

غرفة البحرين  
BAHRAIN CHAMBER



## Overview of the Local Economy

Q4 2021





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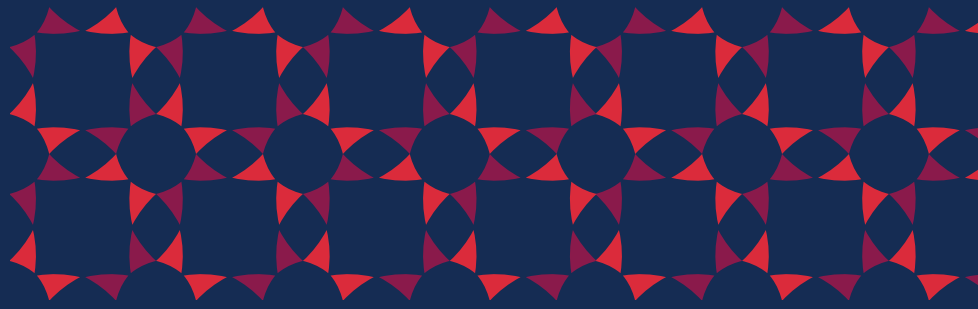
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# Executive Summary

Bahrain's economy has shown signs of recovery through an improvement in various economic indicators. Notable indicators include economic sector growth rates, GDP growth forecasts, the volume of trade exchange, the Kingdom's credit rating, and the value of point of sales and e-commerce transactions. This is a testament to Government's proactive policy-making during the pandemic through the stimulus plans and efficient vaccine rollout, which stabilized the health situation in the Kingdom. Furthermore, the national economic growth and fiscal balance plan recently announced by the Government is one of Bahrain's largest economic reform programs and aims to enhance the economy's long-term competitiveness and support the post-COVID 19 recovery. The Bahrain Chamber is eager to continue collaborating with the esteemed Government during the critical recovery phase in the Kingdom, through providing insights to support economic decision-making and producing reports and studies on topics that impact the private sector.



## **GDP Contribution of Economic Sectors**

- Improvement in non-oil economy drives 10.2% GDP growth at current prices in Q3 2021.
- The transport and communication sector witnessed the highest growth rate of 14.69% in current prices and 25.78% in constant prices in Q3 2021, compared to Q3 2020, followed by the agriculture and fishing and social and personal services sectors.
- The crude oil and natural gas sector is the largest contributor to GDP in Q3 2021 at 18.53%, followed by finance and insurance at 17.89% and manufacturing at 14.07%.



## Economic Forecast

- Emerging markets and developing economies are expected to grow by 5.1% in 2022.
- Bahrain's economy is expected to grow by 3.1% in 2022.
- Investment is expected to account for 33.9% of Bahrain's GDP in 2022.



## Trade Exchange

- Saudi Arabia remains Bahrain's top trade partner with over 1bn USD of trade in Q3 2021.
- Brazil maintains its position as Bahrain's top import market in Q3 2021.
- Saudi Arabia maintains its position as Bahrain's top export market in Q3 2021.



## Local Economic Outlook

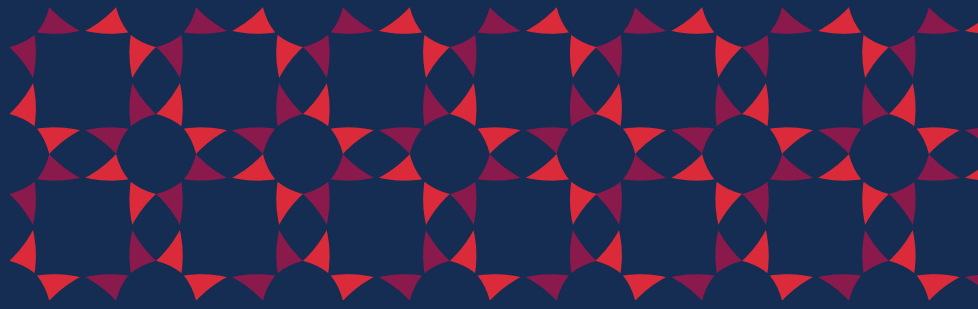
- Value of point of sales and e-commerce transactions peaked in November 2021, increasing by 43% compared to November 2020
- 258% increase in the value of point of sale and e-commerce transactions in the jewelry sector in November 2021 compared to November 2020.
- 45% increase in the value of point of sale and e-commerce transactions at clothing and footwear stores in November 2021 compared to November 2020.
- 0.7% increase in Consumer Price Index (CPI) in November 2021 compared to November 2020.

- Increase in the number of insured Bahrainis in the private and public sectors in Q3 2021 compared to Q3 2020 .
- Bahrain's credit rating is revised from negative to stable.
- 18% decrease in worker's remittances in Q1-3 2021 compared to same period in 2019.
- Decrease in interest rates on business loans in most sectors in Q3 2021 compared to the same period in 2020.



## **Bahrain's Performance in Global Indices**

- Bahrain ranks 1st among GCC countries in the Economic Freedom Index.
- Bahrain tops Arab world with lowest risk of money laundering
- Bahrain ranks 3rd among Arab countries and 56th globally in the Legatum Prosperity Index.
- Improvement in Bahrain's performance in the Global Food Security Index 2021.



# 2

## GDP Contribution of Economic Sectors

## GDP growth of 2.1% and 10.2% at constant and current prices, respectively, in Q3 2021

Sector	Growth in Current Prices	Growth in Constant Prices
Agriculture and fishing	1.73%	12.88%
Mining and quarrying	37.25%	-4.12%
Manufacturing	15.62%	-0.26%
Electricity and water	-1.76%	4.36%
Construction	2.55%	0.75%
Trade	3.45%	4.48%
Hotels and restaurants	-6.12%	-5.64%
Transport and communication	14.69%	25.78%
Education services (public and private)	1.07%	0.62%
Health services (public and private)	6.39%	9.13%
Social & personal services	21.25%	12.82%
Real estate and business services	2.58%	4.67%
The financial corporations	-4.34%	-2.65%
Other government services	1.41%	-1.07%
<b>GDP</b>	<b>▲ 10.19%</b>	<b>▲ 2.09%</b>
<b>Oil GDP</b>	<b>39.95%</b>	<b>-4.63%</b>
<b>Non-oil GDP</b>	<b>5.94%</b>	<b>3.76%</b>

Source: Information and e-Government Authority

Bahrain's economy achieved a GDP growth of 2.09% at constant prices, and 10.19% at current prices during Q3 2021, compared to Q3 2020. This was driven by a growth in the non-oil GDP of 3.76% and 5.94% at constant and current prices.

The transport and communication sector was particularly affected during the beginning of the pandemic due to lockdown measures and supply chain issues. The sector has, however, witnessed a recovery and grew by 14.69% in current prices and 25.78% in constant prices. The social and personal services sector also grew significantly by 21.25% in current prices and 12.82% in constant prices. The health services sector grew by 6.39% in current prices and 9.13% in constant prices. Furthermore, the trade sector grew by 3.45% in current prices and 4.48% in constant prices.

### Top Sectors that have Achieved Growth:



Transport and  
Communication



Social and Personal  
Services



Health Services



Real Estate and  
Business Services



Agriculture and  
Fishing



Trade

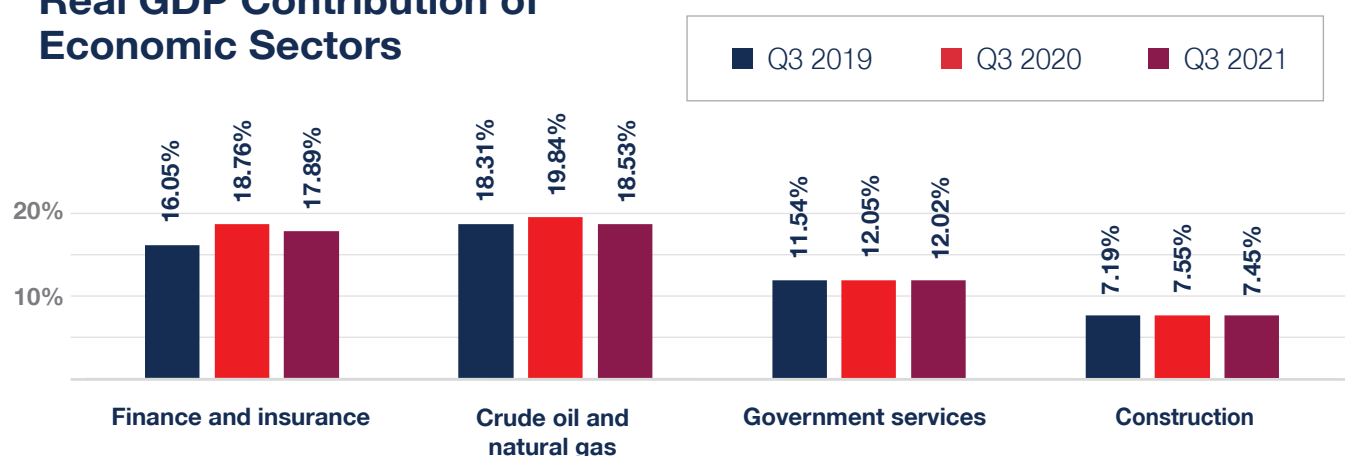
## GDP Contribution of Economic Sectors

The crude oil and natural gas sector is the largest contributor to GDP in Q3 2021 at 18.53%, followed by finance and insurance at 17.89% and manufacturing at 14.07%.

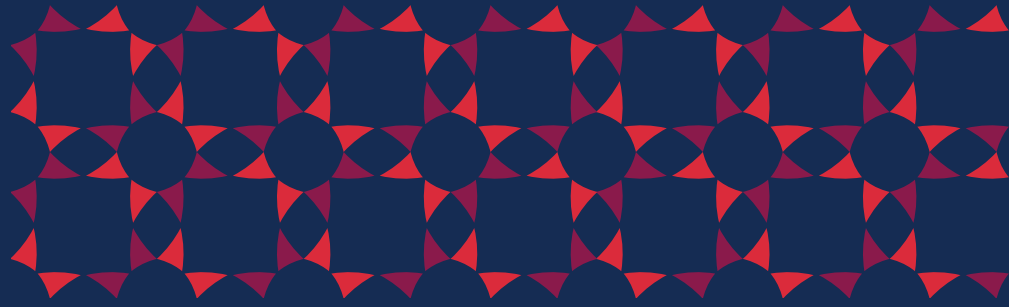
Bahrain has witnessed a recovery that is reflected in the growth of its economic sectors, as the GDP contribution of certain sectors exceeds pre-pandemic levels:

1. The GDP contribution of the finance and insurance sector increased from 16.05% in Q3 2019 (pre-pandemic) to 17.89% in Q3 2021 (the recovery phase).
2. The GDP contribution of the crude oil and natural gas sector increased from 18.31% in Q3 2019 (pre-pandemic) to 18.53% in Q3 2021 (the recovery phase)
3. The GDP contribution of the government services sector increased from 11.54% in Q3 2019 (pre-pandemic) to 12.02% in Q3 2021 (the recovery phase).
4. The GDP contribution of the construction sector increased from 7.19% in Q3 2019 (pre-pandemic) to 7.45% in Q3 2021 (the recovery phase).

### Real GDP Contribution of Economic Sectors



Sector	Q3 2019	Q3 2020	Q3 2021
Finance and insurance	16.05%	18.76%	17.89%
Crude oil and natural gas	18.31%	19.84%	18.53%
Manufacturing	14.76%	14.40%	14.07%
Government services	11.54%	12.05%	12.02%
Construction	7.19%	7.55%	7.45%
Transport and communication	8.23%	5.46%	6.72%
Trade	4.43%	4.17%	4.27%
Hotels and restaurants	2.51%	1.67%	1.54%
Electricity and water	1.13%	1.59%	1.62%

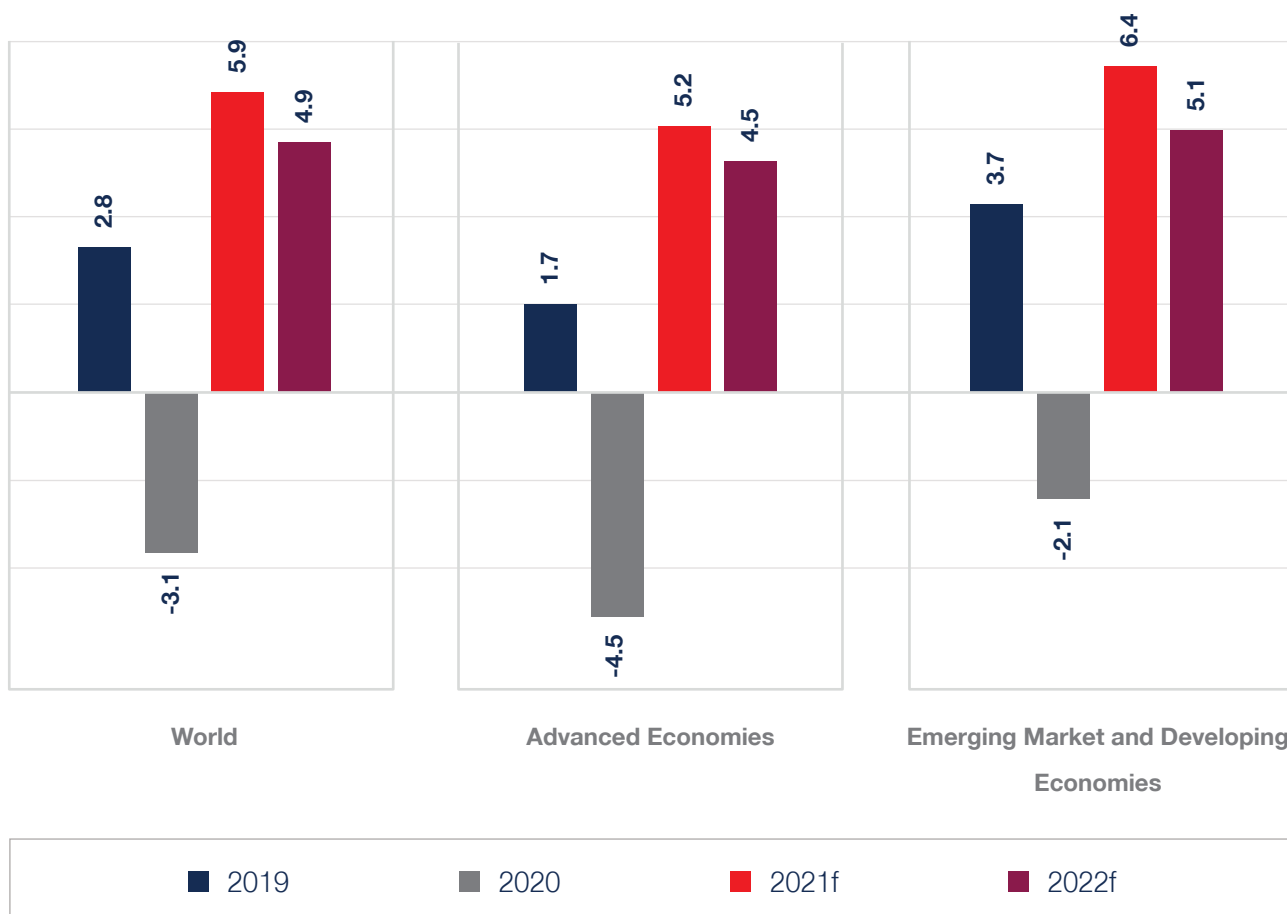


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## Economic Forecast

## Emerging markets and developing economies are expected to grow by 5.1% in 2022

### Real GDP Growth (% Change)

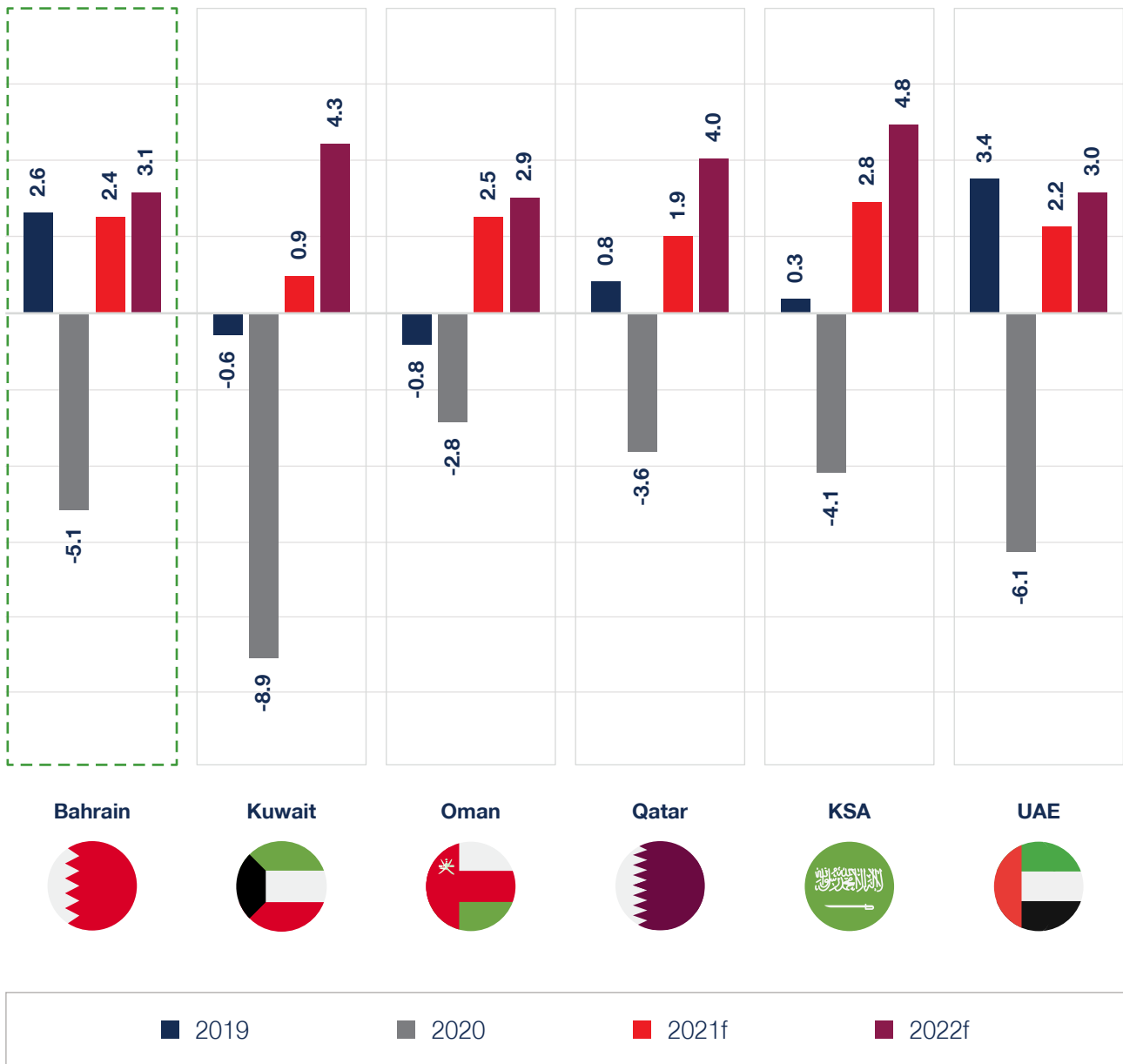


Real GDP growth is expected to reach 5.2% in advanced economies in 2021, after contracting by 4.5% in 2020. It is then expected to decrease slightly to 4.5% in 2022. In the emerging market and developing economies group, real GDP is expected to reach 6.4% in 2021 after contracting by 2.1% in 2020. Real GDP is forecasted to decrease to 5.1% in 2022.

The IMF states that efforts to ensure the world population is fully vaccinated is the top policy priority to hasten global economic recovery. Furthermore, it is essential to provide liquidity and debt relief to constrained economies and mitigate and adapt to climate change.

Source: IMF

## Bahrain's economy is forecasted to grow by 3.1% in 2022

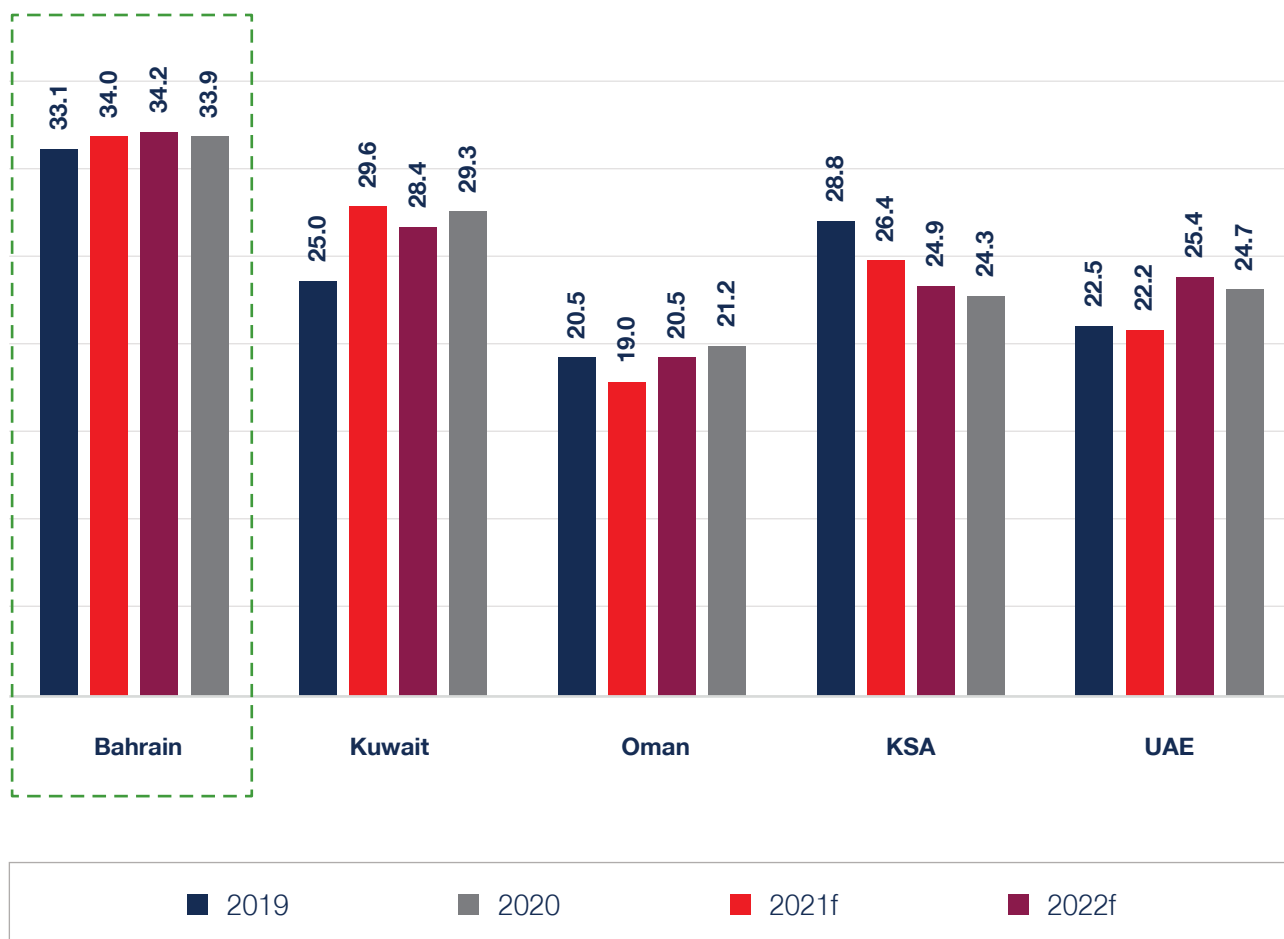


After a contraction of -5.1% in 2020, real GDP is expected to grow by 2.4% in Bahrain in 2021. The economy is expected to further grow by 3.1% in 2022. Kuwait's economy severely contracted by 8.9% in 2020, but is expected to grow by 0.9% in 2021, and by 4.3% in 2022. Saudi Arabia is forecasted to have the highest real GDP growth rates among GCC countries, and to achieve a growth of 2.8% and 4.8% in 2021 and 2022, respectively.

Source: IMF

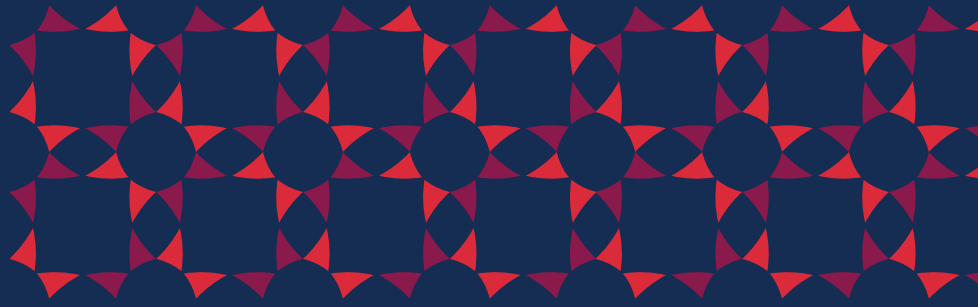
## Investment is expected to account for 33.9% of Bahrain's GDP in 2022

### Investment (as a % of GDP)



Investment accounted for 34% of GDP in Bahrain in 2020, and it is expected to remain consistent in 2021 and 2022. In Kuwait, investment constituted 30% of GDP in 2020, followed by 26% in Saudi Arabia, 22% in the United Arab Emirates, and 19% in Oman.

Source: IMF

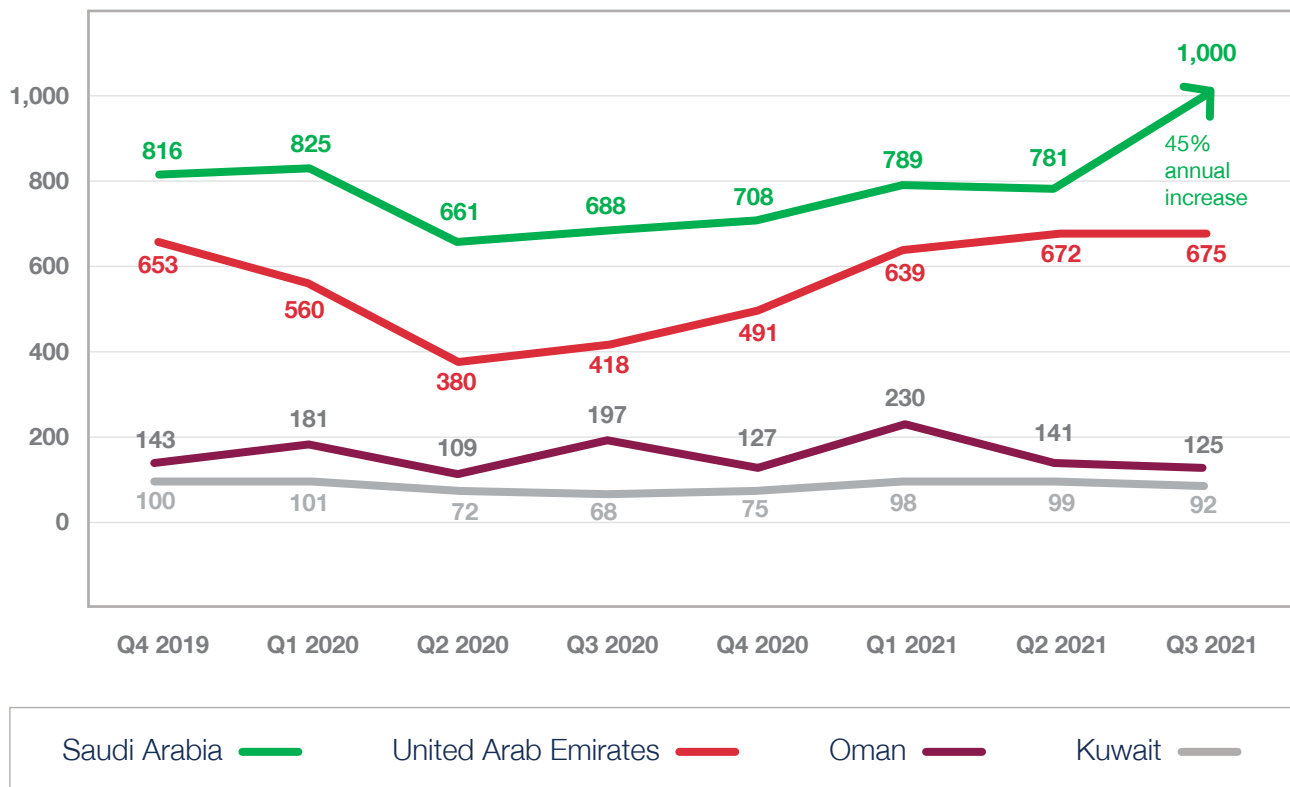


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# Trade Exchange

# Saudi Arabia remains Bahrain's top trade partner with over 1bn USD of trade in Q3 2021

## Trade Exchange with GCC Countries (million USD)



Country	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Change from Q3 2020 to Q3 2021
<b>Kingdom of Saudi Arabia</b>	816	825	661	688	708	789	781	1,000	<b>45%</b>
<b>United Arab Emirates</b>	653	560	380	418	491	639	672	675	<b>61%</b>
<b>Oman</b>	143	181	109	197	127	230	141	125	<b>-37%</b>
<b>Kuwait</b>	100	101	72	68	75	98	99	92	<b>35%</b>

Source: Information and e-Government Authority



There has been a steady recovery in the volume of trade exchange between Bahrain and GCC countries in the first three quarters of 2021 compared to the previous year. Trade has increased significantly on an annual basis in Q3 2021 with all other GCC countries, except Oman.



Saudi Arabia maintains its spot as Bahrain's top trade partner, with the trade amount between the two countries increasing by 45% annually from 688 million USD in Q3 2020 to 1 billion USD in Q3 2021. This is the highest trade value generated between the two countries over the past year, and indicates that trade levels are finally recovering after declining due to the pandemic.



The volume of trade between the United Arab Emirates and Bahrain witnessed the largest growth among GCC countries in Q3. The total value increased by 61% from 418 million USD in Q3 2020 to 675 million USD in Q3 2021.



Oman has the third highest volume of trade exchange with Bahrain among GCC countries. However, the trade exchange between Oman and Bahrain decreased by 37% from 197 million USD in Q3 2020 to 125 million USD in Q3 2021.



The trade exchange between Kuwait and Bahrain increased by 35% from 68 million USD in Q3 2020 to 92 million USD in Q3 2021.

## Bahrain's Top Import Partners

Country	Total Value of Imports in Q3 2021 (million USD)	Top Imported Commodity	Commodity Value (million USD)	% of Total Imports from the Country
<b>Brazil</b>	<b>573</b>	Non-agglomerated iron ores and concentrates	542	<b>95%</b>
<b>China</b>	<b>447</b>	Telephones for cellular networks or for other wireless networks	31	<b>7%</b>
<b>UAE</b>	<b>254</b>	Gold ingots	51	<b>20%</b>
<b>Saudi Arabia</b>	<b>234</b>	Other aluminium oxide	25	<b>10%</b>
<b>Australia</b>	<b>215</b>	Other aluminium oxide	190	<b>88%</b>

### Brazil maintains its position as Bahrain's top import market in Q3 2021

For the second quarter in a row, Brazil maintained its position as Bahrain's top import partner with the total value of imports from Brazil amounting to 573 million USD in Q3 2021. The top imported commodity was agglomerated iron ores and concentrates, with a total value of 542 million USD. This commodity accounts for 95% of total imports from Brazil.

China was Bahrain's second largest import partner in Q3, with the total value of imports reaching 447 million USD. The top imported commodity was telephones for cellular networks or for other wireless networks valued at 31 million USD.

Total imports from the United Arab Emirates are valued at 254 million USD. The top imported commodity was gold ingots, valued at 51 million USD. Saudi Arabia followed the UAE, with the total import value amounting to 234 million USD. The top imported commodity was other aluminium oxide, at 25 million USD.

Australia is Bahrain's fifth largest import partner, with a total import value of 215 million USD. The top commodity imported from Australia was other aluminium oxide at 190 million USD and it accounts for 88% of imports from Australia.

## Bahrain's Top Export Partners

Country	Total Value of Imports in Q3 2021 (million USD)	Top Exported Commodity	Commodity Value (million USD)	% of Total Imports from the Country
Saudi Arabia	765	Agglomerated iron ores and concentrates	210	27%
USA	575	Unwrought aluminium alloys	335	58%
UAE	420	Agglomerated iron ores and concentrates	126	30%
Egypt	196	Other aluminium oxide	153	78%
Netherlands	147	Other aluminium oxide	116	79%

### Saudi Arabia maintains its position as Bahrain's top export market in Q3 2021

Saudi Arabia has maintained its position as Bahrain's top export market in Q3 2021, with the total value of exports reaching 766 million USD. This is a 38% increase compared to the value of exports to Saudi Arabia in Q2 2021. The top exported commodity to Saudi Arabia was agglomerated iron ores and concentrates at 210 million USD.

The United States of America was Bahrain's second largest export partner, with the total value of exports amounting to 575 million USD. The top exported commodity to the United States was unwrought aluminium alloys at 335 million USD, and it accounts for 58% of exports to the US.

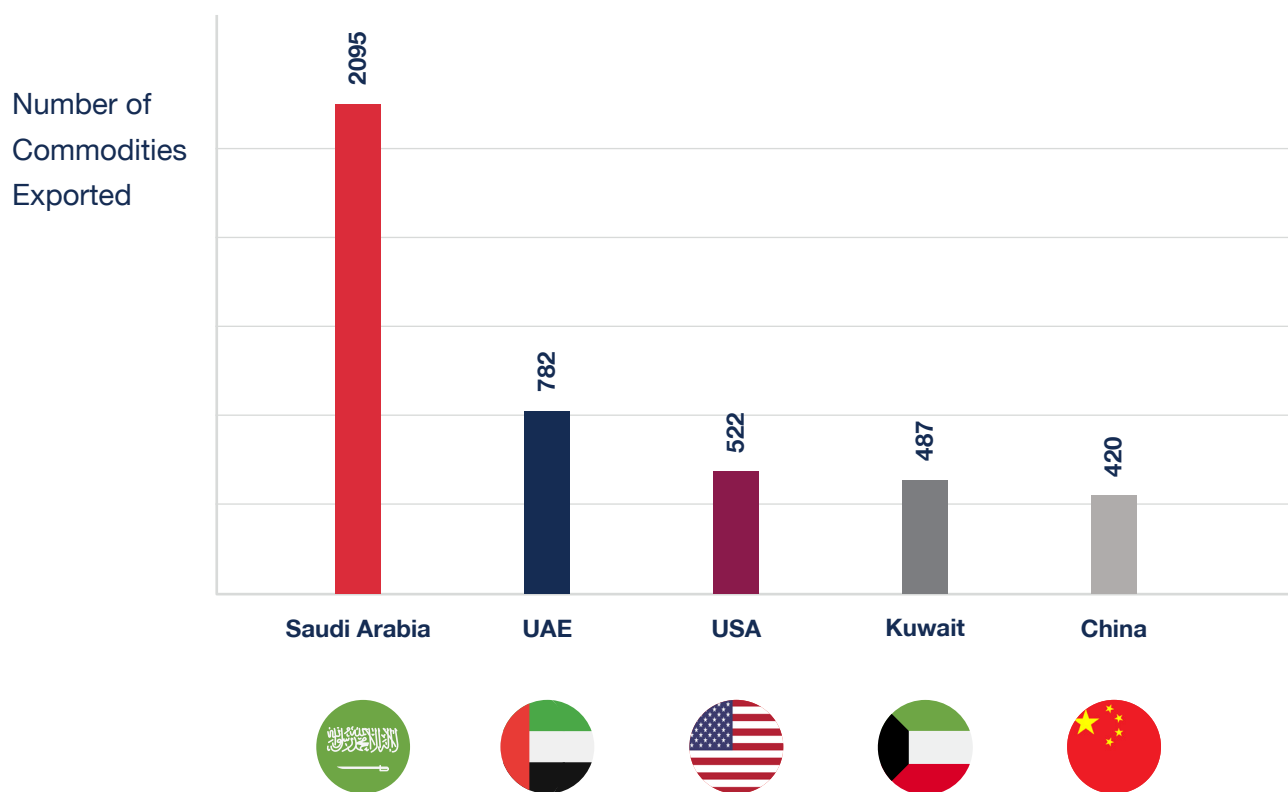
Total exports to the United Arab Emirates amounted to 420 million USD, making it Bahrain's third largest export partner. The top exported commodity was agglomerated iron ores and concentrates at 126 million USD.

Total exports to Egypt amounted to 196 million USD. The top exported commodity was other aluminium oxide at 153 million USD, and accounts for 78% of total exports to Egypt.

The Netherlands is Bahrain's fifth largest export partner, with the total value of exports reaching 147 million USD. The top exported commodity was other aluminium oxide at 116 million USD and it constitutes 79% of total exports to the Netherlands.

# Bahrain Chamber authenticates 3,033 certificates of origin in Q3 2021

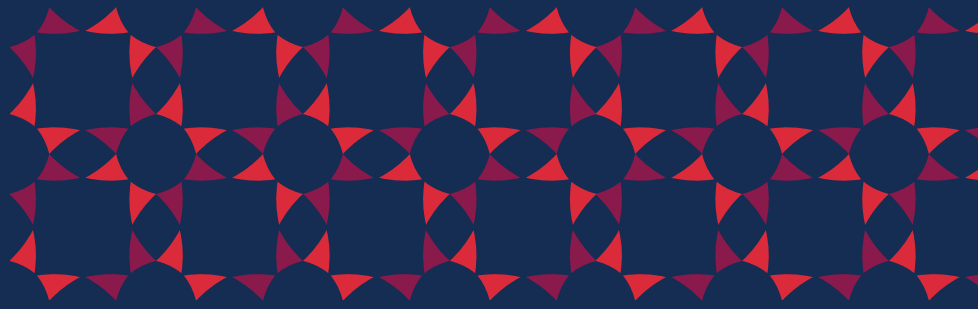
## Export of Goods – Top 5 Countries



The Bahrain Chamber grants and authenticates certificates of origin. The certificate of origin is an important international commercial document that confirms that the goods to be exported in certain consignments have been produced, manufactured or processed in a certain country.

The number of certificates of origin authenticated by the Bahrain Chamber amounted to 3,033 in the third quarter of 2021, and the total number of goods exported was 7,007. During the period from July to September 2021, Saudi Arabia was the main country of export accounting for 30% of the total goods exported, followed by the UAE, the United States, Kuwait and China .

Source: Bahrain Chamber



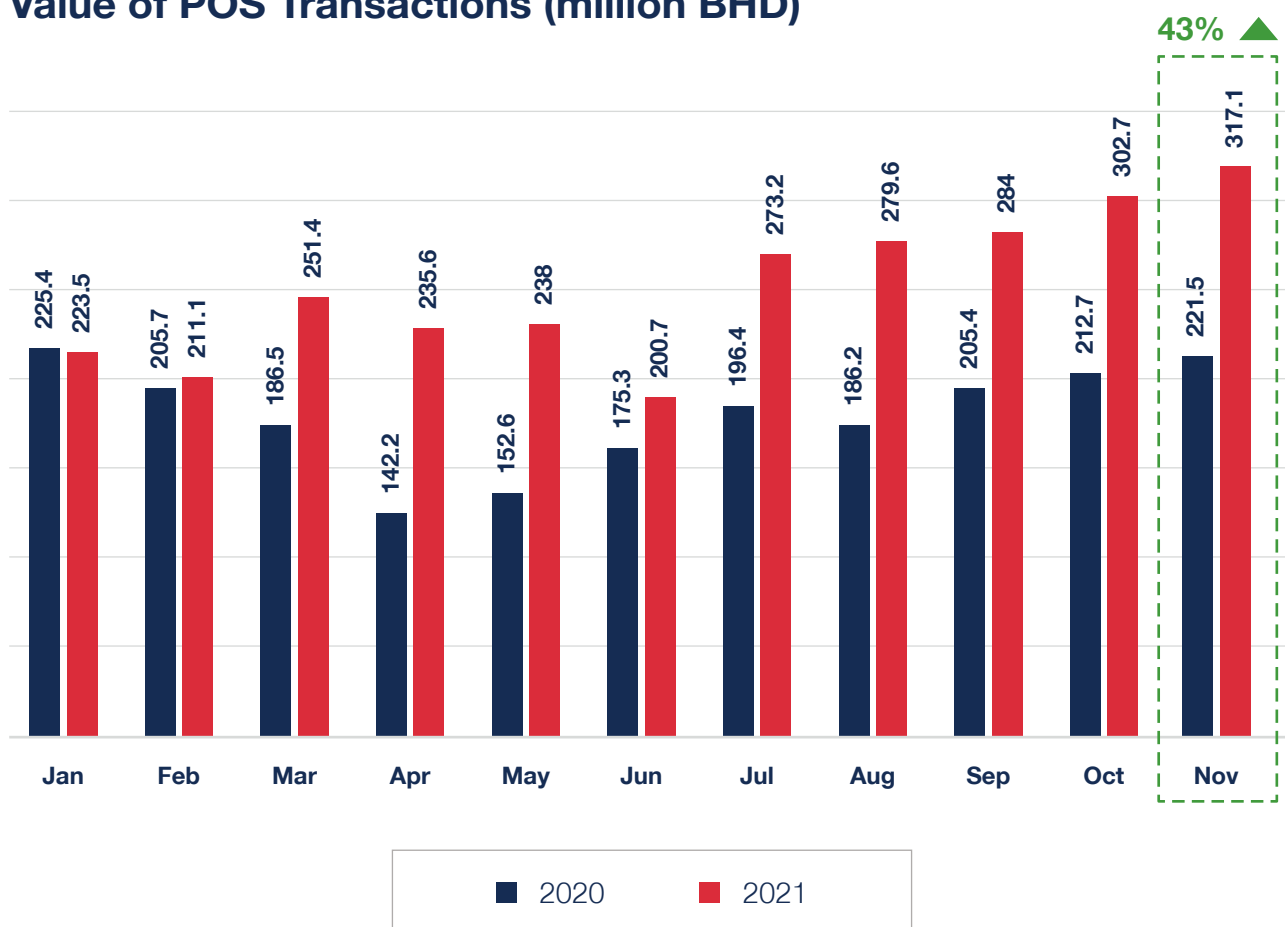
# 5

## Local Economic Outlook

## Value of point of sales and e-commerce transactions peaked in November 2021, increasing by 43% compared to November 2020

Point of sale transactions have increased significantly in each month of 2021 compared to the previous year. In November 2021, the value of POS transactions increased by 43% to reach 317.1 million BHD compared to 221.5 million BHD in November 2020. POS transactions in November also increased by 42% compared to 223.5 million BHD in the beginning of the year. The main sectors in terms of value in November 2021 are government services, supermarkets, restaurants, jewelry stores, and clothing and footwear. The increase in sales can be attributed to the success of the Bahraini government in managing the pandemic, in addition to the resumption of tourist activity in the Kingdom, particularly with the reopening of the King Fahd Causeway.

### Value of POS Transactions (million BHD)

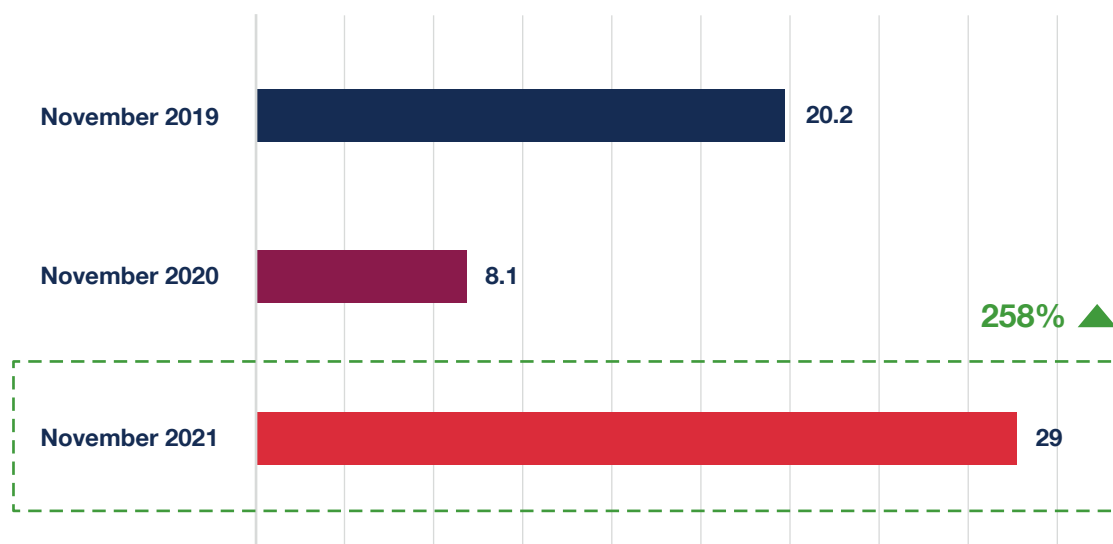


Source: Central Bank of Bahrain

## 258% increase in the value of point of sale and e-commerce transactions in the jewelry sector in November 2021 compared to November 2020

The recovery in the value of point of sale transactions in 2021 is particularly apparent in the jewelry sector. The total value of transactions in this sector was 20.2 million BHD in November 2019, but decreased by 60% to 8.1 million BHD in November 2020 due to the coronavirus pandemic. The value of POS transactions, however, reached 29 million BHD in November 2021 – an increase of 258%. This is largely due to the re-hosting of the Jewellery Arabia Exhibit in Bahrain from 22-26 November, after it was cancelled in 2020. The Exhibit features a wide range of finished jewelry, timepieces, precious gems, clocks, fine writing instruments, luxury accessories and more from around the globe, and there was 25% surge in the participation of new brands this year. It was attended by thousands of people from Bahrain and neighboring countries.

### Jewelry Stores - Value of POS Transactions (million BHD)

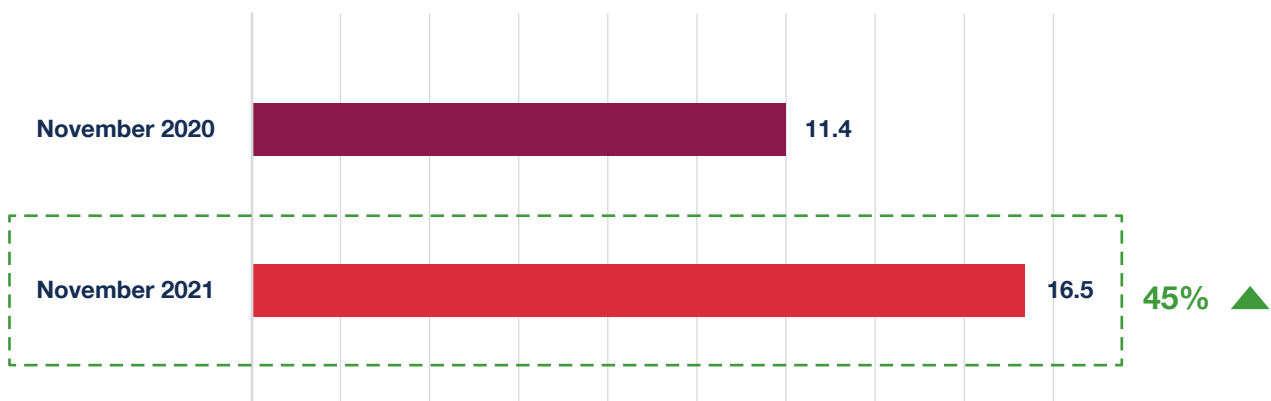


Source: Central Bank of Bahrain, Bahrain News Agency

## 45% increase in the value of point of sale and e-commerce transactions at clothing and footwear stores in November 2021 compared to November 2020

Point of sale and e-commerce transactions in the clothing and footwear sector have increased by 45% from 11.4 million BHD in November 2020 to 16.5 million BHD in November 2021. This is partially due to Black Friday sales in Bahrain, which led to increased traffic at retail stores. According to a study by Simon-Kucher & Partners, GCC countries have become some of the biggest spenders globally during Black Friday sales. The average budget per person during Black Friday sales is 330 euros in the UAE and 280 euros in Saudi Arabia. China is the only country that surpasses these nations, with an average budget of 399 euros. The average budget worldwide is 236 euros.

### Clothing and Footwear – Value of POS Transactions (BHD million)



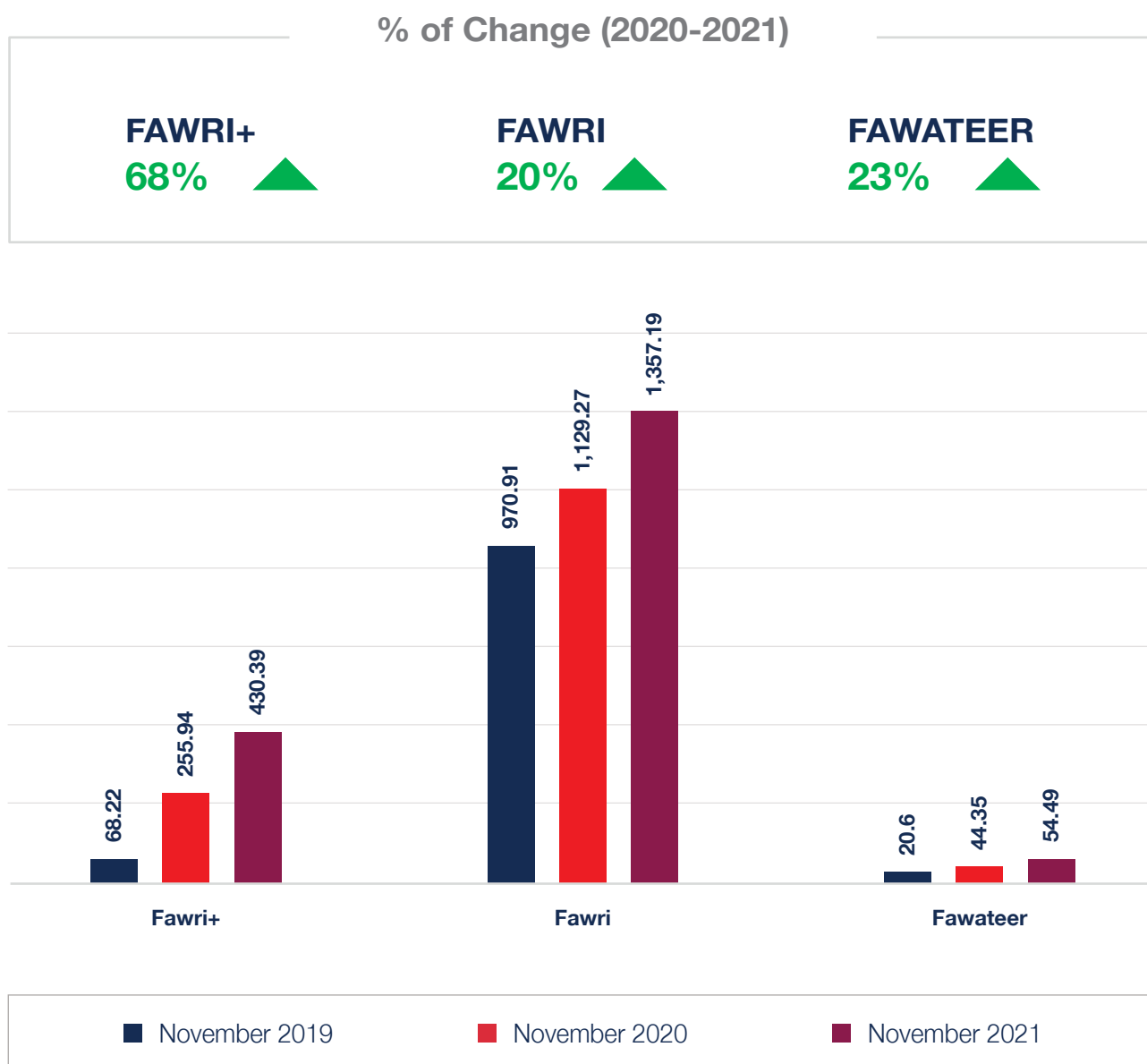
Source: Central Bank of Bahrain, Simon-Kucher & Partners

## 68% increase in transfers via Fawri+ in November 2021 compared to November 2020

The value of EFTS transactions through the Fawri+ system increased by 68% in November 2021 compared to November 2020.

On the other hand, there was a 20% increase in transfers via Fawri and 23% in Fawateer transactions in November 2021 compared to November 2020.

### Value of Electronic Fund Transfer System (BHD Million)



Source: CBB

## ATM withdrawals continue to decline by 17% in November 2021 compared to the same period in 2020

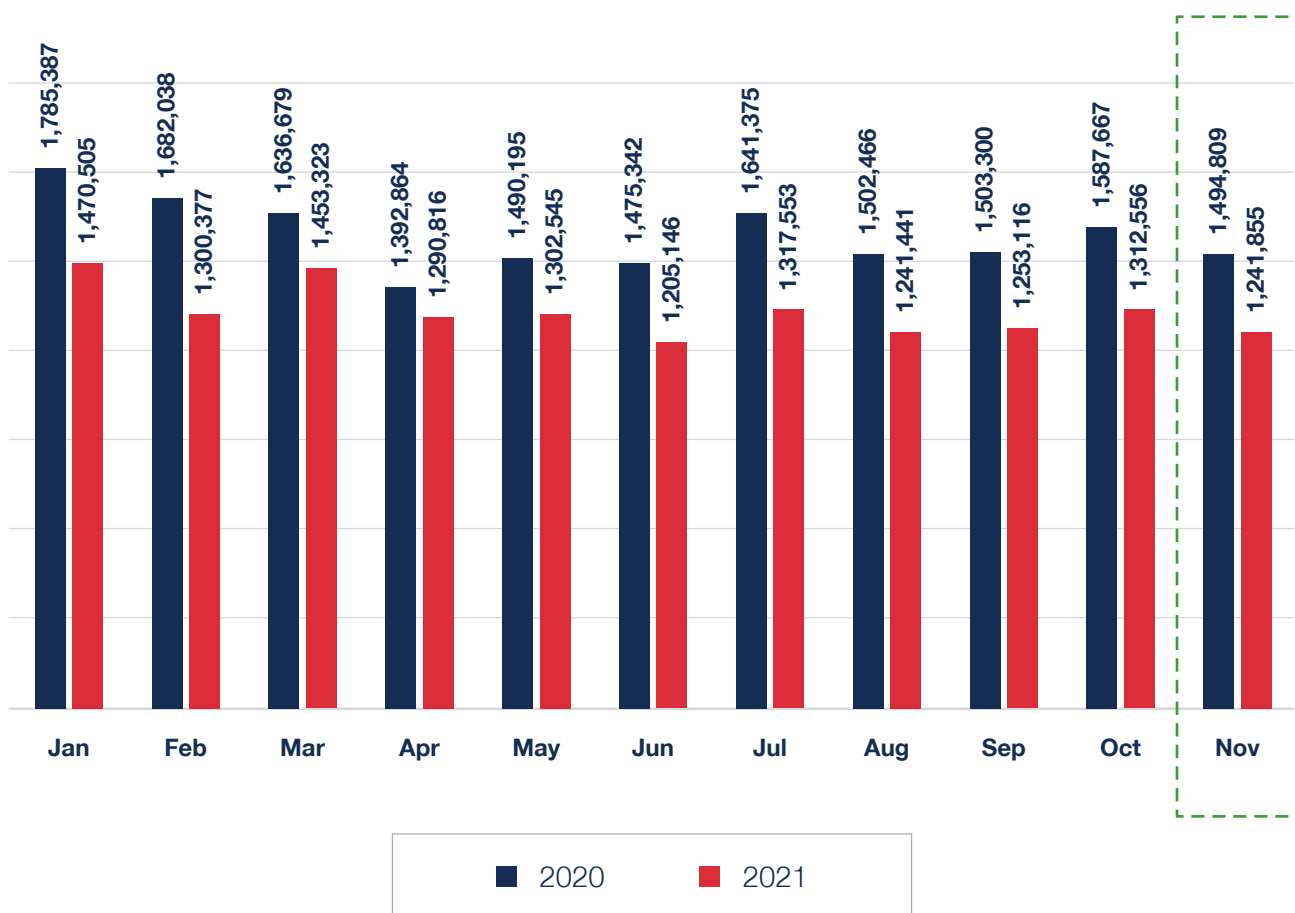
During the Covid-19 pandemic, people started using cash less when conducting transactions.

The number of ATM withdrawal transactions in November 2021 was about 1.2 million, a 17% decrease from the 1.5 million registered in November 2020.

There was also a decline of 17% in the number of ATM withdrawals in October, from around 1.6 million in 2020 to 1.3 million registered in 2021.

### Number of ATM withdrawals

-17% ▼

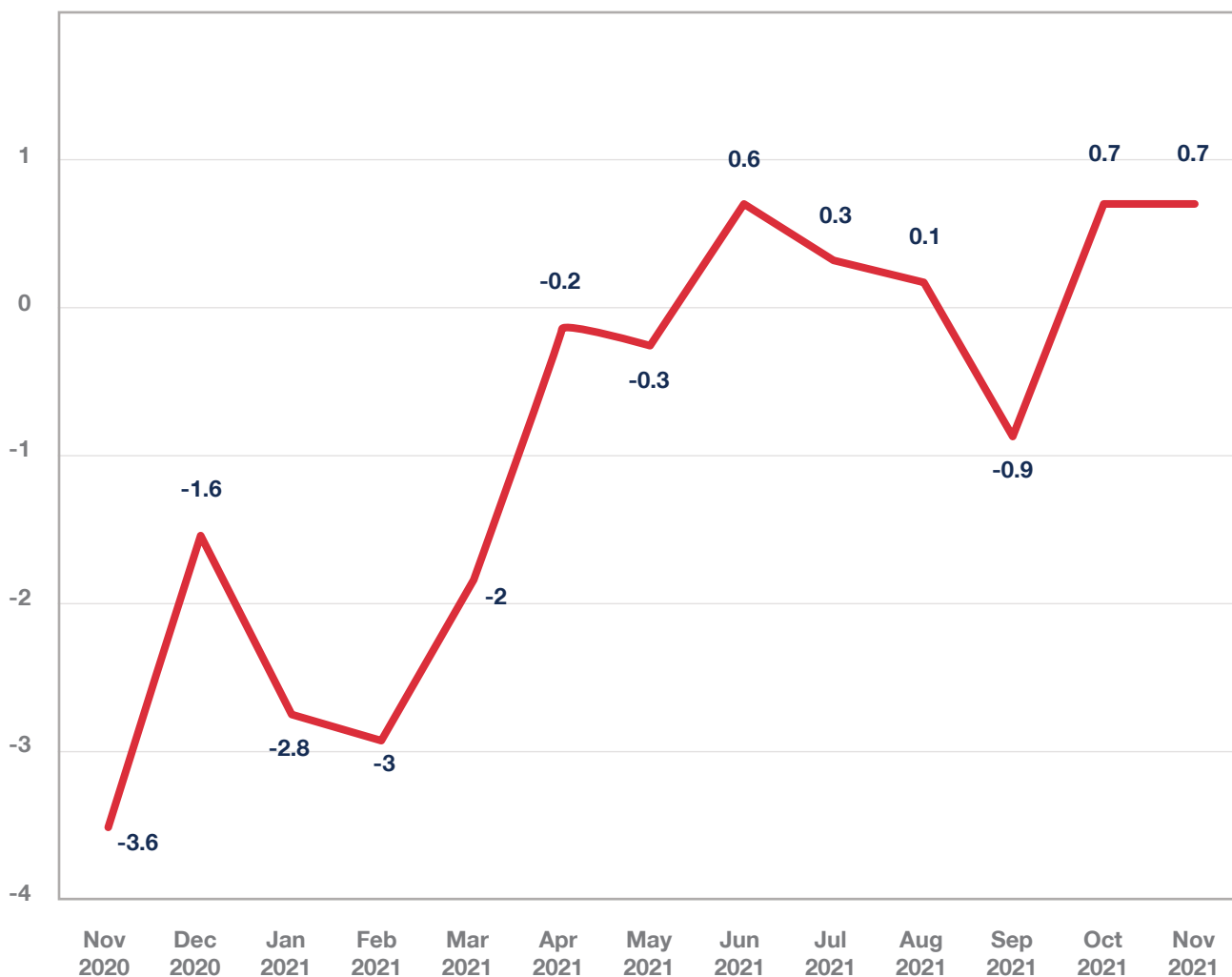


Source: Central Bank of Bahrain

## 0.7% increase in Consumer Price Index (CPI) in November 2021 compared to November 2020

The Consumer Price Index (CPI) increased by 0.7% in November 2021 compared to November 2020, and the most notable changes in the year were a 2.1% increase in the food and non-alcoholic beverages group, a 28.3% increase in the recreation and culture group, and a 3.2% decrease in the clothing and footwear group.

The CPI is a measure that examines the weighted average prices of a basket of consumer goods and services and the changes that occur in the general level of prices, based on tracking all goods and services consumed within a particular country. The composition of this basket should reflect the structure of household consumption spending in that country.

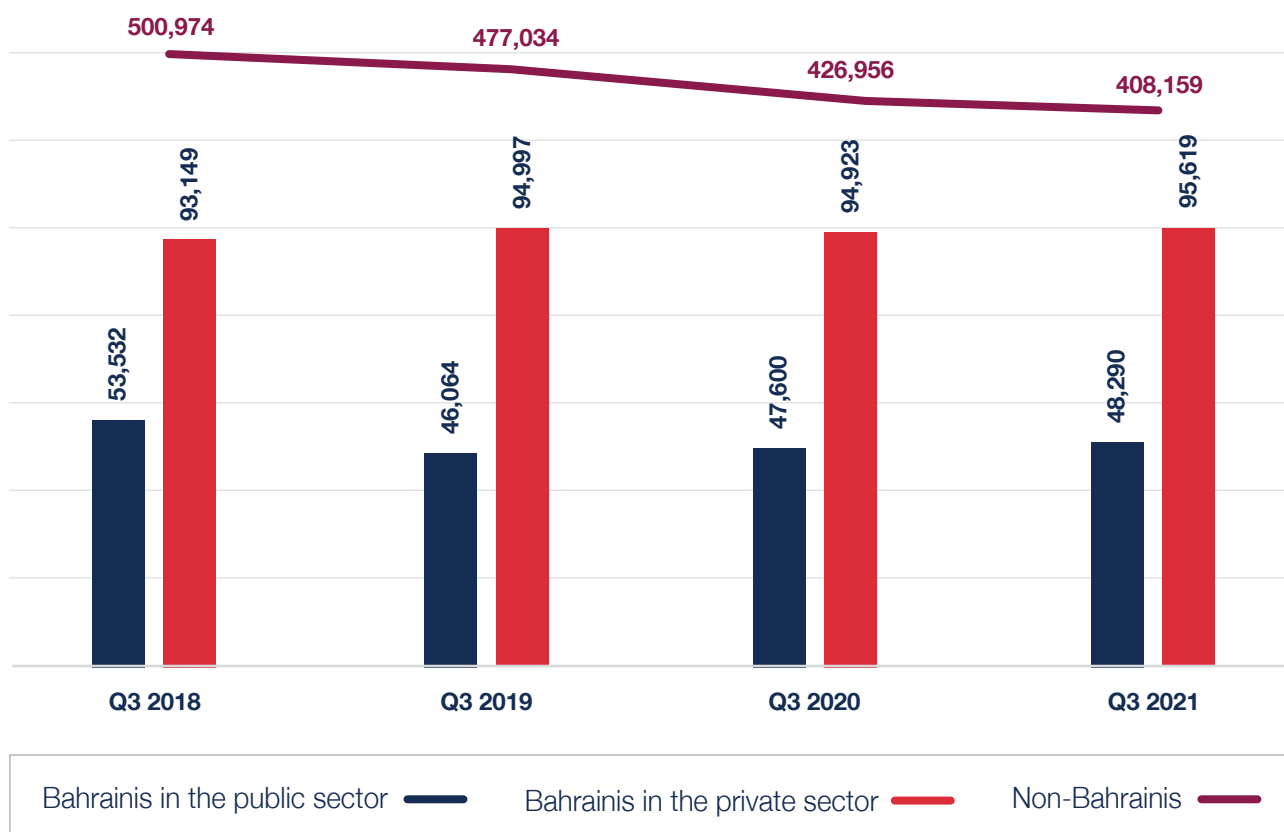


Source: Information and e-Government Authority

## Increase in the number of insured Bahrainis in the private and public sectors in Q3 2021 compared to Q3 2020

The number of Bahrainis in the public and private sectors increased by 1.44% and 0.73% respectively in Q3 2021 compared to Q3 2020. On the other hand, the number of non-Bahrainis decreased by -4.4% in Q3 2021 compared to Q3 2020.

### Number of Insured Employees in the Labor Market in Q3



	Q3 2018	Q3 2019	Q3 2020	Q3 2021	Change from 2020 to 2021	
Bahrainis in the public sector	53,532	46,064	47,600	48,290	1.44%	▲
Bahrainis in the private sector	93,149	94,997	94,923	95,619	0.73%	▲
Non-Bahrainis	500,974	477,034	426,956	408,159	4.4-%	▼

Source: Social Insurance Organization

## Bahrain's credit rating is revised from negative to stable



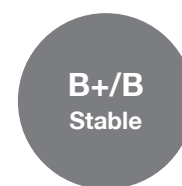
November 2019



November 2020



May 2021



November 2021

### Main Reasons for Revised Expectations:

1. Government measures to reduce budget deficit.
2. Increase in non-oil revenue.
3. Increase in regional economic activity and major projects.

S&P Global Ratings revised its outlook on Bahrain from negative to stable. The stable outlook indicates that S&P expects the government to implement measures to reduce the budget deficit and benefit from support from other GCC countries if needed, in addition to the direct fiscal support already pledged.

S&P expect the government's accumulation of debt to moderate, supported by recently announced measures that provide more clarity with regard to its medium-term fiscal consolidation program. The government has updated and extended its Fiscal Balance Plan, changing the target date for a balanced budget to 2024 from 2022. The government has announced that the value-added tax (VAT) rate will double to 10% starting in 2022, strengthening non-oil revenue. Beginning in 2023, the government aims to further increase non-oil revenue by increasing fees and budget contributions from government-related entities and adding charges to government services.

Additionally, S&P has revised its oil price assumption upwards for 2022, which will help revenue in the near term. Oil is expected to average \$75 a barrel for the remainder of 2021, and \$65 a barrel in 2022. The government's previous plan focused on raising non-oil revenue, but it has become more balanced now and will also involve rationalizing government operating expenditure (opex), reducing manpower expense, rationalizing social subsidies, and cutting capital expenditure (capex) over 2023-2024. S&P expect

net debt to GDP to average 125% and interest to revenue to average 28% over 2021-2024. Even with non-oil revenue-raising measures, the government's dependence on oil receipts (accounting for about 70% of revenue in 2019) will continue over the forecast period to 2024.

Bahrain's economy contracted by an estimated 5.1% in real terms in 2020 as the pandemic and lower oil prices reduced consumption and investment activity. In particular, it was hit by contractions in larger GCC economies, given the close links between the countries through the tourism, transportation, and real estate sectors.

Revenue is expected to average 19% of GDP over 2021-2024, while expenditures are expected to average 24.3 of GDP over the same period.

### Fiscal Indicators (General Government, %)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Balance/GDP</b>	-13.0	-13.5	-10.0	-6.3	-4.7	-12.9	-7.2	-5.7	-4.3	-3.8
<b>Net Debt/GDP</b>	42.1	58.1	65.6	75.2	83.0	115.7	119.8	124.1	126.9	128.5
<b>Revenue/GDP</b>	17.5	15.7	16.5	19.6	20.1	16.0	19.2	19.7	18.9	18.5
<b>Expenditures/GDP</b>	30.5	29.1	26.5	25.9	24.8	28.9	26.3	25.4	23.2	22.3

Source: S&P Ratings

## 18% decrease in worker's remittances in Q1-3 2021 compared to same period in 2019

### Worker's Remittances (million BHD)

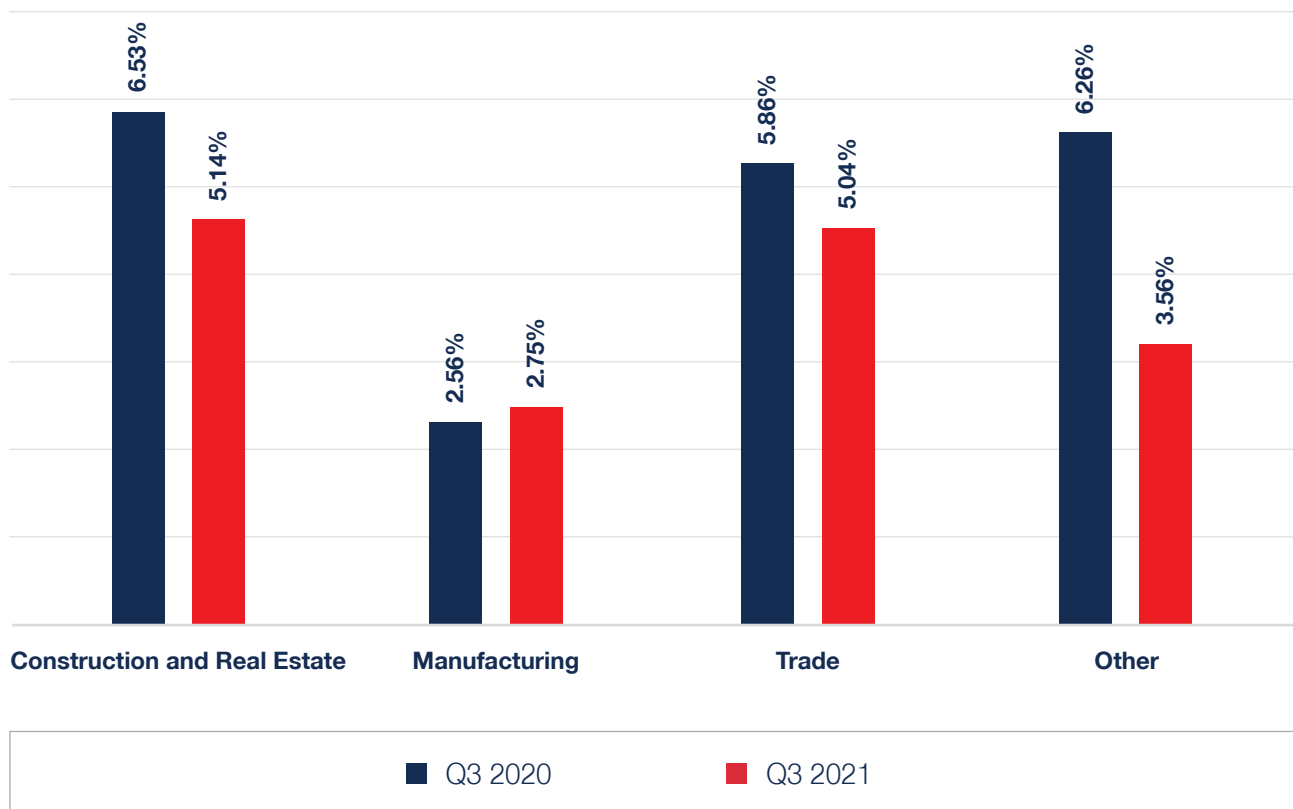


Worker's remittances decreased by 18% from 859.1 million BHD in the first 3 quarters of 2019 to 706.8 million BHD in the first 3 quarters of 2021. As a result of the pandemic, new migration slowed and return migration increased and this has caused a decline in remittances.

Workers' remittances are defined as a transfer made by migrant workers and residents in a country, to their relatives in their country of origin.

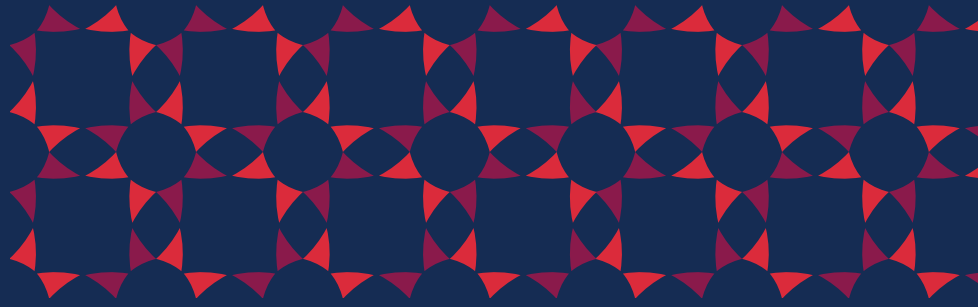
Source: Central Bank of Bahrain

## Decrease in interest rates on business loans in most sectors in Q3 2021 compared to the same period in 2020



Interest rates on business loans decreased in general during Q3 2021 compared to Q3 2020. The interest rate in the construction and real estate sector decreased from 6.53% in Q3 2020 to 5.14% in Q3 2021. It also decreased in the trade sector, from 5.86% in Q3 2020 to 5.04% in Q3 2021. On the other hand, the interest rate rose slightly in the manufacturing sector from 2.56% in Q3 2020 to 2.75% in Q3 2021.

Source: Central Bank of Bahrain






# 6

## Bahrain's Performance in Global Indices

## Bahrain ranks 1<sup>st</sup> among GCC countries in the Economic Freedom Index

Bahrain ranks ahead of all other GCC countries in the 2021 Economic Freedom Index published by Fraser Institute. The EFW index is designed to measure the degree to which the institutions and policies of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to enter markets and compete, and security of the person and privately owned property. The report ranks countries based on five areas - size of government, legal structure and property rights, access to sound money, freedom to trade internationally, and regulation of credit, labor and business.

### Economic Freedom Index 2021\*

GCC Rank	World Rank	Country	Rating	Size of Government	Legal Systems and Property Rights	Sound Money	Freedom to Trade Internationally	Regulation
1	65	Bahrain 	7.33	6.73	4.73	9.24	8.25	7.71
2	68	UAE 	7.28	5.41	5.94	9.06	8.48	7.51
3	80	Qatar 	7.09	5.94	5.37	8.34	8.36	7.47
4	91	Saudi Arabia 	6.85	4.70	6.14	8.75	7.39	7.29
5	98	Kuwait 	6.72	5.96	4.94	8.01	7.29	7.38
6	102	Oman 	6.69	5.11	5.24	8.23	7.61	7.28

\* 2019 figures

\* The total number of jurisdictions in the index is 165.

Source: Fraser Institute

Bahrain got a particularly high score of 9.24 in the Sound Money sub index, which assesses the impact of inflation in a certain country since high and volatile inflation makes it difficult for individuals to plan for the future and to use economic freedom effectively. Bahrain also got a high score of 8.25 in the Freedom to Trade Internationally sub index. Bahrain is followed closely by the United Arab Emirates, which is in the 68th position worldwide, with a score of 7.28. Hong Kong is in the top position globally in the index, followed by Singapore, New Zealand, Switzerland, Georgia, and the United States. Bahrain's ranking improved in the Economic freedom index, from 69th worldwide in 2015 to 65th worldwide in 2019.

## Bahrain's Ranking in the Economic Freedom Index

	1980	1990	2000	2005	2010	2015	2019
Rating	6.68	6.44	7.12	6.77	7.12	7.18	7.33
Rank	20	33	40	74	63	69	65

Source: Fraser Institute

# Bahrain tops Arab world with lowest risk of money laundering in 2021

Bahrain has been ranked the least risky country in the Arab region for the second year in a row in the Basel AML Index.

The Basel AML Index is an independent annual index that assesses the risk of money laundering and terrorist financing (ML/TF) around the world, focusing on five domains:



1. Quality of AML/CFT Framework



2. Bribery and Corruption



3. Financial Transparency and Standards



4. Public Transparency and Accountability



5. Legal and Political Risks

The fight against money laundering ('AML') and combating the financing of terrorism ('CFT') is viewed as a key priority by the Central Bank of Bahrain in order to preserve Bahrain's strong reputation as a well-regulated financial center.

Source: Basel AML Index

## Bahrain ranks 3<sup>rd</sup> among Arab countries and 56<sup>th</sup> globally in the Legatum Prosperity Index

Bahrain is in the 56th rank among 167 nations and is 3rd in the Arab world following the UAE and Qatar.

The Kingdom has performed particularly well in the social capital, infrastructure & and market access, and investment environment indicators. According to the index, Bahrain's most significant improvement is in health, compared to a decade ago.

The Legatum Prosperity Index is an annual index developed by the Legatum Institute, and it is based on a variety of factors including wealth, economic growth, quality of life, health, education, and personal well-being.

The indicator analyses the performance of 167 nations, based on 12 pillars which are grouped into three domains essential to prosperity: inclusive societies, open economies, and empowered people.

### The Legatum Prosperity Index 2021

World Rank	GCC Rank	Economy	Score
41	1	UAE	67.31
46	2	Qatar	66.33
<b>56</b>	<b>3</b>	<b>Bahrain</b>	<b>61.31</b>
58	4	Kuwait	61.15
67	5	Oman	59.91
75	6	Saudi Arabia	58.59

Source: The Legatum Prosperity Index 2021

## Bahrain's Global Rank by Category (out of 167)

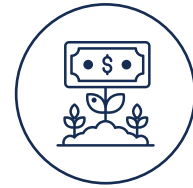
Bahrain ranking in the Legatum Prosperity Index is due to the following:



**100<sup>th</sup>**  
Safety & Security



**158<sup>th</sup>**  
Personal Freedom



**36<sup>th</sup>**  
Investment Environment



**17<sup>th</sup>**  
Social Capital



**110<sup>th</sup>**  
Governance



**37<sup>th</sup>**  
Enterprise Conditions



**35<sup>th</sup>**  
Infrastructure & Market  
Access



**72<sup>nd</sup>**  
Economic Quality



**40<sup>th</sup>**  
Living Conditions



**54<sup>th</sup>**  
Health



**61<sup>st</sup>**  
Education



**140<sup>th</sup>**  
Natural Environment

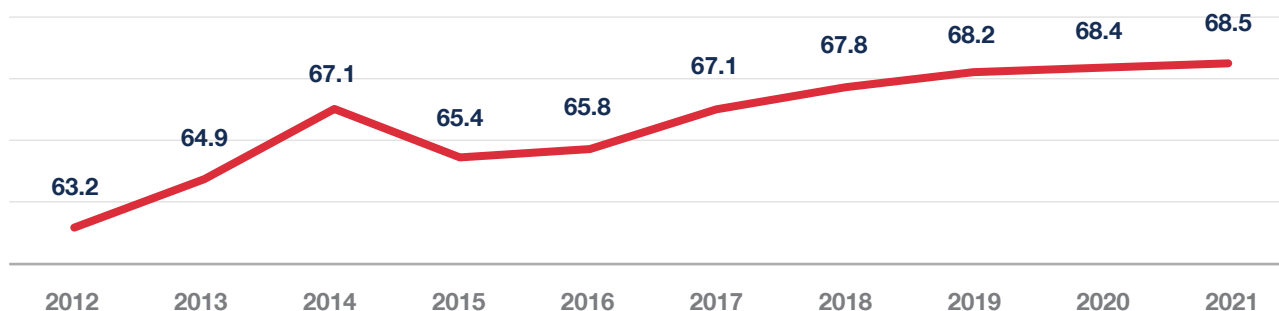
# Improvement in Bahrain's performance in the Global Food Security Index 2021

Bahrain ranked 5th in the Arab world and 43rd globally in the Global Food Security Index (GFSI) with 68.5 points.

The index measures food security in various countries based on several factors, including the ability of the population to bear the costs of food, food availability and quality, and the availability of natural resources.

It is also worth mentioning that the Kingdom's performance in index has improved from 6th place among GCC countries last year, to 5th place in 2021 after Qatar, Kuwait, the UAE and Oman.

## Bahrain's Performance in the Global Food Security Index (2012-2021)



Country	Global Rank 2020	Global Rank 2021	Overall Score (Out of 100)	Food Affordability	Food Availability	Food Quality and Safety	Natural Resources and Resilience
Qatar	37	24	73.6	83.8	74.4	83.5	43.4
Kuwait	33	30	72.2	80.1	72.3	86.4	43.0
UAE	44	35	71.0	75.9	71.3	88.8	43.6
Oman	34	40	70.0	88.8	57.3	83.8	45.2
<b>Bahrain</b>	<b>49</b>	<b>43</b>	<b>68.5</b>	<b>79.2</b>	<b>67.5</b>	<b>79.9</b>	<b>39.1</b>
KSA	38	44	68.1	75.0	67.8	79.8	44.3

### About the Global Food Security Index (GFSI)

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





## Contact Us

Phone: 17380000

Email: [research@bahrainchamber.bh](mailto:research@bahrainchamber.bh)

Address: Building 519 Road 1010

Block: 410

P.O.Box: 248

Manama – Kingdom of Bahrain

## Studies and Initiatives Centre

**Alaa Hassan Mansoor**

Head of Studies and Initiatives Centre

17380098

[alaa@bahrainchamber.bh](mailto:alaa@bahrainchamber.bh)

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**Feda Ebrahim Ahmed**

Senior Researcher

17380059

[feda@bahrainchamber.bh](mailto:feda@bahrainchamber.bh)

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**Rawan Basem Ashoor**

Senior Researcher

17380020

[rawan@bahrainchamber.bh](mailto:rawan@bahrainchamber.bh)

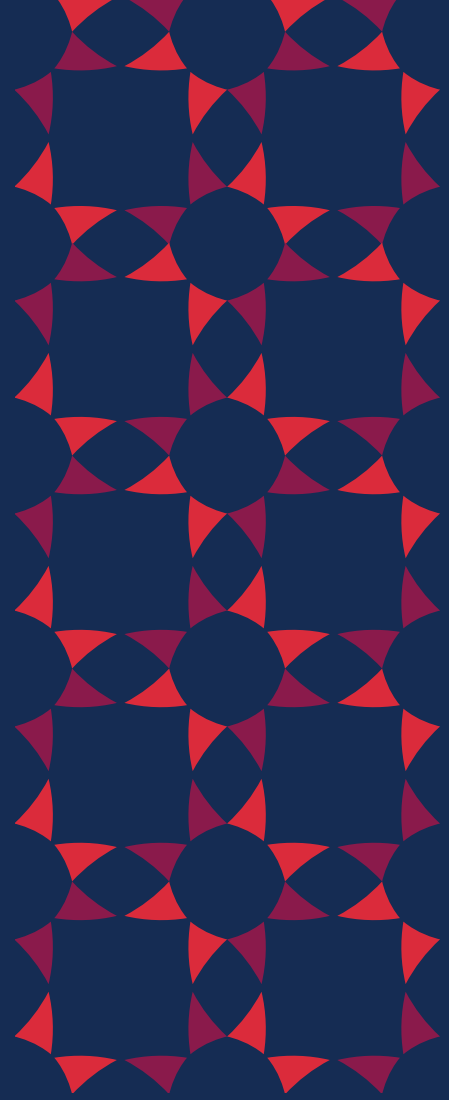
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**Eman Husain Ali**

Researcher

17380031

[eman.ali@bahrainchamber.bh](mailto:eman.ali@bahrainchamber.bh)



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

It has kept abreast of the fast-paced economic and social developments, and consolidated its efforts to stimulate the growth and expansion of the private sector and empower its role in the economic development of the country alongside the public sector.

The confidence bestowed upon the chamber by the wise leadership reinforced its influence on economic decisions and streamlined its endeavor to create an attractive ecosystem that fosters the flourish of businesses. In addition, the growing base of its members contributed to reinstating its standing as the sole representative of the private sector and an advocate of its interest.