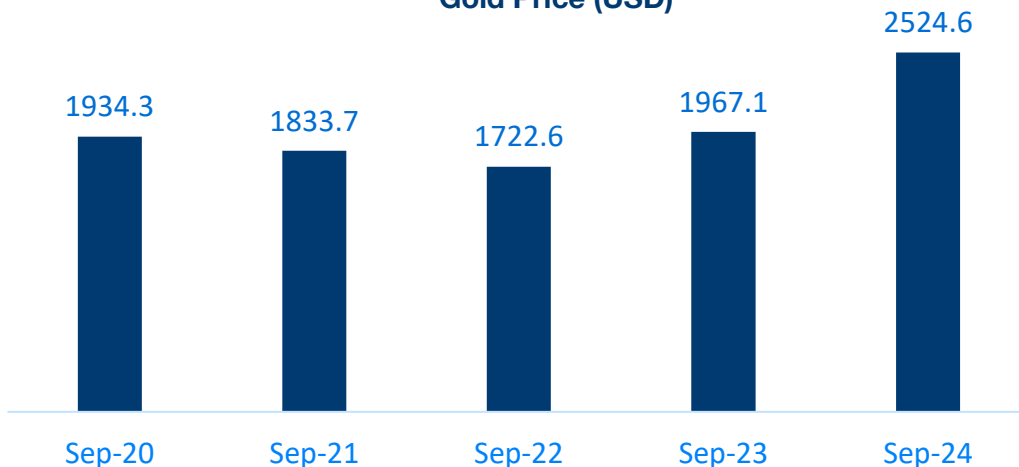
Oil Type	Sep 2023	Sep 2024	Percentage Change
WTI	\$85.55	\$67.67	21% ▲
Brent	\$88.55	\$71.06	20% ▲

The price of a barrel of WTI crude oil has increased by 21% in Sep 2024 compared to Sep 2023. The price of a barrel of WTI crude oil has increased from \$85.55 per barrel in 2023 to \$67.67 per barrel in 2024. Also, the price of Brent crude oil has increased from \$88.55 per barrel in 2023 to \$71.06 per barrel in 2024.

Source: Bloomberg

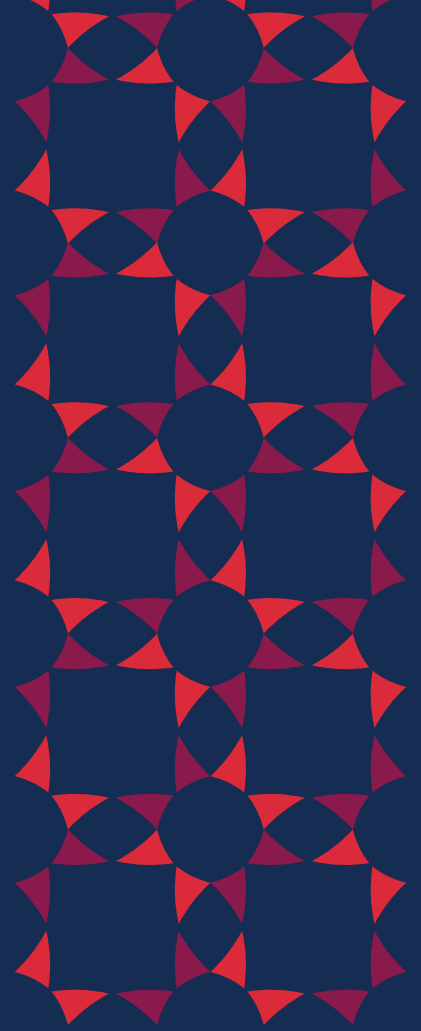
31% increase in gold price over 5-year period

Gold Price (USD)



The price of gold reached \$2524.6 USD in Sep 2024, an increase of 31% compared to \$ 1934.3 USD in Sep 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.