

TRADE IN FOCUS



BAHRAIN AND ITALY BILATERAL TRADE ACTIVITY

NOVEMBER 2025



Introduction

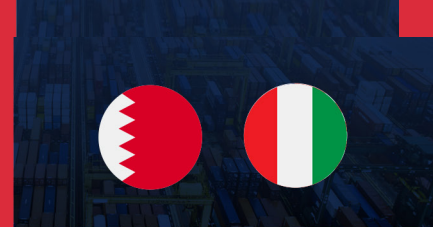
The Bahrain-Italy relationship is built on a solid economic foundation dating back to the 1970s, when Italian technology and machinery played a pivotal role in supporting Bahrain's industrial development and modernization. This economic partnership is part of a broader historical friendship between the Kingdom of Bahrain and the friendly Italian Republic, based on strong mutual respect, appreciation, and constructive cooperation. A significant milestone was the opening of the Italian Embassy in Manama in 2002, which helped strengthen coordination between the two sides and broaden the horizons of bilateral cooperation.

Today, Italy stands as Bahrain's leading trading partner within the European Union, with the trade volume between the two countries reaching approximately \$791 million in 2024—an impressive 20% increase since 2023. These figures reflect the depth and stability of their economic ties, alongside the flexibility of their commercial relations.

In terms of investment, 2016 marked the first investment by Bahrain's sovereign wealth fund, Mumtalakat, in Italy's social and healthcare sectors, demonstrating Bahrain's openness to cross-border partnerships. Meanwhile, Italian companies have shown growing interest in Bahrain's infrastructure and construction projects, as well as in the oil refining and petrochemical sectors where Italian technical expertise remains prominent.

In recent years, cooperation has expanded to include promising new sectors such as logistics, tourism, and services, supported by Bahrain's investor-friendly policies, including the allowance of 100% foreign ownership of companies and real estate (with some sectoral exceptions).

Sources: Ministry of Foreign Affairs Bahrain, Information and e-Government Authority, Italy Embassy in Manama (ambmanama.esteri.it)



Economic Comparison between Bahrain and Italy

	Italy	Bahrain
General Information		
Population	59 million	1.58 million
Area (square km)	295,720.0	786.8
Currency exchange Rate (1 USD)	0.88	0.38 BHD
GDP and Prices (Annual change ratio / USD)		
Real GDP Growth (2025)	0.44% f	2.75% f
GDP Per Capita (2025)	\$41,091 f	\$28,857 f
Government (Contribution as a proportion of GDP)		
Government Spending (2025)	51% f	30% f
Government Gross Debt (2025)	137% f	141% f
Trade		
Major Export Partners (2024)	Germany, USA, France	KSA, USA, UAE
Major Import Partners (2024)	Germany, China, France	China, Australia, Brazil
Other Economic Indicators		
Inflation (2024)	1.1%	%0.9
International Rankings		
S&P Credit Rating (2025)	BBB+	B+
Economic Freedom Index (2025)	81 st	55 th
Human Development Index (2023-2024)	30 th	34 th

Note: f = forecasted data

Source: Heritage, S&P Ratings, IMF, UNDP Human Development Reports, MOFNE Annual report 2024, World Bank, bahrain.bh, WITS.



Bahrain Economy

With particular strengths in the financial services, technology innovation, manufacturing and logistics sectors, Bahrain's economy is the most diversified in the GCC region. Bahrain's economy is also one of the most open economies in the Middle East and North Africa (MENA) region. The Kingdom is well positioned to provide traders and investors with access to regional and international markets due to the free trade agreements in place, excellent infrastructure, and strong financial institutions.

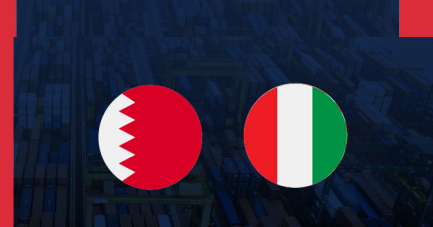


Bahrain's Economic Vision 2030, which is based on the principles of sustainability, competitiveness, and fairness, aims to improve living standards, enhance the economy's competitiveness, and create job opportunities for citizens. Consequently, Bahrain views foreign direct investment as key to its long-term plan and is committed to build the Middle East's most attractive center for business through enhancing the country's existing advantages.

The Government's national economic growth and fiscal balance plan includes several initiatives aimed at developing the economy and creating quality opportunities for citizens. It is based on 5 pillars as follows:

- Create promising job opportunities and make the Bahraini citizen the first choice in the labor market. The program aims to create 20,000 Bahraini jobs and train 10,000 Bahrainis annually until 2024.
- Facilitate business procedures and increase their efficiency to attract investments worth more than \$2.5 billion by 2023.
- Launch strategic projects worth more than \$30 billion.
- Develop promising sectors and grow the non-oil sector by 5% in 2022.
- Enhance financial sustainability and economic stability by achieving fiscal balance by 2024.

Source: Ministry of Finance and National Economy, Bahrain EDB



Bahrain GDP

Bahrain's economy is expected to grow by 2.99% in 2026, according to the IMF's forecasts.

Main Indicators	2022	2023	2024f	2025f	2026f
GDP (Current prices, billions USD)	46	46	47	48	50
GDP (Constant prices, Annual % Change)	6.18	3.88	2.78	2.75	2.99
GDP per Capita Current Prices, USD)	30,388	29,290	29,036	28,857	29,206

Note: f = forecasted data

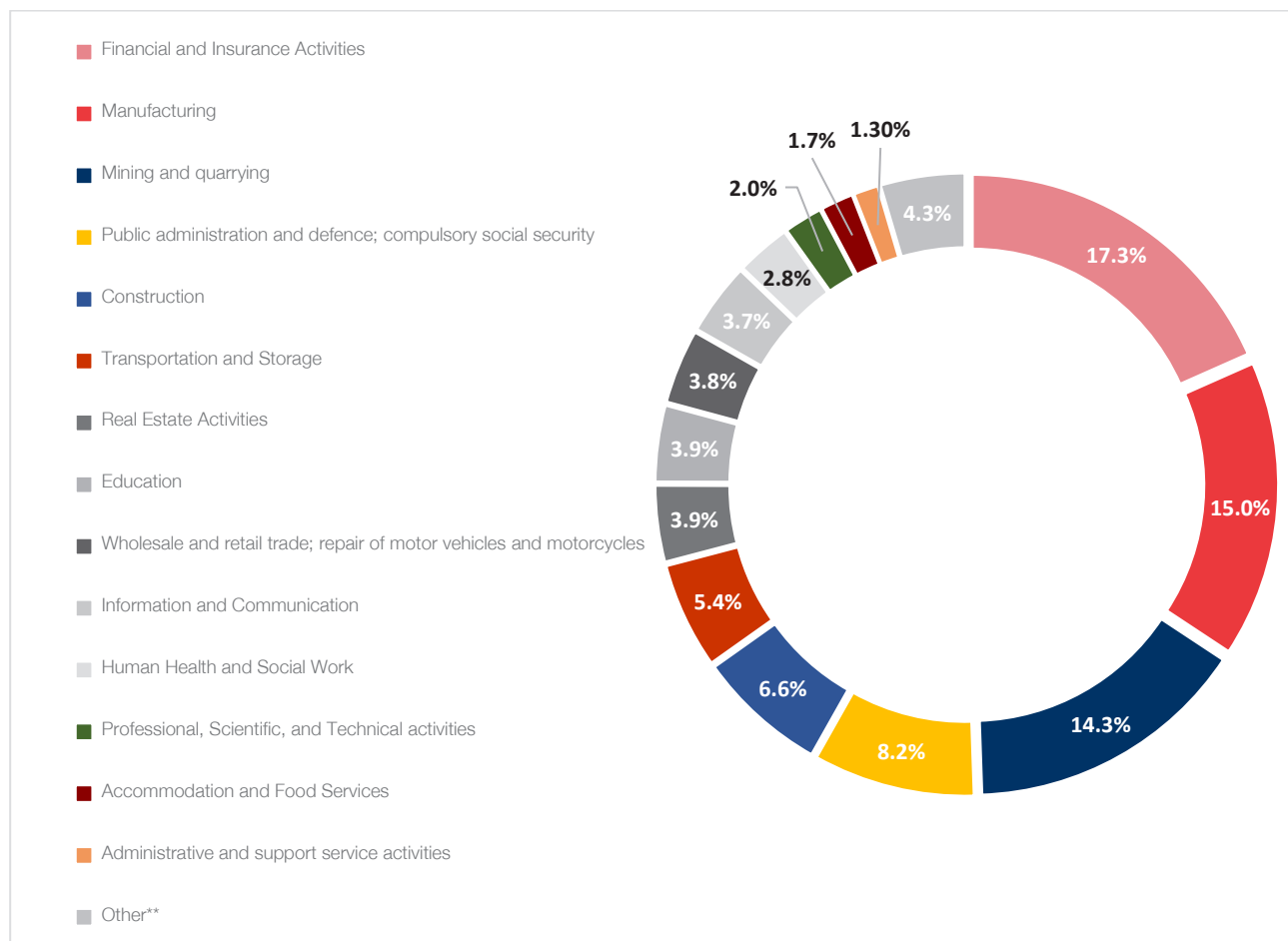
Source: IMF – World Economic Outlook Database, April 2025



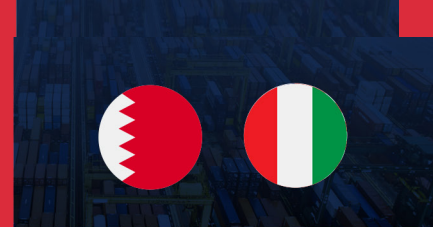
Bahrain GDP by Sector

The Financial and Insurance Activities was the highest contributor to GDP in Q4 2024 at 17.3% followed by Manufacturing at 15%, and the Mining and Quarrying at 14.3%.

Real GDP Contribution by Sector Q4 2024



Source: Information and e-Government Authority



Bahrain FDI






The Finance and Insurance sector acquired the highest share of FDI stocks in Q1 2025, amounting to BHD 10950 million and constituting 64% of total inward FDI stocks. Inward FDI stocks in the Manufacturing sector amounted to about BHD 2290 million, constituting 13% of total inward FDI stocks. In addition, 5% of the total inflow value was injected into the Professional, Scientific and Technical Activities sector, amounting to BHD 905 million.

Sector	Inward Foreign Direct	
	Investments Stocks in Q1 2025 (Million BHD)	Share of Sectors (%)
Financial and Insurance Activities	10950.12	64%
Manufacturing	2290.02	13%
Professional, Scientific and Technical Activities	905.29	5%
Electricity, Gas Steam and Air Conditioning Supply	722.56	4%
Others	2200.19	13%
Total	17068.18	64%

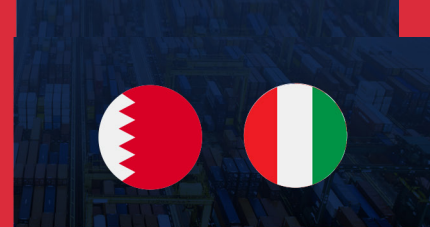
Source: Information and e-Government Authority Bahrain



Foreign Investment Advantages in Bahrain

-  • 100% foreign ownership in several economic activities, without the need for a local partner.
-  • Access to the Gulf markets, which are worth nearly \$2 trillion and include 54 million consumers.
-  • Talented workforce with exceptional skills and a very high level of professionalism.
-  • Annual cost of operating a manufacturing business in Bahrain is 20-56% lower than that of its select GCC peers.
-  • Among the top ten attractive destinations for expatriate workers in the world.

Source: Bahrain EDB



Italy Economy

Italy has achieved an economic freedom score of 60.9 in the 2025 Index of Economic Freedom, placing it 81st globally. This marks an improvement of 0.8 points compared to the previous year. Within the European region, Italy ranks 39th out of 44 countries. While its score surpasses the global average, it remains below the regional average. According to the 2025 Index, Italy's economy is classified as “moderately free.”



Italy's economy is expected to grow by 0.84% in 2026, according to the IMF's forecasts. However, in 2023, agriculture accounted for approximately 1.86% of the GDP, industry contributed about 22.94%, while the service sector made up the largest share at 64.96%.

The Foreign Direct Investment inflows in Italy amounted to 18 million USD during 2023, a decrease of 43% compared to 2022, which was about 32 million USD.

Italy offers several advantages for foreign investors, including its position as one of the world's largest economies and a strategic hub linking Europe, Africa, and the Middle East. It boasts strong sectors like machinery, fashion, and food, backed by the globally recognized "Made in Italy" brand. The country excels in research and innovation and provides attractive tax incentives to enhance business competitiveness.

Source: Heritage - World investment report 2024 – United Nations - Statista



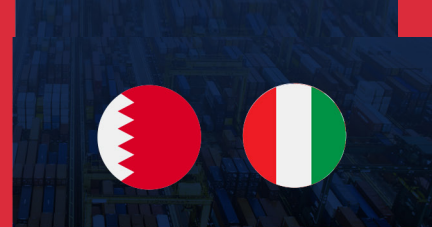
Italy GDP

Italy's economy is expected to grow by 0.84% in 2026, according to the IMF's forecasts.

Main Indicators	2022	2023	2024	2025f	2026f
GDP (Current prices, billions USD)	2,106	2,305	2,372	2,423	2,505
GDP (Constant prices, Annual % Change)	4.82	0.72	0.73	0.44	0.84
GDP per Capita Current Prices, USD)	35,672	39,074	40,224	41,091	42,512

Note: f = forecasted data

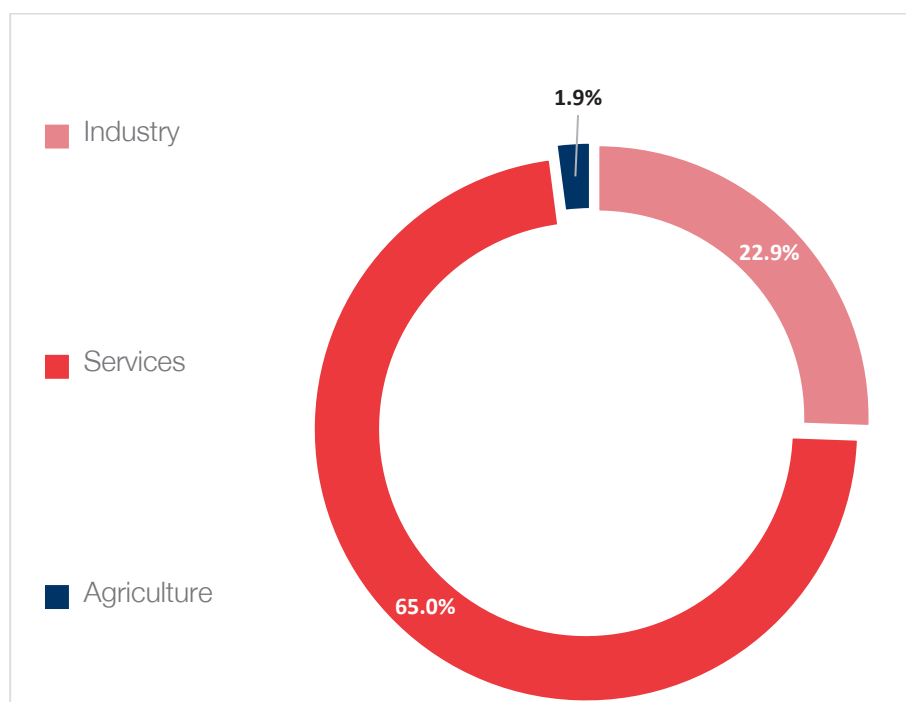
Source: IMF – World Economic Outlook Database, April 2025



Italy GDP by Sector

The Services Sector was the highest contributor to GDP in 2023 at 65% followed by the Industry Sector at 23%, and the Agriculture Sector at 2%.

Real GDP Contribution by Sector in 2023



Source: Statista

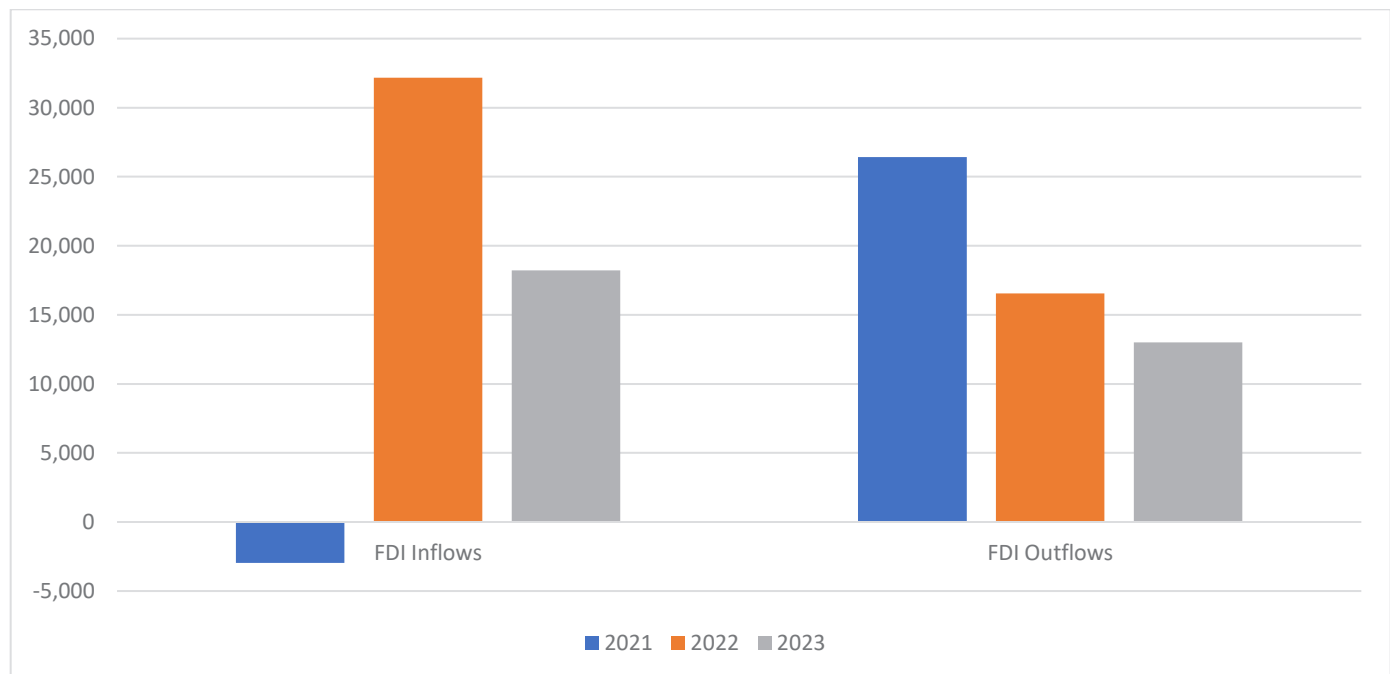


Italy FDI

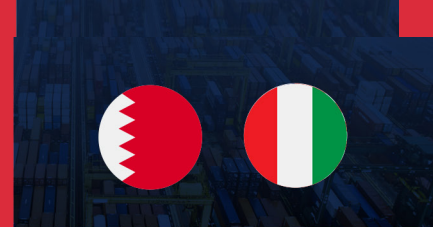
The Foreign Direct Investment inflows in Italy amounted to 18 million USD during 2023, a decrease of 43% compared to 2022, which was about 32 million USD.

The Foreign Direct Investment outflows in Italy amounted to 13 million USD during 2023, a decrease of 21% compared to 2022, which was about 17 million USD.

	2018	2019	2020	2021	2022	2023
FDI Inflows (Million USD)	37,682	22,720	-18,576	-2,952	32,177	18,219
FDI Outflows (Million USD)	31,542	24,362	2,929	26,415	16,543	13,014



Source: World investment report 2024 – United Nations



Foreign Investment Advantages in Italy

- ❖ **One of the world's top economies and markets:** Italy is the 3rd largest economy in the Eurozone and the 8th largest in the world.
- ❖ **A strategic logistics hub connecting global markets:** Italy is a key gateway to the European Single Market and its 500 million consumers but is also close to Northern Africa and the Middle East and their further 270 million potential customers; at the same time, it represents an ideal bridge between Southern Europe and Central and Eastern EU countries.
- ❖ **A highly competitive machinery sector and a strong 'Made in Italy' brand:** To invest in Italy means having access to its unique export know-how in sectors such as machinery and automation, fashion, design, and food. Companies investing in Italy can also rely on extensive networks of SMEs and industrial clusters able to supply intermediate high quality products along global value chains.
- ❖ **5. Excellence in R&D and innovation:** Research and innovation are widely integrated into industrial processes, with renowned excellence in different fields of life sciences (i.e. neurosciences), physics and engineering (e.g. robotics), social sciences, and humanities (e.g. hi-tech archaeology).
- ❖ **A strong set of policies and incentives to improve competitiveness:** Robust tax credit schemes help companies improve their competitiveness: a 50% tax credit for private investments in R&D (including highly qualified personnel), a 40% deduction for investment in capital goods, which is raised to 150% for investments in digitalization and Industry 4.0 solutions.

Source: Ministry of Enterprises and Made in Italy

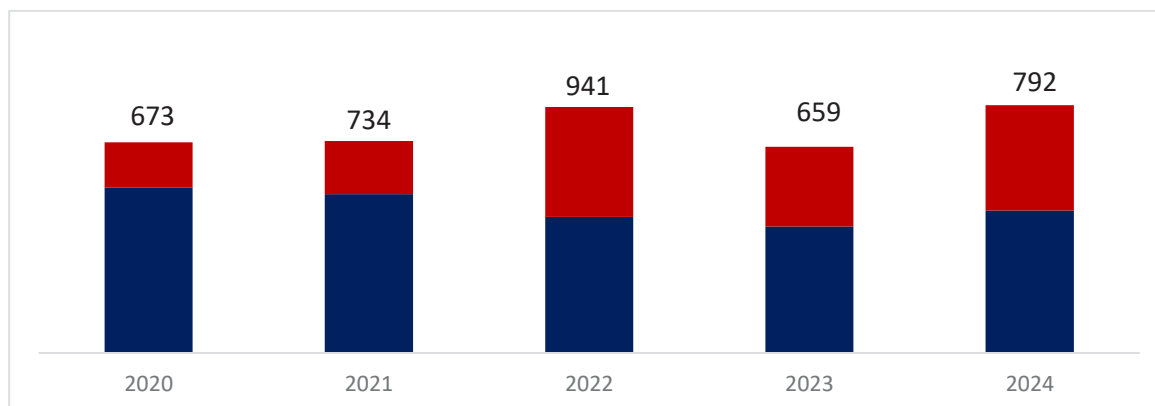


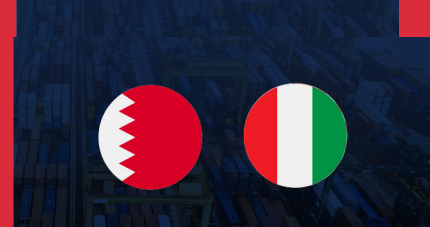
Bahrain- Italy Total Trade Performance

Volume trade between Bahrain and Italy increased by 32% between 2019 and 2023.

Italy is one of Bahrain's top trade partners, the volume of trade between Bahrain and Italy increased by 9% from \$673 million in 2020 to \$734 million in 2021. However, it continued to increase as it increased by 28% from 2021 to 2022. Despite the slight decrease in 2023, the trade increased by 20% in 2024. Over the past 5 years, imports from Italy to Bahrain have decreased by 14%, from \$529 million in 2020 to \$455 million in 2024. On the other hand, exports from Bahrain to Italy have increased by 133% during the same period. In 2024, Italy was Bahrain's 9th export partner and 11th top import partner.

Bahrain- Italy Bilateral Trade (million USD)





Bahrain- Italy Bilateral Trade

Year	Imports	Exports	Balance of Trade	Volume of Trade	VOT Annual Change Percentage
2020	528,656,797	144,422,555	-384,234,242	673,079,352	-
2021	507,756,075	226,082,865	-281,673,211	733,838,940	9%
2022	435,035,573	505,827,921	70,792,348	940,863,494	28%
2023	404,584,465	254,732,902	-149,851,562	659,317,367	-30%
2024	455,298,590	336,347,882	-118,950,708	791,646,473	20%

Source: Information and e-Government Authority Bahrain

Ranking of Italy's Trade Level with Bahrain

Year	Imports	Exports
2020	11 st	12 nd
2021	9 th	14 th
2022	11 st	7 th
2023	10 th	11 st
2024	11 st	9 th

Source: Information and e-Government Authority Bahrain



Major Products Traded

Bahrain Imports from Italy

9 of Bahrain's top 10 imports from Italy witnessed y-o-y growth.

In 2024, Bahrain's top imported product from Italy was Fluorides Aluminum, valued at \$31 million. The import value of this product decreased by 30% compared to the previous year and constituted 7% of total imports. The second most prominent imported product was Handbags with Outer Surface of Leather, which accounted for around 4% of total imports. The third major import was Private Cars, Current, Spark Ignition, over 3000CC, which valued at \$16.6 million and grew by 24% compared to the previous year.

Bahrain Major Imported Commodities from Italy 2024				
	Commodity	Value (USD)	Share	y-o-y growth
1	Fluorides Aluminum	30,684,891	7%	-30%
2	Handbags with Outer Surface of Leather	17,763,749	4%	92%
3	Private Cars, Current, Spark Ignition, over 3000CC,	16,602,963	4%	24%
4	Jewellery of Gold	14,146,420	3%	6%
5	Medical Solutions put up in Measured Doses or in Forms Packing for Retail Sale	11,201,503	2%	412%
6	Other Medicaments put in Forms or Packings for Retail Sale	11,132,577	2%	17 %
7	PRODUCER GAS OR WATER GAS GENERATORS; OTHER GENERATORS	10,941,073	2%	53303%
8	Jeeps, Current Year, Spark Ignition, over 3000CC	10,848,706	2%	100%
9	Other Casing, Tubing and Drill Pipe of a Kind Used in Drilling for Oil or Gas	8,738,749	2%	865%
10	Leather Footwear not Covering the Ankle, Female	7,077,333	2%	76%



Bahrain Exports to Italy

7 of Bahrain's top 10 exports to Italy witnessed y-o-y growth, while 3 contracted.

Bahrain exported \$145 million worth of Unwrought Aluminium, Not Alloyed to Italy in 2024, making it the top exported commodity. This product accounted for 43% of total exports in 2024. The second major product exported was Unwrought Aluminium Alloys, accounting for 43% of the total annual exports and witnessing an increase of 41% compared to 2023. Taking into consideration that the Aluminium Wire Not Alloyed Over 7 MM Tick was increased by 3662% compared to 2023.

Bahrain Major Exported Commodities to Italy 2024				
Commodity		Value (USD)	Share	y-o-y growth
1	Unwrought Aluminium, Not Alloyed	145,120,223	43%	60%
2	Unwrought Aluminium Alloys	144,486,122	43%	41%
3	Polyethylene Terephthalate Sheets, Film, ETC.	16,123,012	5%	44%
4	Aluminium Wire Not Alloyed Over 7 MM Tick	7,030,079	2%	3662%
5	Other Safety Headgear	4,374,683	1%	30%
6	Flattened Aluminium Alloys Coils and Strips of a Thickness of 0.2 mm or more but not Exceeding 0.4 mm	4,048,311	1%	-13%
7	Aluminium Alloys Flattened or Grained Coils and Strips of a Thickness Exceeding 0.4 mm but not Exceeding 8 mm	3,309,412	1%	-7%
8	Other Silvers of Glass Fibers	1,293,083	0.4%	-31%
9	Knitted T-Shirts and Other Vests of Cotton	1,027,085	0.3%	1983%
10	Head-Bands, Linings, Covers, Hat Frames, ETC.	878,483	0.3%	110%

Source: Information and e-Government Authority Bahrain



Potential Opportunities for Trade

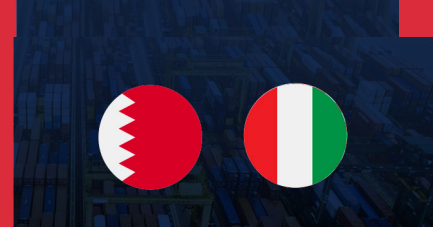
The following tables provide an overview of the top 10 commodities with untapped potential for trade between Bahrain and Italy, according to the International Trade Center’s Export Potential Map which collaborates with Export Bahrain. The ICT trade potential tool calculates the potential trade gap as “supply x demand (corrected for market access) x bilateral ease of trade. Supply and demand are projected into the future based on GDP and population forecasts, demand elasticities, and forward-looking tariffs”.

Bahrain’s Untapped Export Potential to Italy

Bahrain’s top export potential to Italy is in Reduced iron ore, Wire of aluminium, >7mm, and Iron ores & concentrates, agglomerated.

	Commodity	Untapped Export Potential
1	Reduced iron ore	\$42 mn
2	Wire of aluminium, >7mm	\$33 mn
3	Iron ores & concentrates, agglomerated	\$26 mn
4	Aluminium alloys, unwrought	\$14 mn
5	Semi-finished iron/steel, <0.25% carbon, width <2x thickness	\$7.5 mn
6	Wire of aluminium alloys, >7mm	\$6.6 mn
7	Jewellery of precious metal, n.e.s.	\$6.2 mn
8	Urea	\$5.9 mn
9	Gold, unwrought, for non-monetary purposes	\$3.9 mn
10	Tubes & pipes of refined copper	\$3.7 mn

The top product with untapped export potential from Bahrain to Italy is Reduced iron ore, with an export gap of \$42 million. This is followed by Wire of aluminium, >7mm with an export gap of \$33 million. The third major commodity with untapped export potential is Iron ores & concentrates,



agglomerated, with an untapped export potential of \$26 million. Other potential exports from Bahrain to Italy include Compound Aluminium alloys, unwrought.

Bahrain’s Untapped Import Potential from Italy

Bahrain’s top import potential from Italy is in Medicaments for retail sale, Cheese, and Parts of gas turbines.

	Commodity	Untapped Import Potential
1	Medicaments for retail sale, n.e.s.	\$19 mn
2	Cheese, n.e.s.	\$7.80 mn
3	Parts of gas turbines, n.e.s.	\$6.10 mn
4	Handbags, of leather	\$5.60 mn
5	Ceramic flags & paving, hearth/wall tiles	\$5.40 mn
6	Bread & pastry	\$4.90 mn
7	Medicaments containing hormones/steroids, for retail sale	\$4.70 mn
8	Fresh cheese	\$3.60 mn
9	Motor vehicles for the transport of goods	\$3.50 mn
10	Footwear, leather soles & uppers, n.e.s.	\$3.20 mn

Source: International Trade Center

The top product with untapped import potential from Italy to Bahrain is Medicaments for retail sale, n.e.s. with an import gap of \$19 million. The second major product is Cheese, n.e.s. with an untapped import potential of \$7.8 million. The third major product with untapped import potential is Parts of gas turbines, n.e.s., with an import gap of \$6.1 million. Other potential imports from Italy to Bahrain include Handbags, of leather.



Promising Sectors for Investment in Italy

Chemical Industry

As Europe's third-largest chemical producer, Italy presents a compelling opportunity for foreign investors seeking a well-established and export-driven market. The country is home to over 2,800 chemical companies, supporting more than 320,000 direct and indirect jobs, and generating a €67 billion production value, including €39 billion in exports.

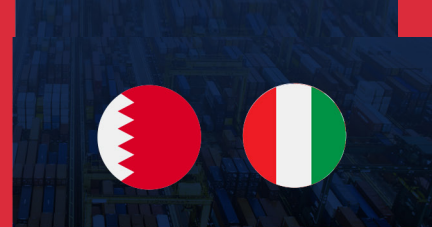
Foreign firms play a significant role—38% of the sector's total production comes from international companies, nearly half of which have been active in Italy for over 25 years, reflecting long-term confidence in the market.

Italy is a European leader in downstream chemicals, with fine, specialty, and consumer chemicals making up nearly 60% of production value—well above the EU average of 37%. The country also holds a global leadership position in the production of pharmaceutical active ingredients.

Furthermore, Italy is home to over 1,200 companies conducting in-house R&D, the second-highest number in the EU. The country also boasts a thriving bio-based chemical and plastics industry, valued at €7 billion.

With 10 internationally recognized chemical districts strategically spread across the nation, and a strong integration into European and global supply chains, Italy continues to attract industry giants like BASF, Dow, Ineos, LyondellBasell, Versalis-Novamont, Solvay, and Covestro.

Source: investinitaly.gov



Circular Economy

Italy ranks as the second-largest manufacturing economy in Europe and stands out as a frontrunner in circular economy practices. With a waste recycling rate of 72% (excluding major mineral waste), Italy leads among the five major EU economies, far exceeding the EU27 average of 58%. Its overall recycling rate reaches 83.2%, reflecting a mature and efficient recycling infrastructure.

In packaging waste, Italy has already outperformed EU targets set for 2025 and 2030, recycling 71.5% of such waste in 2021 – equivalent to 10.3 million tons. Furthermore, Italy ranks second in the EU for Circular Material Use Rate at 18.7%, demonstrating a strong commitment to material recovery and reintegration.

Investment opportunities are particularly strong in waste management, industrial transformation, and high-tech circular solutions, making Italy an ideal destination for companies looking to lead in sustainable and resource-efficient industries.

Source: investinitaly.gov

Fashion, Design & Furniture

Italy is a global benchmark for excellence in fashion, design, and furniture, blending artisanal craftsmanship, premium materials, and unmistakable style. The country leads the EU in the Textiles, Wearing Apparel, and Leather Goods sector, with over 50,000 companies generating €96.4 billion – 45% of the EU's total turnover.



As the second-largest global exporter in Textiles, Fashion, and Accessories (TMA) after China, Italy recorded €66.6 billion in exports, with 75% of fashion sector revenue driven by exports. Fashion is also Italy's second-largest contributor to trade surplus.

In furniture, Italy ranks 2nd in Europe by both the number of companies (over 15,000) and turnover (around €24 billion). Italian furniture stands out for its ability to seamlessly combine functionality with aesthetic appeal, making it highly sought after in international markets.

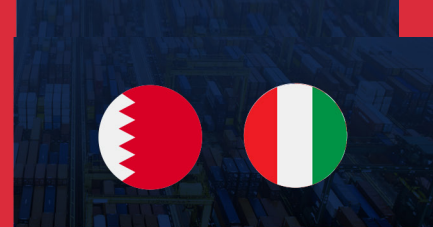
Italy also shines as the top EU country in design turnover, with over 41,000 design companies generating €5 billion (20% of the EU total). Nearly one in five EU design sector employees works in Italy, reinforcing its leadership in functional, elegant, and market-driven design.

Opportunities thrive for investors aligned with the Made in Italy ethos, companies pursuing reshoring or nearshoring strategies, and those committed to building a more sustainable fashion, design, and furniture industry.

Source: investinitaly.gov

Food Industry & Agrifood tech

Italy's agri-food sector is globally recognized for its quality, diversity, and innovation—making it a prime destination for investment. Anchored by a rich food heritage and a strong commitment to safety and sustainability, Italy offers one of the most dynamic agri-food ecosystems in Europe. As a leading EU producer of over 40 high-quality agricultural products, including fruits and vegetables central to the Mediterranean diet, Italy combines traditional excellence with modern capability. It also ranks first in the EU for the number of PDO and PGI-certified agrifood products, totaling 854 registered items as of 2023.



Italy leads in organic agriculture, with 18.7% of its farmland dedicated to organic crops and over 92,000 certified operators—more than any other EU country. With a market value of €3.66 billion, Italy’s organic sector reflects growing consumer demand for health-conscious, traceable food. Backed by one of the EU’s highest levels of household food expenditure, Italy is not just a strong production base but also a top-tier consumer market. Such strengths are supported by a growing network of startups, SMEs, and innovation centers, offering a solid foundation for investment in Agrifood Tech, organic production, and high-value food processing.

Source: investinitaly.gov

Greentech

Italy is at the forefront of the green energy transition in Europe, driven by strong government commitment, strategic positioning, and abundant renewable resources. As the 3rd largest producer of renewable energy in the EU, Italy has already met the EU's 2020 targets and is now focused on reaching the ambitious 2030 and 2050 goals.

Italy boasts one of the most competitive ecosystems for renewable energy technologies, ranking 2nd in Europe for the production of RES (Renewable Energy Sources) technologies. The country accounts for 3% of global RES tech exports, ranks 6th worldwide in export volume, and holds over 1,200 patents in the sector—representing 20% of global green patent filings between 2010 and 2016.

Italy is also the 2nd largest producer of biogas in Europe, with over 2,175 active biogas plants generating 24 TWh as of 2022. It is rapidly expanding its Bio-LNG capabilities, with 6 plants in operation and 40 more expected by 2025.

In green hydrogen, Italy is aiming to become a key European hub, targeting 5 GW of electrolysis capacity by 2030 and 20% hydrogen use in final energy demand by 2050. Its existing gas infrastructure and



strategic Mediterranean location support efficient hydrogen transport from Africa and the Middle East to Europe.

This evolving landscape offers high-potential investment opportunities across renewable energy technologies, next-generation biofuels, and green hydrogen infrastructure.

Source: investinitaly.gov

ICT

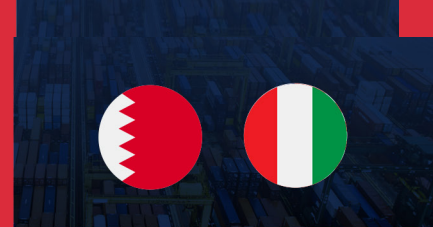
Italy's ICT sector is expanding rapidly, reaching €79 billion in 2023 and projected to exceed €91 billion by 2027. This growth is fueled by increasing demand for digital transformation across industries and reinforced by €51 billion in funding under the National Recovery and Resilience Plan (NRRP), which places digital transition at the core of Italy's development agenda.

Italy leads major European economies in cloud adoption, with 55% of companies using cloud services, and offers nearly full 5G coverage (99.5% of households). Strategic goals include universal 1 Gbit/s connectivity by 2026—well ahead of EU targets for 2030.

The sector benefits from deep technical expertise, with 160,000 ICT graduates and world-class infrastructure. Moreover, Italy is home to the Leonardo supercomputer, making it Europe's leader in computing capacity, and hosts major research centers focused on AI, cybersecurity, quantum computing, and big data.

This dynamic environment creates strong investment potential in software development, digital services, cloud infrastructure, and the creative industries—especially digital entertainment and gaming.

Source: investinitaly.gov



Machinery & Mechatronics

Italy's Mechanical Engineering sector combines industrial tradition, cutting-edge innovation, and a deep talent pool—making it a powerful engine for global manufacturing and automation. Backed by a robust network of 18,000+ companies and a strong culture of precision engineering, Italy offers a high-performing ecosystem for investors across the Machinery & Equipment value chain.

Italy ranks 1st in the EU by number of companies in this sector and is home to industry champions such as Leonardo, Prysmian Group, Fincantieri, Danieli, and IMA. Its reputation for quality and advanced technology continues to support the global recognition of "Made in Italy" machinery.

The country is also the 2nd largest robot market in Europe, with 12,000 new units installed annually—representing 16% of total EU installations—and ranks 6th worldwide.

With over 45,000 annual engineering graduates, Italy boasts one of the largest and most specialised talent pools in Europe, spanning mechanical, aerospace, automotive, and industrial disciplines—further reinforcing the sector's long-term competitiveness.

Source: investinitaly.gov

Automotive

Italy's Automotive sector offers a unique blend of industrial strength, design excellence, and engineering innovation—making it a key player in Europe's shift towards sustainable and smart mobility. Renowned for luxury brands, sports cars, and production quality, Italy provides an ideal landscape for global investors seeking to lead in next-generation transportation technologies.

Italy ranks 2nd in the EU by number of automotive companies, with 2,296 firms active in 2022. These include world-class component producers and advanced system developers generating €71.9 billion in turnover. The country also ranks 3rd in Europe for vehicle assembly, battery, and engine plants (23 sites),

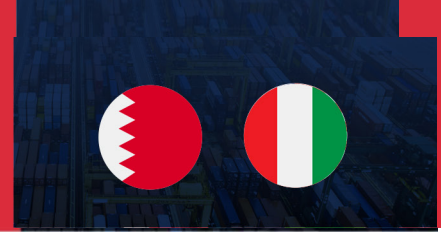


as well as for newly registered motor vehicles—over 1.5 million in 2022, representing 14% of EU registrations.

In addition, Creativity and automotive design are Italian hallmarks. The country is home to globally respected design houses such as Pininfarina, Italdesign, Zagato, GFG Style, and Dallara, supported by top-tier institutions like IED and IAAD. Italy also benefits from a young and highly qualified workforce, with universities offering specialized training in Mechanical, Electronic, Industrial, and Automation Engineering to meet the evolving demands of the automotive industry.

Key opportunities for investors span the entire value chain, from new vehicles and next-generation fuel and propulsion systems to advanced materials, lightweight structures, and innovative architectures. The sector also offers strong potential in mechanical, electrical, electronic, and software components, as well as in the development of smart and sustainable mobility infrastructure.

Source: investinitaly.gov



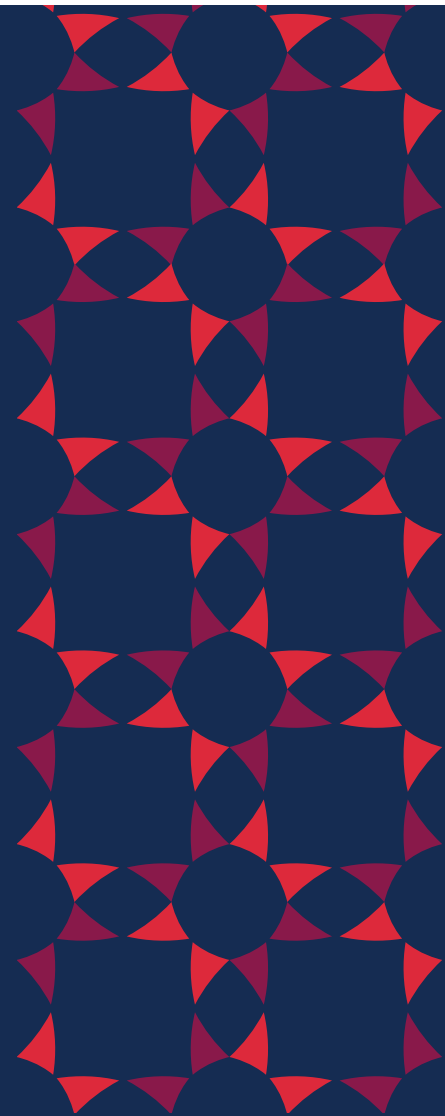
Conclusion

Italy ranks as Bahrain's 11th largest import partner and 9th largest export partner, reflecting the strength of the bilateral relations between the two countries. Trade volume grew by 20% between 2020 and 2024, highlighting a steady deepening of economic ties. Notably, Italy is also Bahrain's top trading partner within the European Union, with trade reaching a total of 791 million. Looking ahead, there is strong potential to further enhance economic relations between Bahrain and Italy through increased investment and collaboration in key promising sectors.



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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.