

Overview of the Local Economy

Q2 - 2025





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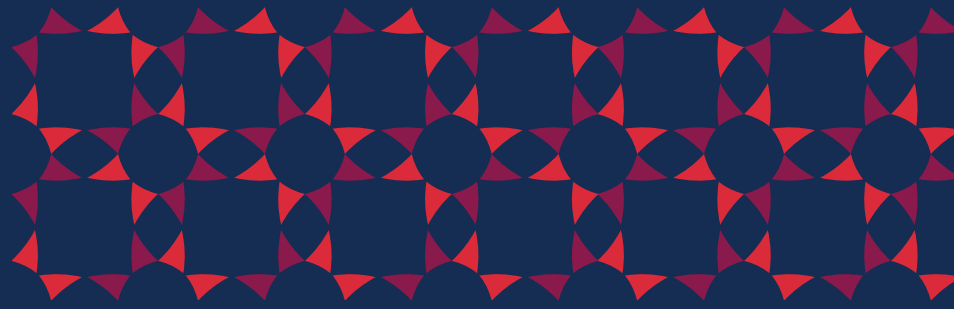
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1

Executive Summary

Introduction

Real GDP grew by 2.5% in Q2 2025 YoY, propelled by 3.5% growth in the non-oil sector. Some of the sectors that witnessed high real growth rates include Professional, Scientific, and Technical at 12%, Wholesale and Retail Trade at 6.7%, and Real Estate at 4.7%. The Financial and Insurance Activities is the highest contributor to real GDP at 17%.

Trade between Bahrain and GCC countries has increased by 15% from 1.83 billion USD in Q2 2024 to 2.11 billion USD in Q2 2025.

Fawri transaction has increased by 16%, while POS transaction has increased by 14% in Q2 2025 compared to the same period in 2024. taking into consideration that Bahrain Ranks 1st Globally in Electricity Output and ICT Access in the 2025 Global Innovation Index.

GDP is expected to increase to 3.9% in 2026 in the Emerging Market and Developing Economies, on the other hand, general government revenue is expected to increase to 37.1% in 2026 in the advanced economies according to the IMF – World Economic Outlook April 2025.

Key Indicators in Q2 2025

GDP Growth (YoY)



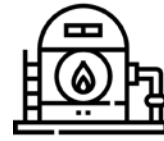
Real GDP Growth

+2.5%



Non-Oil GDP Growth

+3.5%



Oil GDP Growth

-2.6%

Top Growing Non-Oil Activities (YoY)



Professional, Scientific,
and Technical

12%



Wholesale and Retail
Trade

6.7%



Real Estate

4.7%

Trade Exchange

Bahrain's Top Import Partners

Country		Total Value of Imports (USD)
	China	563,660,091
	United Arab Emirates	363,982,743
	Australia	330,670,980
	Brazil	267,342,956
	United States Of America	256,569,459

Bahrain's Top Export Partners

Country		Total Value of Exports (USD)
	Saudi Arabia	716,072,271
	United Arab Emirates	471,076,863
	United States Of America	263,566,041
	Netherlands	120,368,112
	Qatar	109,967,688

Source: Information and eGovernment Authority

Key Indicators in Q2 2025

Local Economic Outlook



POS Transactions

14% YoY



Fawri Transactions

16% YoY

Interest Rates on Business Loans Q2 2025

Sector	%
Construction & Real Estate	8.04%
Manufacturing	6.89%
Trade	6.44%
Other	6.92%

Bahrain's Ranking on Global Indices



Bahrain Ranks 1st Globally in Electricity Output and ICT Access in the 2025 Global Innovation Index



Bahrain Ranks Among the Top 10 Safest Countries Globally in the 2025 Gallup Global Safety Report

Global Economic Outlook



GDP is expected to increase to 3.9% in 2026 in the Emerging Market and Developing Economies



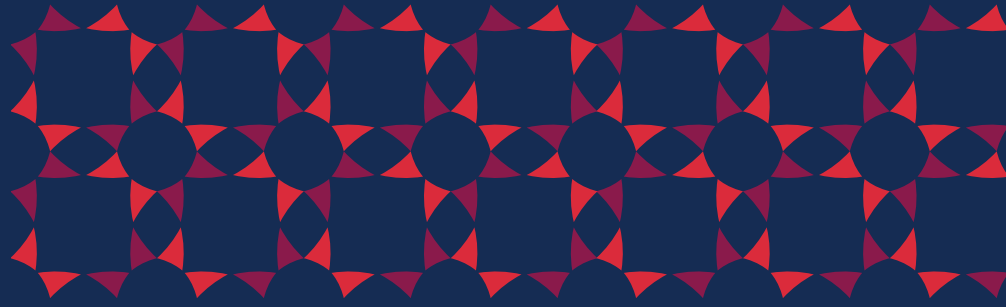
General government revenue is expected to increase to 37.1% in 2026 in the advanced economies

Oil Type	Price – June 2025
WTI	\$64.58
Brent	\$66.47

WTI and Brent Oil Price Change June 2025

-14% and -17% YoY

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



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Growth and GDP Contribution of Economic Sectors

Professional, Scientific, and Technical Activities is the fastest growing sector at 12% YoY in Q2 2025



Real GDP Growth

+2.5%



Non-Oil GDP Growth

+3.5%



Oil GDP Growth

-2.6%

Real GDP Growth by Non-oil Economic Activities –Q2 2025 (YoY)

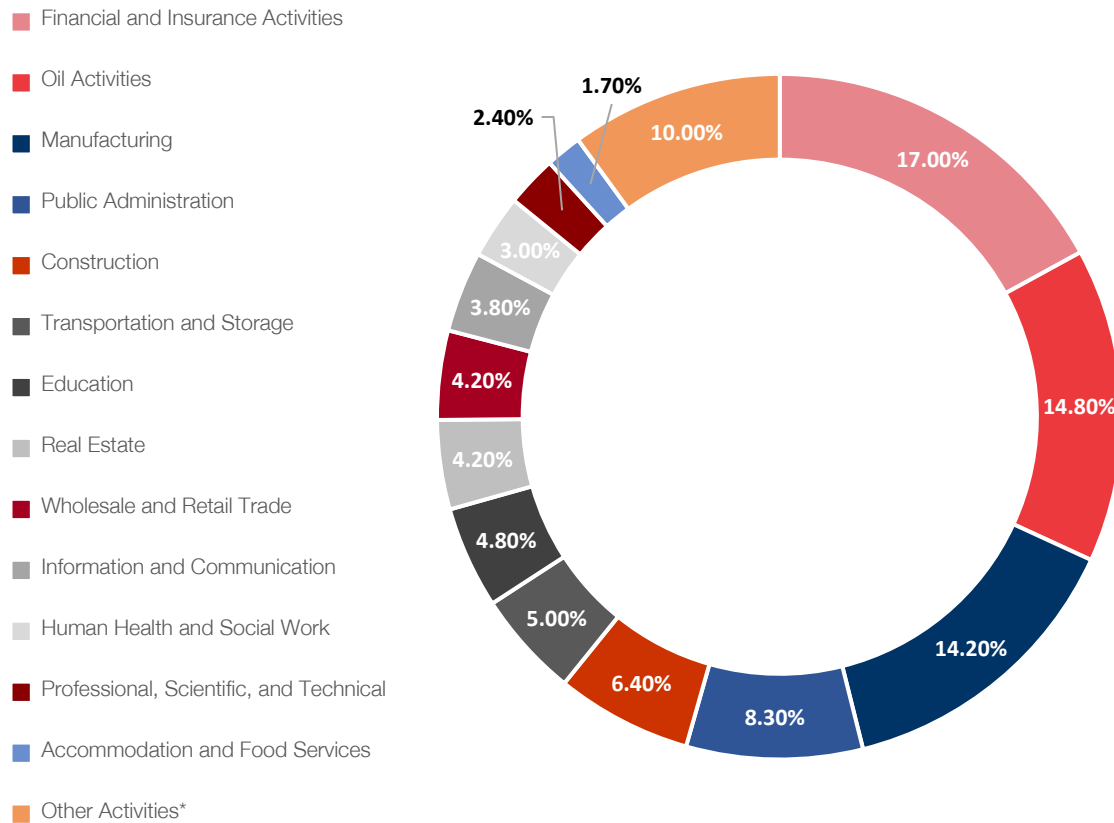
Sector	YoY Growth
Professional, Scientific, and Technical	▲ 12.0%
Wholesale and Retail Trade	▲ 6.7%
Real Estate	▲ 4.7%
Accommodation and Food Services	▲ 4.6%
Information and Communication	▲ 3.6%
Education	▲ 2.9%
Construction	▲ 2.7%
Transportation and Storage	▲ 2.6%
Financial and Insurance Activities	▲ 2.4%
Human Health and Social Work	▲ 2.0%
Public Administration	▲ 1.7%
Manufacturing	▲ 1.0%
Other	▲ 8.5%

Bahrain's real GDP grew by 2.5% YoY in Q2 2025, propelled by a 3.5% growth in the non-oil sector and a -2.6% decrease in the oil sector. The Professional, Scientific, and Technical Activities witnessed the highest YoY growth by 12%. Wholesale and Retail Trade Activities were the second fastest growing activity at 6.7% YoY, followed by Real Estate Activities at 4.7% 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% in Q2 2025

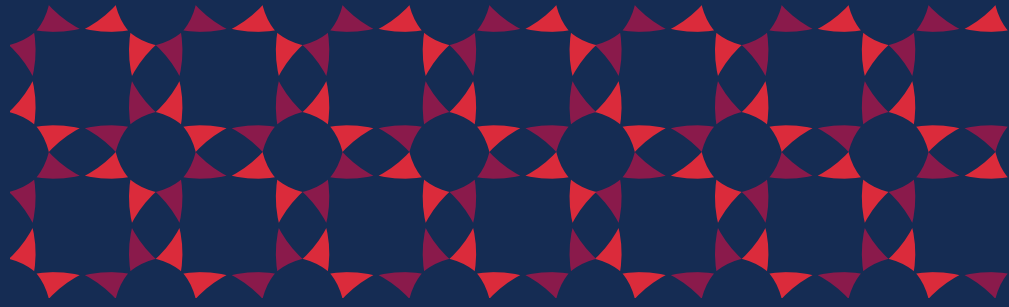
Economic Activities Contribution to Real GDP – Q2 2025



* Includes agriculture, forestry and fishing, electricity and gas supply, water supply and waste management and remediation activities, administrative and support service activities, arts, entertainment and recreation, activities of households as employers, net taxes on products, other mining and quarrying, other service activities.

The Financial and Insurance Activities is the highest contributor to GDP in Q2 2025 at 17%, followed by the Oil Activities at 14.8%, and the Manufacturing at 14.2%.

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

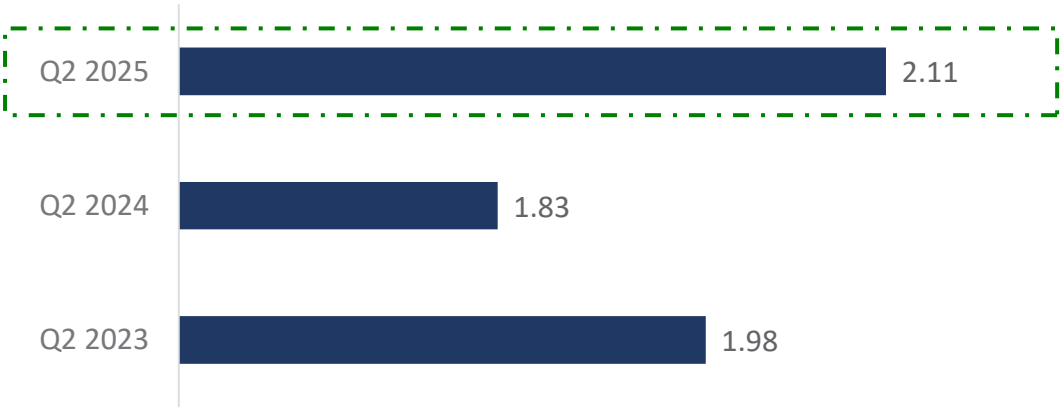


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Trade Exchange

15% Increase in volume of trade between Bahrain and GCC countries in Q2 2025 YoY

Volume of Trade between Bahrain and GCC (billion USD)

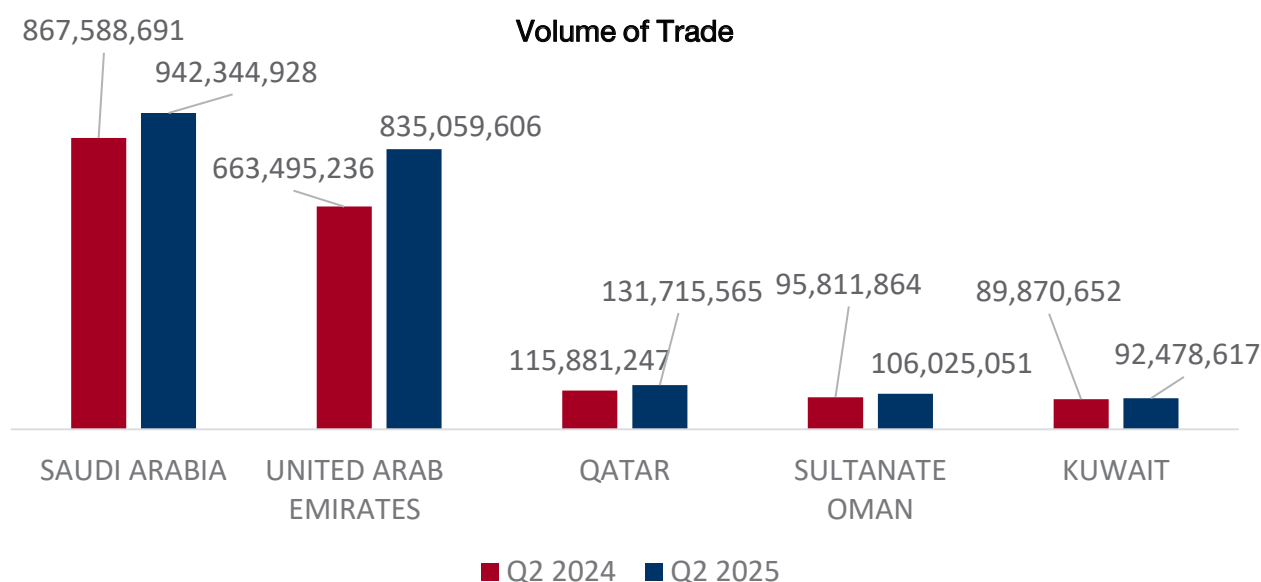


Q2 2023	Q2 2024	Q2 2025	% Change from 2024 to 2025
1,982,693,553	1,832,647,689	2,107,623,767	15%

The volume of trade exchange between Bahrain and GCC countries has increased in Q2 2025 compared to the same period in 2024. Trade increased by 15% from 1.83 billion USD in Q2 2024 to 2.11 billion USD in Q2 2025.

Source: Information and e-Government Authority

26% increase in the volume of trade between Bahrain and UAE in Q2 2025



Country	Q2 2023	Q2 2024	Q2 2025	% Change from 2024 to 2025
SAUDI ARABIA	959,689,325	867,588,691	942,344,928	9%
UNITED ARAB EMIRATES	813,411,731	663,495,236	835,059,606	26%
QATAR	12,467,603	115,881,247	131,715,565	14%
KUWAIT	85,320,474	95,811,864	106,025,051	11%
SULTANATE OMAN	111,804,420	89,870,652	92,478,617	3%

Source: Information and e-Government Authority

26% increase in the volume of trade between Bahrain and UAE in Q2 2025

▲
9%



Saudi Arabia

Saudi Arabia had the highest volume of trade exchange with Bahrain in Q2 2025. The volume of trade between KSA and Bahrain was 868 million USD in Q2 2024 and increased by 9% to 942 million USD in Q2 2025.

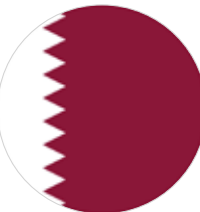
▲
26%



United Arab Emirates

The United Arab Emirates had the second-highest volume of trade exchange with Bahrain among GCC countries in Q2 2025. The volume of trade between the two countries has increased by 26% from 663 million USD in Q2 2024 to 835 million USD in Q2 2025.

▲
14%



Qatar

Trade levels between Qatar and Bahrain have increased by 14%, from 116 million USD in Q2 2024 to 132 million USD in Q2 2025.

▲
11%



Kuwait

Trade between Bahrain and Kuwait has increased as well by 11% from 96 million USD in Q2 2024 to 106 million USD in Q2 2025.

▲
3%



Oman

Trade between Bahrain and Oman increased by 3% from 90 million USD in Q2 2024 to 92 million USD in Q2 2025.

Source: Information and e-Government Authority

Bahrain's Top Import Partners in Q2 2025

Country	Total Value of Imports in Q2 2025 (USD)	Top Imported Commodity	Commodity Value (USD)	% of Total Imports from the Country
China	563,660,091	Smartphones	57,625,811	10%
United Arab Emirates	363,982,743	Gold Ingots	107,957,080	30%
Australia	330,670,980	Other Aluminium Oxide	306,711,238	93%
Brazil	267,342,956	Non-agglomerated Iron Ores And Concentrates	241,965,153	91%
United States Of America	256,569,459	Parts For Aircraft Engines	71,201,909	28%

China back to its position to be Bahrain's top import partner in Q2 2025

China was the top largest import partner with an imports value of 564 million USD in Q2 2025. The top imported commodity was smartphones, valued at 58 million USD and constituting 10% of total imports from China.

United Arab Emirates came the second Bahrain's top import partner with a total import value of 364 million USD. The top imported commodity was Gold Ingots, with a total value of 108 million USD. This commodity accounts for 30% of total imports from United Arab Emirates .

Australia was the third top import partner in Q2 2025, with the total value of imports reaching 331 million USD. The top imported commodity was Other Aluminium Oxide, valued at 307 million USD, and it accounts for 93% of total imports.

Brazil was Bahrain's fourth import market with total import amount of 267 million USD. The top imported commodity was Non-Agglomerated Iron Ores and Concentrates, valued at 242 million USD and accounting for 91% of total imports from Brazil.

The United States of America was Bahrain's fifth import market, with a total import amount of 257 million USD. The top commodity imported was Parts for Aircraft Engines at 71 million USD and it accounts for 28% of imports from the US.

Source: Information and e-Government Authority

Bahrain's Top Export Partners in Q2 2025

Country	Total Value of Exports in Q2 2025 (USD)	Top Exported Commodity	Commodity Value (USD)	% of Total Exports from the Country
Saudi Arabia	716,072,271	Unwrought Aluminium Alloys	116,454,505	16%
United Arab Emirates	471,076,863	Agglomerated Iron Ores And Concentrates	65,898,635	14%
United States Of America	263,566,041	Unwrought Aluminium Alloys	116,864,435	44%
Netherlands	120,368,112	Unwrought Aluminium Alloys	70,344,339	58%
Qatar	109,967,688	Agglomerated Iron Ores And Concentrates	85,377,818	78%

Saudi Arabia maintains its position as Bahrain's top export partner in Q2 2025

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q2 2025, with the total value of exports reaching 716 million USD. The top exported commodity was Unwrought Aluminium Alloys at 116 million USD, accounting for 16% of total exports to Saudi Arabia.

The United Arab Emirates was Bahrain's second largest export partner, with a total value of exports of 471 million USD. The top exported commodity was Agglomerated Iron Ores And Concentrates at 66 million USD, accounting for 14% of exports.

The United States was Bahrain's third largest export partner with the total value of exports reaching 264 million USD. The top exported commodity was Unwrought Aluminum Alloys at 117 million USD, accounting for 44% of exports to the US.

Total exports to Netherlands amounted to 120 million USD. The top exported commodity was Unwrought Aluminum Alloys at 70 million USD, which constitutes 58% of total exports to Netherlands.

Qatar was Bahrain's fifth largest export partner in Q2 2025, with the total value of exports reaching 110 million USD. The top exported commodity was Agglomerated Iron Ores And Concentrates at 85 million USD, and it accounts for 78% of total exports.

Source: Information and e-Government Authority

Bahrain's Top Traded Commodities in Q2 2025

Top Imports in Bahrain

Commodity	Import Value (USD)
Non-agglomerated Iron Ores And Concentrates	344,366,516
Other Aluminium Oxide	310,853,007
Parts of Aircraft Engines	189,196,213
Jewellery Of Gold	164,035,130
Gold Ingots	124,082,633

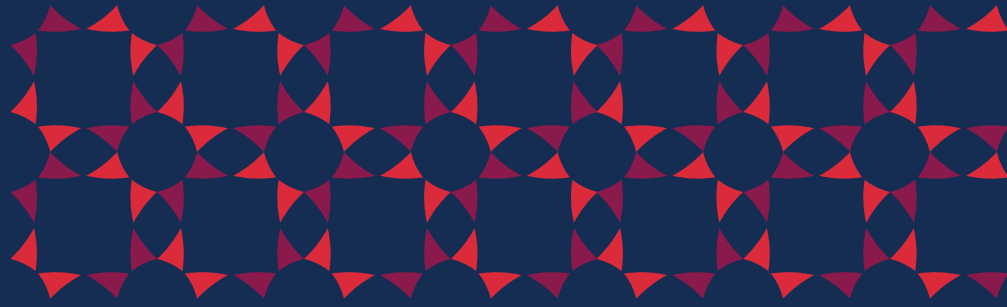
The top imported commodity in Q2 2025 was Non-agglomerated Iron Ores And Concentrates with the total value of imports reaching 344 million USD. This is followed by Other Aluminium Oxide and Parts of Aircraft Engines, with the total value of imports reaching 311 million USD and 189 million USD, respectively.

Top Exports from Bahrain

Commodity	Export Value (USD)
Unwrought Aluminium Alloys	799,898,900
Agglomerated Iron Ores And Concentrates	401,645,762
Aluminum Wire, Not Alloyed, Over 7 Mm Thick	140,956,091
Bridges And Bridge-sections	123,904,883
Unwrought Aluminium, Not Alloyed	105,711,831

The top exported commodity in Q2 2025 was Unwrought Aluminium Alloys, with the total value of exports reaching 800 million USD. The second and third top exported commodities were Agglomerated Iron Ores and Concentrates and Aluminum Wire, Not Alloyed, Over 7 Mm Thick with the total value of exports reaching 402 million USD and 141 million USD, respectively.

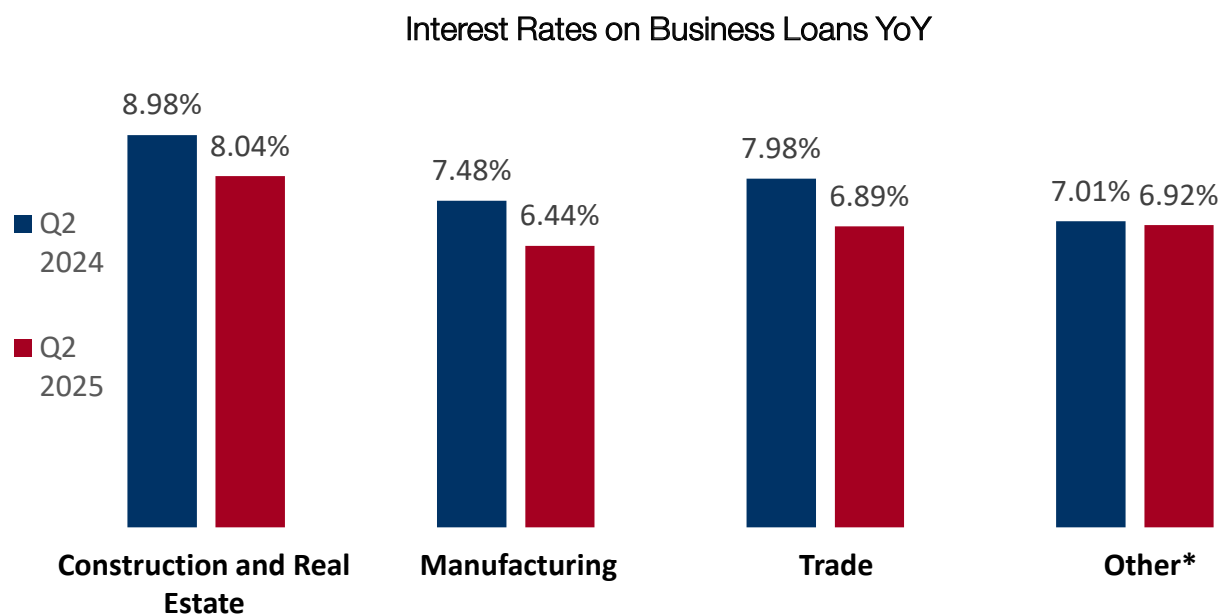
Source: Information and e-Government Authority



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Local Economic Outlook

Decrease in interest rates on the business loans in all sectors in Q2 2025 YoY



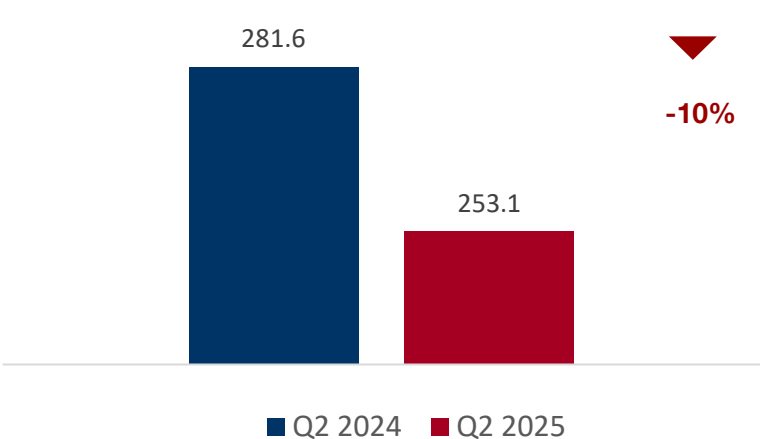
In the Construction and Real Estate sector, the interest rate decreased from 8.98% in Q2 2024 to 8.04% in Q2 2025. The interest rate in the Manufacturing sector decreased from 7.48% in Q2 2024 to 6.44% in Q2 2025, interest rates also decreased in the Trade sector from 7.98% in Q2 2024 to 6.89% in Q2 2025.

* Includes non-banks financial and other services.

Source: Central Bank of Bahrain

10% decrease in ATM withdrawal values in Q2 2025 compared to the same period in 2024

Value of ATM Withdrawals (Million BHD)

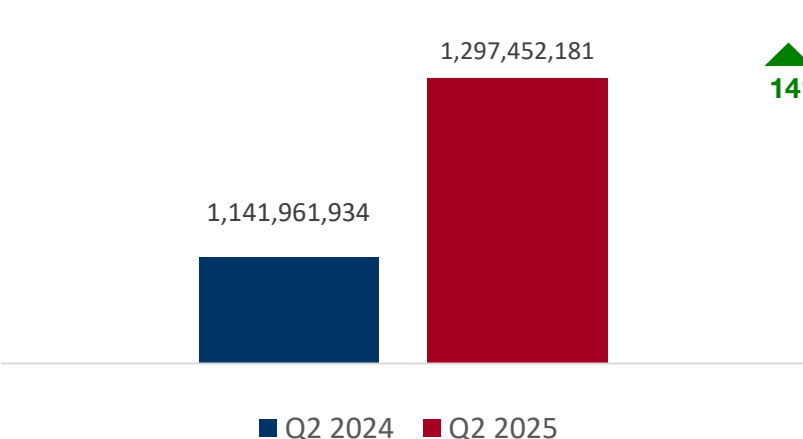


The value of ATM withdrawals decreased by 10%, from 281.6 million BHD in Q2 2024 to 253.1 million BHD in Q2 2025.

Source: Central Bank of Bahrain

14% increase in the value of POS transactions recorded in Q2 2025 compared to the same period in 2024

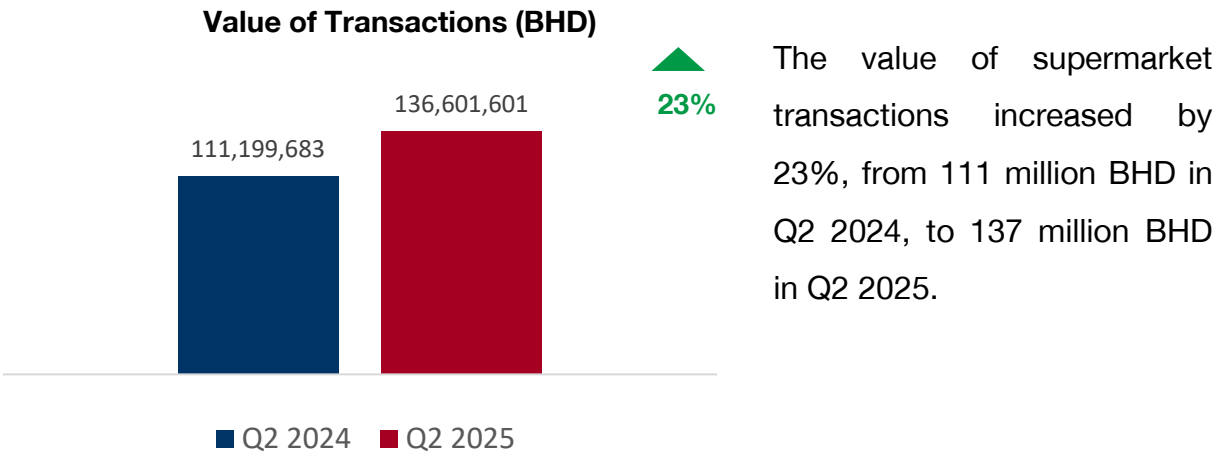
Value of POS Transactions (BHD)



The value of POS transactions increased by 14%, from 1.142 billion BHD in Q2 2024 to 1.297 billion BHD in Q2 2025.

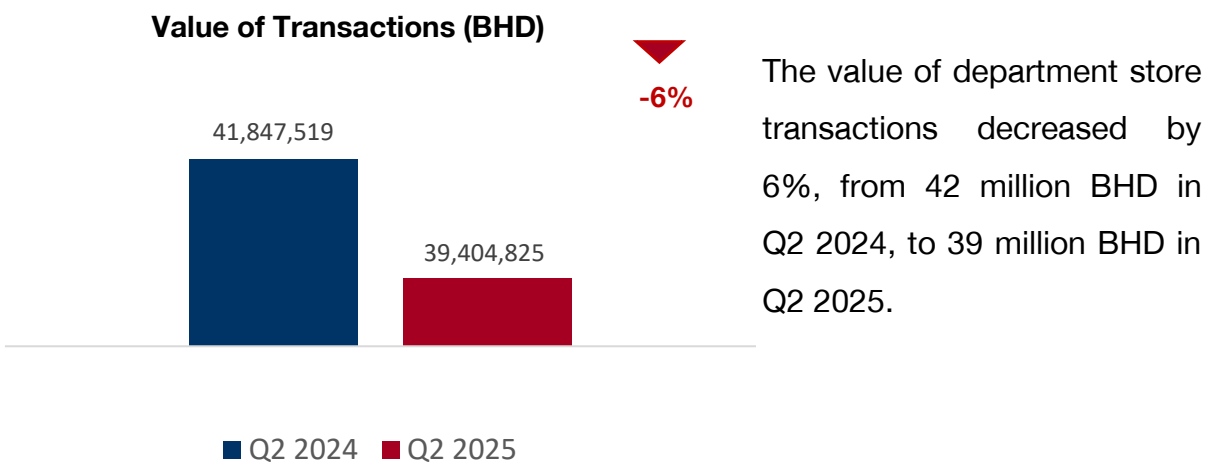
Source: Central Bank of Bahrain

23% increase in the value of supermarket transactions in Q2 2025 compared to the same period in 2024



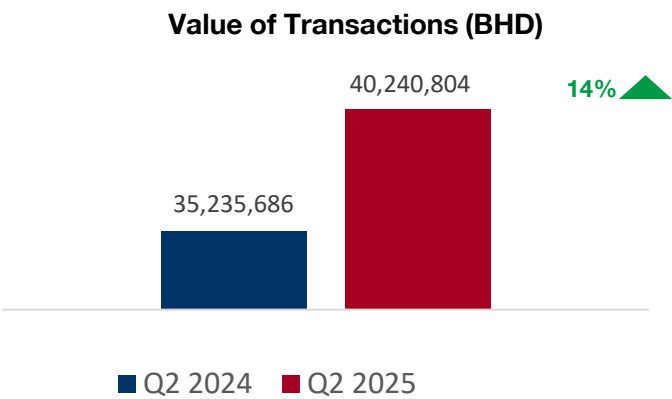
Source: Central Bank of Bahrain

6% decrease in the value of department store transactions in Q2 2025 compared to the same period in 2024



Source: Central Bank of Bahrain

14% increase in the value of jewelry store transactions in Q2 2025 compared to the same period in 2024

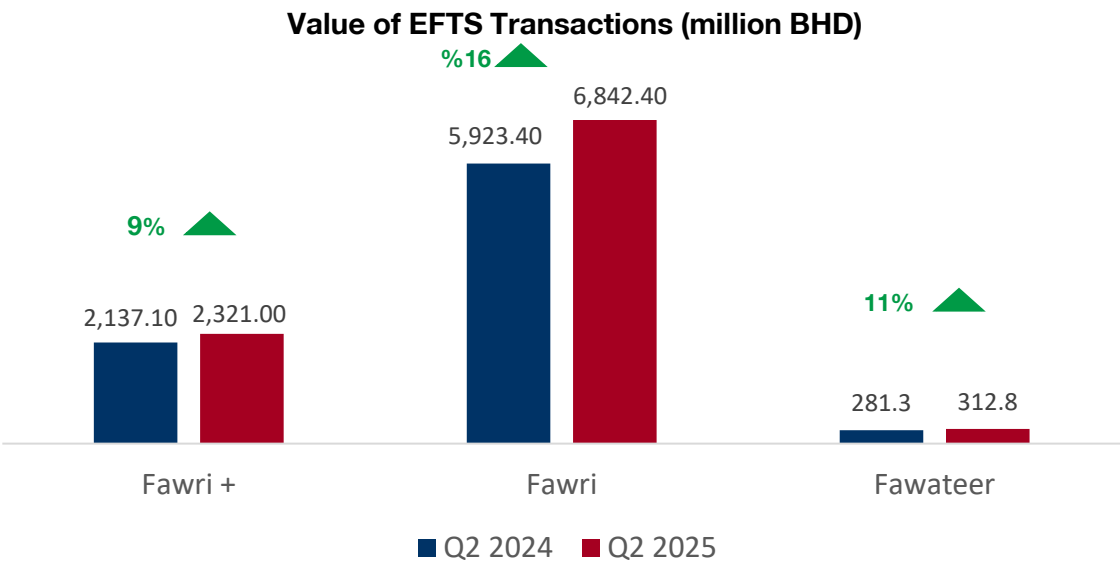


The value of transactions in the jewelry stores sector increased by 14%, from 35 million BHD in Q2 2024, to 40 million BHD in Q2 2025.

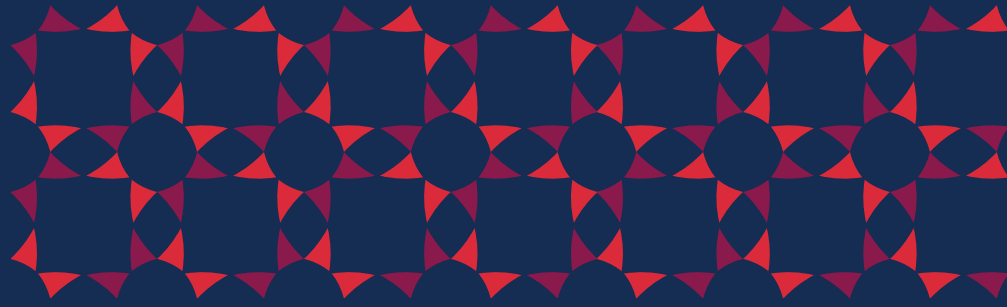
Source: Central Bank of Bahrain

16% increase in transfers via Fawri in Q2 2025 compared to the same period in 2024

The value of EFTS transactions through the Fawri+ system increased by 9% from 2.1 billion BHD in Q2 2024 to 2.3 billion BHD in Q2 2025. The value of EFTS transactions through the Fawri system increased by 16% as well from 5.9 billion BHD in Q2 2024 to 6.8 billion BHD in Q2 2025. Fawateer transactions increased by 11% from 281.3 million BHD in Q2 2024 to 312.8 million BHD in Q2 2025.



Source: Central Bank of Bahrain



5

Bahrain's Ranking in Global Indices

Bahrain Ranks 1st Globally in Electricity Output and ICT Access in the 2025 Global Innovation Index

Bahrain secured the 62nd position globally out of 139 economies in the Global Innovation Index (GII) 2025 and ranked 10th regionally within Northern Africa and Western Asia. This marks a notable improvement from its 2024 ranking of 72nd, reflecting Bahrain's growing emphasis on innovation-driven development and digital transformation.

The GII evaluates countries based on their innovation capabilities and results, using two main sub-indices: Innovation Inputs and Innovation Outputs, each comprising multiple pillars. In 2025, Bahrain ranked 41st in Innovation Inputs and 94th in Innovation Outputs.

Globally Top-Ranked Innovation Strengths of Bahrain in GII 2025



1st

Electricity output



1st

ICT access



7th

Entrepreneurship policies and culture



7th

Policy stability for doing business

Source: Global Innovation Index 2025

Bahrain Ranks Among the Top 10 Safest Countries Globally in the 2025 Gallup Global Safety Report

Bahrain has once again demonstrated its commitment to public safety, ranking among the top 10 safest countries in the world in the 2025 Gallup Global Safety Report (GGSR). With 90% of residents reporting they feel safe walking alone at night, Bahrain stands out as one of the most secure nations globally and regionally.

The Gallup Global Safety Report evaluates perceptions of safety across 144 countries, using indicators such as:

- Feeling safe walking alone at night
- Confidence in local police
- Experiences with theft and assault
- Law and Order Index score

Key Safety Indicators for Bahrain in GGSR 2025

Law and Order



1st in Arab region

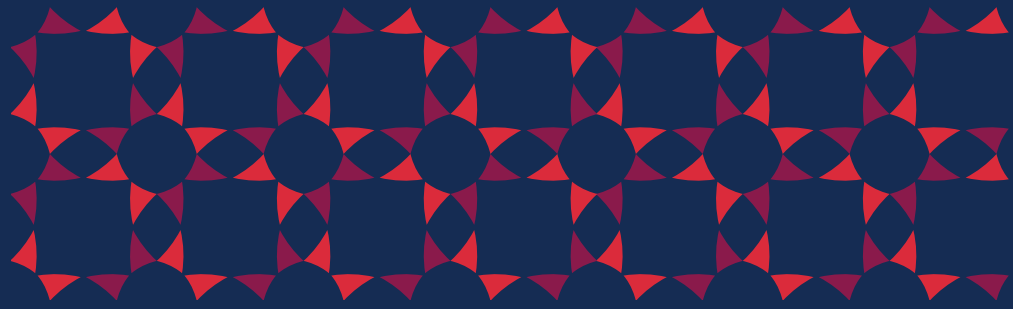
9th Globally

Feeling Safe Walking Alone at Night



9th Globally

2025 Source: Gallup Global Safety Report

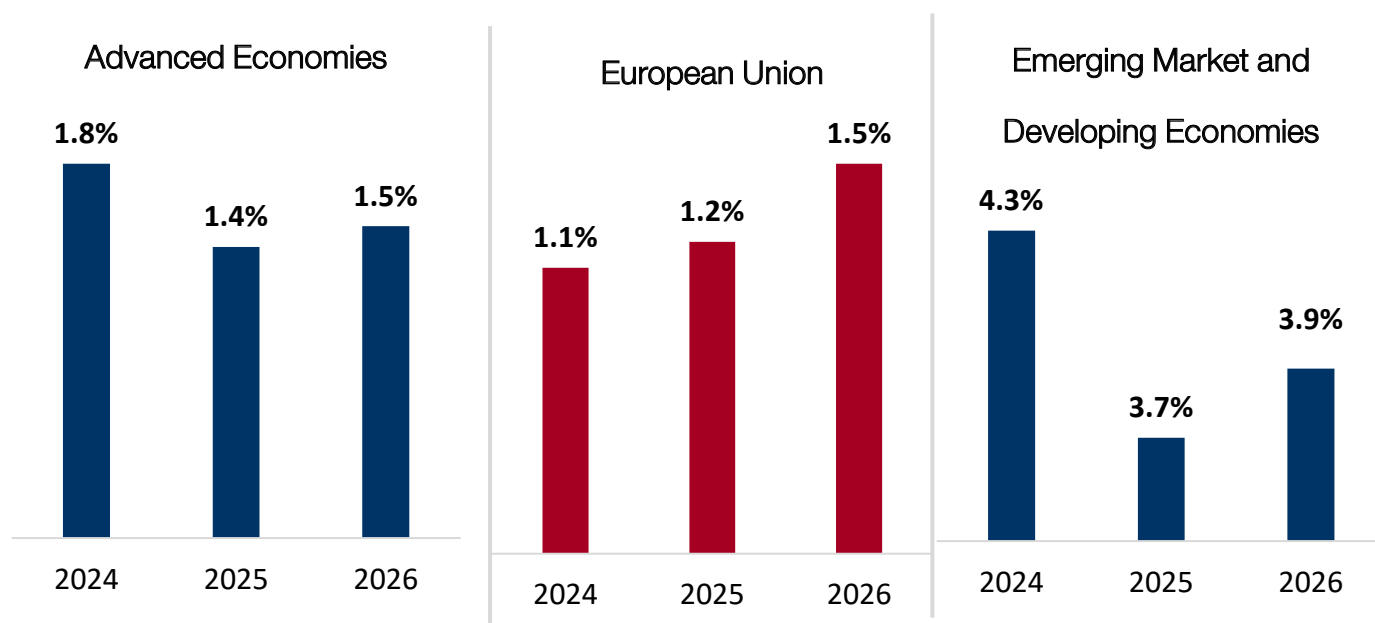


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Global Economic Outlook

GDP is expected to increase to 3.9% in 2026 in the Emerging Market and Developing Economies

Gross domestic product, constant prices (%)

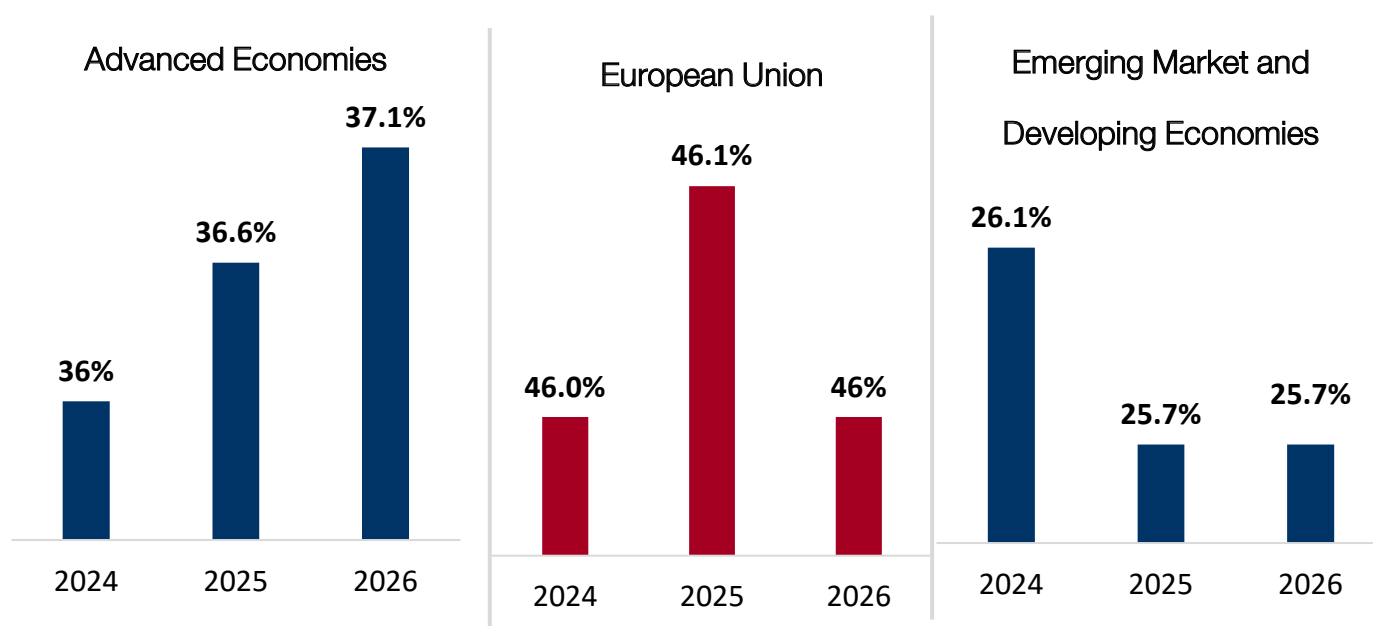


According to the IMF's "World Economic Outlook" report released in April 2025, the Gross domestic product, constant prices (%) in the Advanced Economies decreased from 1.8% in 2024 to 1.4% in 2025 and expected to increase to 1.5% in 2026. In the European Union, it increase from 1.1% in 2024 to 1.2% in 2025 and expected to increase to 1.5% in 2026. While in Emerging Market and Developing Economies, it decrease from 4.3% in 2024 to 3.7% in 2025 and expected to increase to 3.9% in 2026.

Source: IMF – World Economic Outlook April 2025

General government revenue is expected to increase to 37.1% in 2026 in the advanced economies

General government revenue (as a percentage of GDP)



According to the IMF's "World Economic Outlook" report released in April 2025, the General government revenue (as a percentage of GDP) in the Advanced Economies increased from 36% in 2024 to 36.6% in 2025 and expected to increase to 37.1% in 2026. In the European Union, it is increased slightly from 46% in 2024 to 46.1% 2025 and then expected to decrease to 46% again in 2026. While in Emerging Market and Developing Economies , it is decreased from 26.1% in 2024 to 25.7% in 2025 and expected to be the same in 2026.

Source: IMF – World Economic Outlook April 2025

17% Decrease in Brent oil price in June 2025 YoY

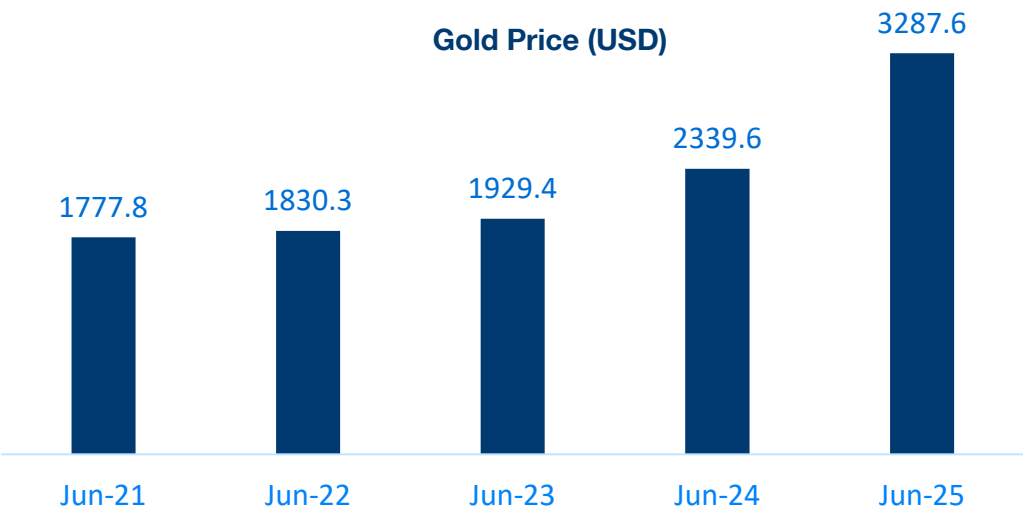
Oil Prices (USD per barrel)

Oil Type	June 2024	June 2025	Percentage Change
WTI	\$75.53	\$64.58	-14% ▼
Brent	\$79.62	\$66.47	-17% ▼

The price of a barrel of WTI crude oil has decreased by 14% in June 2025 compared to June 2024. The price of a barrel of WTI crude oil has decreased from \$75.53 per barrel in 2024 to \$64.58 per barrel in 2025. Also, the price of Brent crude oil has decreased from \$79.62 per barrel in 2024 to \$66.47 per barrel in 2025.

Source: Bloomberg

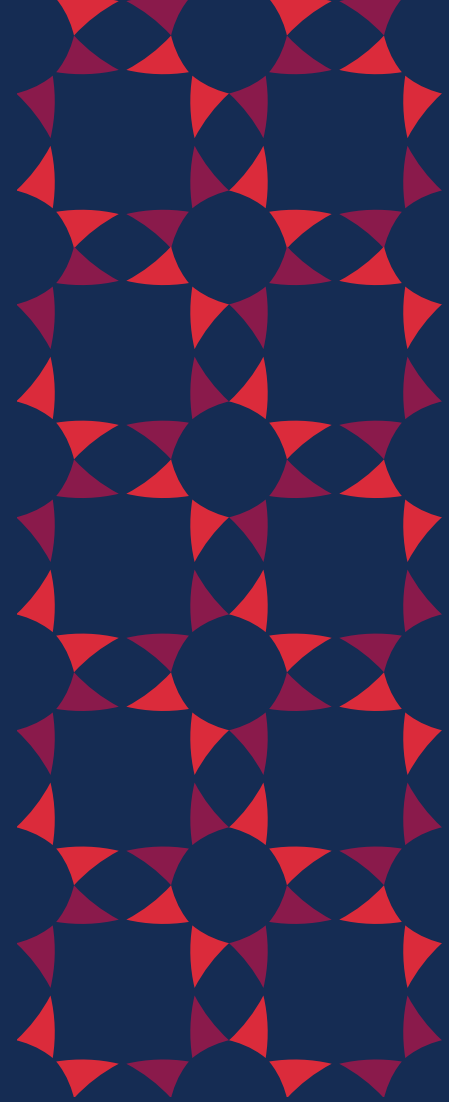
85% increase in gold price over 5-year period



The price of gold reached \$1777.8 USD in June 2025, an increase of 85% compared to \$ 3287.6 USD in June 2021.

Source: Bloomberg





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.