

Overview of the Local Economy

Q1 - 2025





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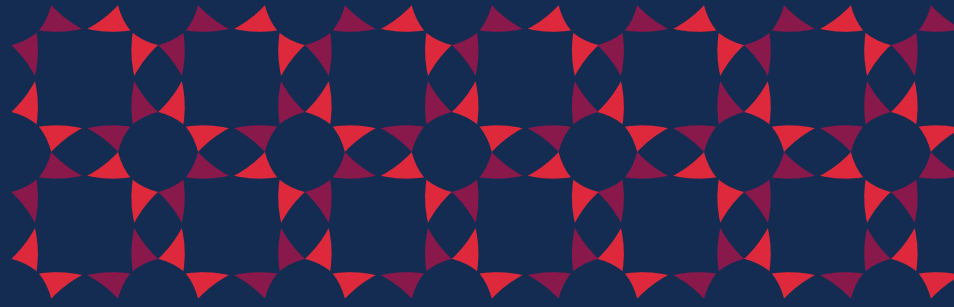
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1

Executive Summary

Introduction

Real GDP grew by 2.7% in Q1 2025 YoY, propelled by 2.2% growth in the non-oil sector. Some other sectors have witnessed high real growth rates include Accommodation and Food Services at 10.3%, Financial and Insurance Activities at 7.5%, and Construction at 5.4%. The Financial and Insurance Activities is the highest contributor to real GDP at 17.4%.

Trade between Bahrain and GCC countries has decreased by 10% from 2.38 billion USD in Q1 2024 to 2.14 billion USD in Q1 2025.

Fawri+ transaction has increased by 11%, while POS transaction has increased by 14% in Q1 2025 compared to the same period in 2024. taking into consideration that Bahrain Ranks 2nd in the Arab Region in the Quality-of-Life Index 2025.

Investment is expected to increase to 22.5% in 2026 in the Advanced Economies, on the other hand, The general government revenue is expected to be stable at 45.7% in 2024, 2025 and 2026 in the European Union according to the IMF – World Economic Outlook October 2024.

Key Indicators in Q1 2025

GDP Growth (YoY)



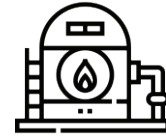
Real GDP Growth

+2.7%



Non-Oil GDP Growth

+2.2%



Oil GDP Growth

+5.3%

Top Growing Non-Oil Activities (YoY)



Accommodation and
Food Services

+10.3%



Financial and
Insurance Activities

+7.5%



Construction

+5.4%



Education



+2.5%

Trade Exchange

Bahrain's Top Import Partners

Country		Total Value of Imports (USD)
	AUSTRALIA	594,814,629
	CHINA	578,180,621
	UNITED ARAB EMIRATES	316,578,625
	BRAZIL	306,898,962
	UNITED STATES OF AMERICA	226,483,206

Bahrain's Top Export Partners

Country		Total Value of Exports (USD)
	SAUDI ARABIA	727,234,447
	UNITED ARAB EMIRATES	478,578,307
	UNITED STATES OF AMERICA	262,464,692
	QATAR	178,540,744
	NETHERLANDS	129,309,526

Source: Information and eGovernment Authority

Key Indicators in Q1 2025

Local Economic Outlook



POS Transactions

14% YoY



Fawri+ Transactions

11% YoY



CPI March 2025

+0.1% YoY

Interest Rates on Business Loans Q1 2025

Sector	%
Construction & Real Estate	7.61%
Trade	6.56%
Manufacturing	4.81%
Other	8%

Bahrain's Ranking on Global Indices



Bahrain Ranks 36th Globally and
5th in the MENA region in the
2025 IMD Smart City Index



Bahrain Ranks 2nd in the Arab
Region in the Quality-of-Life
Index 2025

Global Economic Outlook



Investment is expected to
increase to 22.5% in 2026 in
the Advanced Economies



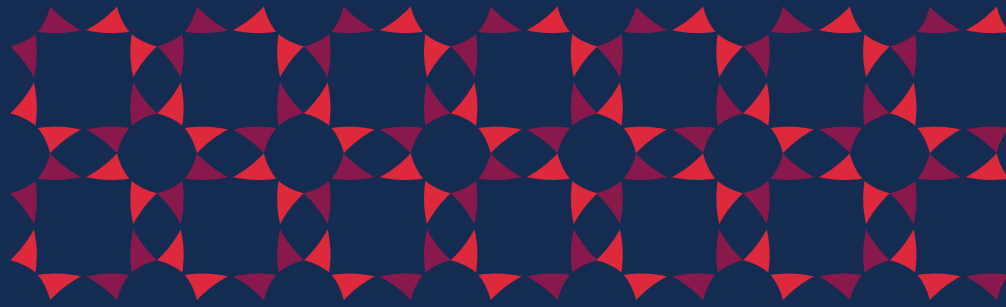
General government revenue
is expected to be stable at
45.7% in 2024, 2025 and
2026 in the European Union

Oil Type	Price – March 2025
WTI	\$69.39
Brent	\$73.63

WTI and Brent Oil Price Change March 2025

-17% and -16% YoY

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



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Growth and GDP Contribution of Economic Sectors

Accommodation and Food Services is the fastest growing sector at 10.3% YoY in Q1 2025



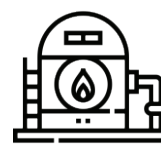
Real GDP Growth

+2.7%



Non-Oil GDP Growth

+2.2%



Oil GDP Growth

+5.3%

Real GDP Growth by Non-oil Economic Activities –Q1 2025 (YoY)

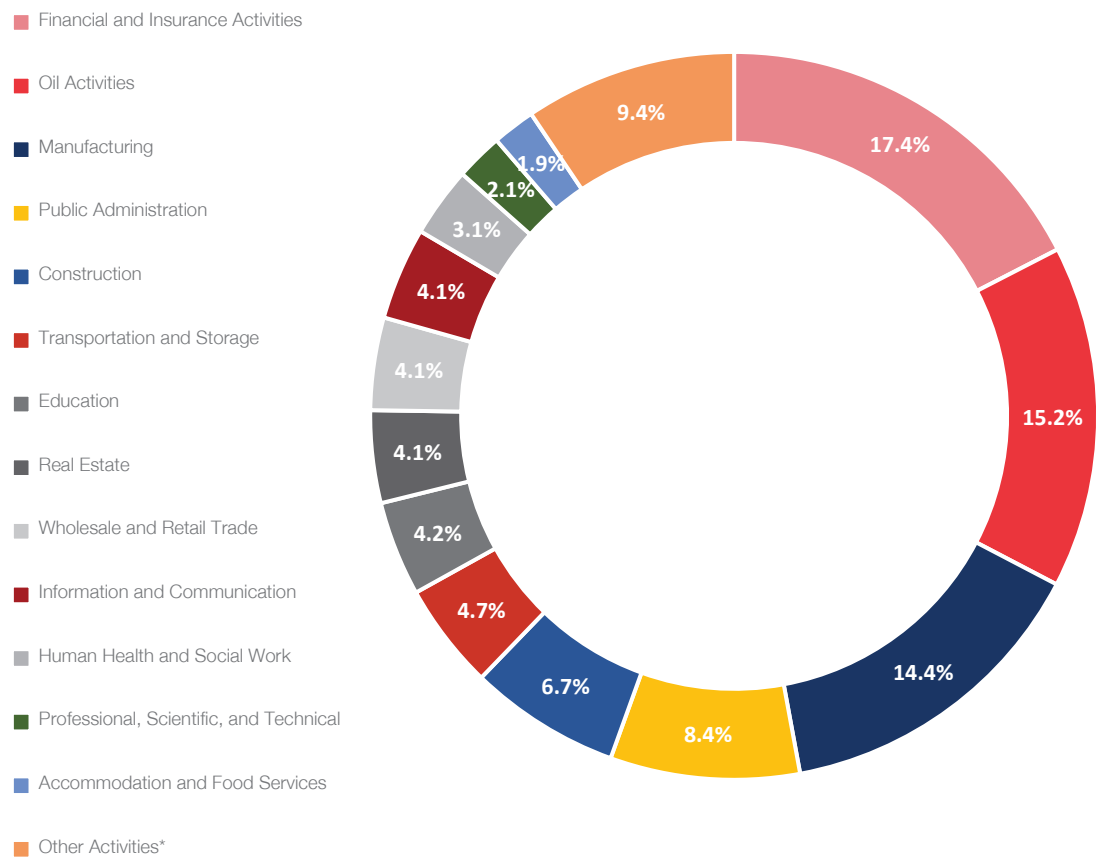
Sector	YoY Growth	
Accommodation and Food Services	▲	10.3%
Financial and Insurance Activities	▲	7.5%
Construction	▲	5.4%
Education	▲	2.5%
Professional, Scientific and Technical	▲	2.2%
Real Estate	▲	2.0%
Wholesale and Retail Trade	▲	2.0%
Transportation and Storage	▲	1.9%
Information and Communication	▲	1.4%
Public Administration	▲	0.9%
Manufacturing	▼	-0.4%
Human Health and Social Work	▼	-1.3%
Other	▼	-3.4%

Bahrain's real GDP grew by 2.7% YoY in Q1 2025, propelled by a 2.2% growth in the non-oil sector and a 5.3% increase in the oil sector. The Accommodation and Food Services witnessed the highest YoY growth by 10.3%. The second fastest growing activity was the Financial and Insurance at 7.5% YoY, followed by Construction at 5.4% YoY.

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

Financial and Insurance Activities is the highest contributor to real GDP at 17.4% in Q1 2025

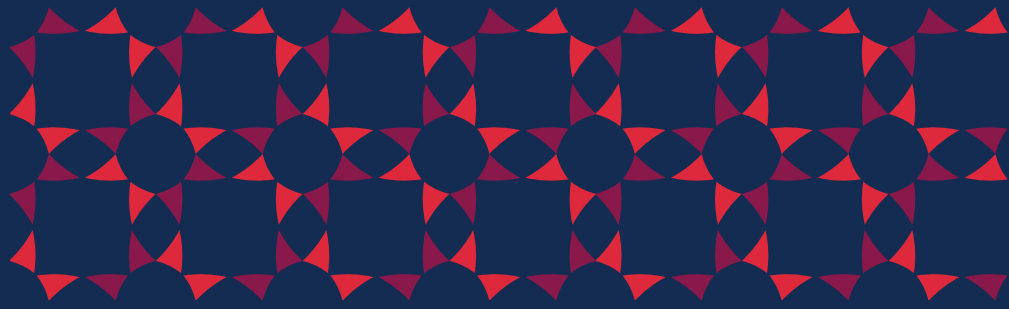
Economic Activities Contribution to Real GDP – Q1 2025



** 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, and other service activities*

The Financial and Insurance Activities is the highest contributor to GDP in Q1 2025 at 17.4%, followed by the Oil Activities at 15.2%, and the Manufacturing at 14.4%.

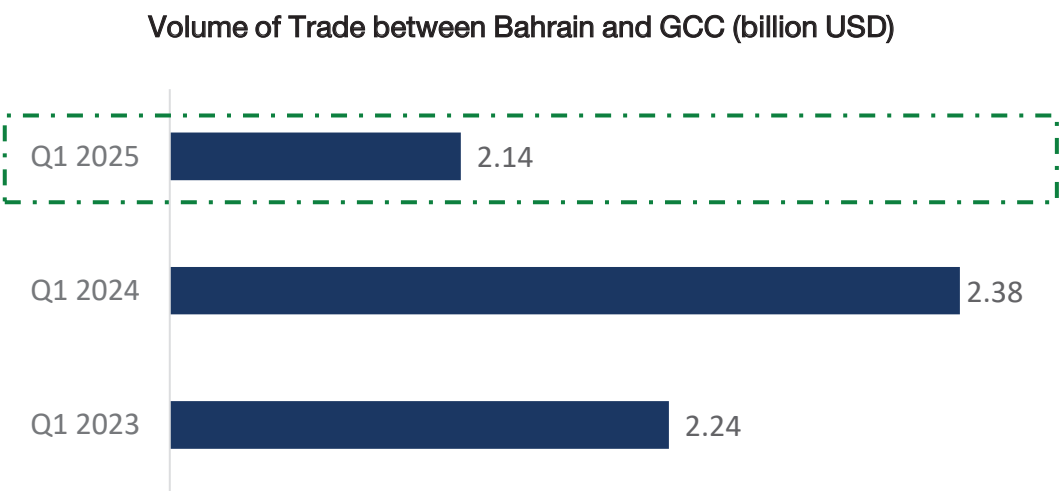
Source: Information and eGovernment Authority - Ministry of Finance and National Economy



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Trade Exchange

10% Decrease in volume of trade between Bahrain and GCC countries in Q1 2025 YoY

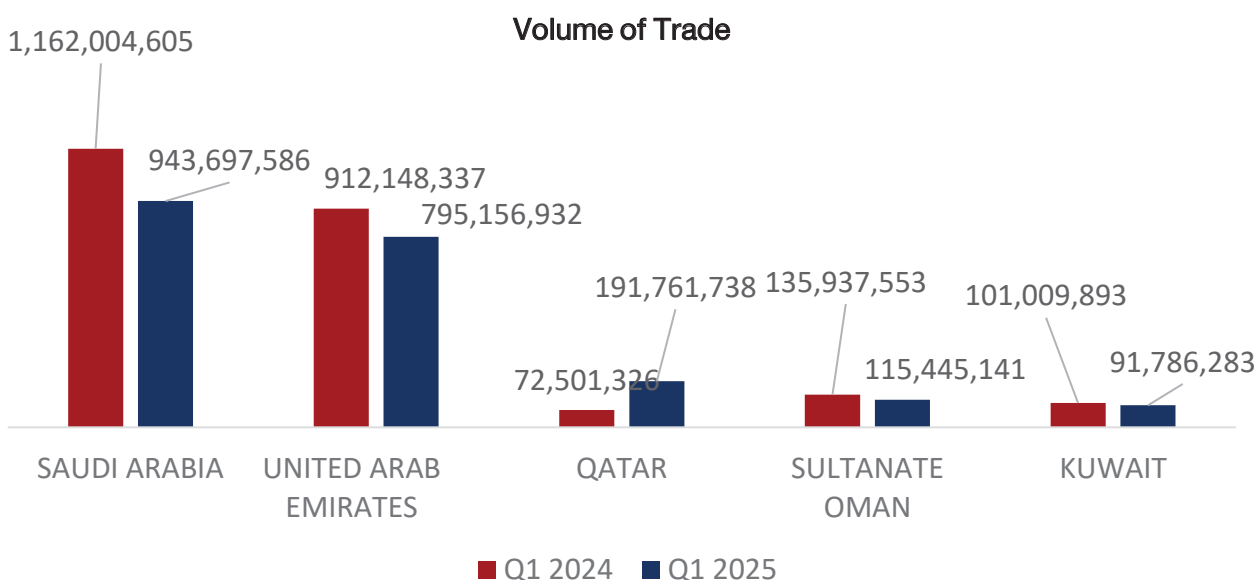


Q1 2023	Q1 2024	Q1 2025	% Change from 2024 to 2025
2,243,042,546	2,383,601,715	2,137,847,680	-10%

The volume of trade exchange between Bahrain and GCC countries has decreased in Q1 2025 compared to the same period in 2024. Trade decreased by 10% from 2.38 billion USD in Q1 2024 to 2.14 billion USD in Q1 2025.

Source: Information and e-Government Authority

164% increase in the volume of trade between Bahrain and Qatar in Q1 2025



Country	Q1 2023	Q1 2024	Q1 2025	% Change from 2024 to 2025
SAUDI ARABIA	1,088,076,236	1,162,004,605	943,697,586	-19%
UNITED ARAB EMIRATES	803,794,546	912,148,337	795,156,932	-13%
QATAR	18,416,380	72,501,326	191,761,738	164%
SULTANATE OMAN	168,968,752	135,937,553	115,445,141	-15%
KUWAIT	163,786,631	101,009,893	91,786,283	-9%

Source: Information and e-Government Authority

164% increase in the volume of trade between Bahrain and Qatar in Q1 2025

▼
-19%



Saudi Arabia

Saudi Arabia had the highest volume of trade exchange with Bahrain in Q1 2025. The volume of trade between KSA and Bahrain was 1.2 billion USD in Q1 2024 and decreased by 19% to 944 million USD in Q1 2025.

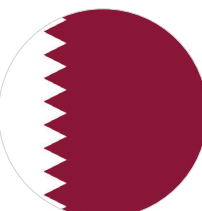
▼
-13%



United Arab Emirates

The United Arab Emirates had the second-highest volume of trade exchange with Bahrain among GCC countries in Q1 2025. The volume of trade between the two countries has decreased by 13% from 912 million USD in Q1 2024 to 795 million USD in Q1 2025.

▲
164%



Qatar

Trade levels between Qatar and Bahrain have increased by 164%, from 73 million USD in Q1 2024 to 192 million USD in Q1 2025.

▼
-15%



Oman

Trade between Bahrain and Oman decreased by 15% from 136 million USD in Q1 2024 to 115 million USD in Q1 2025.

▼
-9 %



Kuwait

Trade between Bahrain and Kuwait has decreased as well by 9% from 101 million USD in Q1 2024 to 92 million USD in Q1 2025.

Source: Information and e-Government Authority

Bahrain's Top Import Partners in Q1 2025

Country	Total Value of Imports in Q1 2025 (USD)	Top Imported Commodity	Commodity Value (USD)	% of Total Imports from the Country
AUSTRALIA	594,814,629	Other Aluminium Oxide	565,586,201	95%
CHINA	578,180,621	Smartphones	72,819,185	13%
UNITED ARAB EMIRATES	316,578,625	Jewellery Of Gold	69,277,647	22%
BRAZIL	306,898,962	Non-agglomerated Iron Ores And Concentrates	233,003,127	76%
UNITED STATES OF AMERICA	226,483,206	Parts For Aircraft Engines	41,559,533	18.3%

Australia upscales its position to be Bahrain's top import partner in Q1 2025

Australia was the top largest import partner with an imports value of 595 million USD in Q1 2025. The top imported commodity was Other Aluminum Oxide, valued at 566 million USD and constituting 95% of total imports from Australia.

China came the second Bahrain's top import partner with a total import value of 578 million USD. The top imported commodity was smartphones, with a total value of 73 million USD. This commodity accounts for 13% of total imports from China.

United Arab Emirates was the third top import partner in Q1 2025, with the total value of imports reaching 317 million USD. The top imported commodity was Jewellery Of Gold, valued at 69 million USD, and it accounts for 22% of total imports.

Brazil was Bahrain's fourth import market with total import amount of 307 million USD. The top imported commodity was Non-Agglomerated Iron Ores and Concentrates, valued at 233 million USD and accounting for 76% of total imports from Brazil.

The United States of America was Bahrain's fifth import market, with a total import amount of 226 million USD. The top commodity imported was Parts for Aircraft Engines at 42 million USD and it accounts for 18% of imports from the US.

Source: Information and e-Government Authority

Bahrain's Top Export Partners in Q1 2025

Country	Total Value of Exports in Q1 2025 (USD)	Top Exported Commodity	Commodity Value (USD)	% of Total Exports from the Country
SAUDI ARABIA	727,234,447	Unwrought Aluminium Alloys	113,211,217	16%
UNITED ARAB EMIRATES	478,578,307	Agglomerated Iron Ores And Concentrates	85,195,777	18%
UNITED STATES OF AMERICA	262,464,692	Unwrought Aluminium Alloys	124,293,074	47%
QATAR	178,540,744	Agglomerated Iron Ores And Concentrates	142,715,756	80%
NETHERLANDS	129,309,526	Unwrought Aluminium Alloys	61,407,207	47%

Saudi Arabia maintains its position as Bahrain's top export partner in Q1 2025

Saudi Arabia has maintained its position as the largest export market for Bahraini commodities in Q1 2025, with the total value of exports reaching 727 million USD. The top exported commodity was Unwrought Aluminium Alloys at 113 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 479 million USD. The top exported commodity was Agglomerated Iron Ores And Concentrates at 85 million USD, accounting for 18% of exports.

The United States was Bahrain's third largest export partner with the total value of exports reaching 262 million USD. The top exported commodity was Unwrought Aluminum Alloys at 124 million USD, accounting for 47% of exports to the US.

Total exports to Qatar amounted to 179 million USD. The top exported commodity was Agglomerated Iron Ores And Concentrates at 143 million USD, which constitutes 80% of total exports to Qatar.

Netherlands was Bahrain's fifth largest export partner in Q1 2025, with the total value of exports reaching 129 million USD. The top exported commodity was Unwrought Aluminium Alloys at 61 million USD, and it accounts for 47% of total exports.

Source: Information and e-Government Authority

Bahrain's Top Traded Commodities in Q1 2025

Top Imports in Bahrain

Commodity	Import Value (USD)
Other Aluminium Oxide	604,170,498
Non-agglomerated Iron Ores And Concentrates	327,524,663
Parts For Aircraft Engines	171,087,842
Smartphones	96,781,012
Jewellery Of Gold	85,790,641

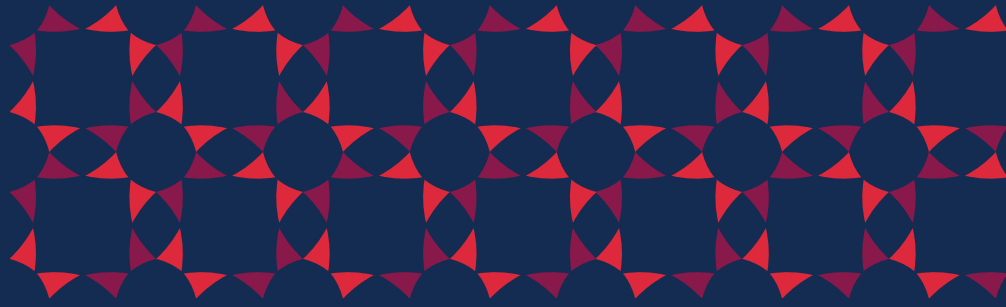
The top imported commodity in Q1 2025 was OTHER ALUMINIUM OXIDE with the total value of imports reaching 604 million USD. This is followed by Non-Agglomerated Iron Ores And Concentrates and Parts for Aircraft Engines, with the total value of imports reaching 328 million USD and 171 million USD, respectively.

Top Exports from Bahrain

Commodity	Export Value (USD)
Unwrought Aluminium Alloys	732,724,369
Agglomerated Iron Ores And Concentrates	455,488,000
Aluminum Wire, Not Alloyed, Over 7 Mm Thick	133,985,401
Urea, Whether Or Not In Aqueous Solution	127,439,607
Processed Cheese, Not Grated Or Powdered	118,567,597

The top exported commodity in Q1 2025 was Unwrought Aluminium Alloys, with the total value of exports reaching 733 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 456 million USD and 134 million USD, respectively.

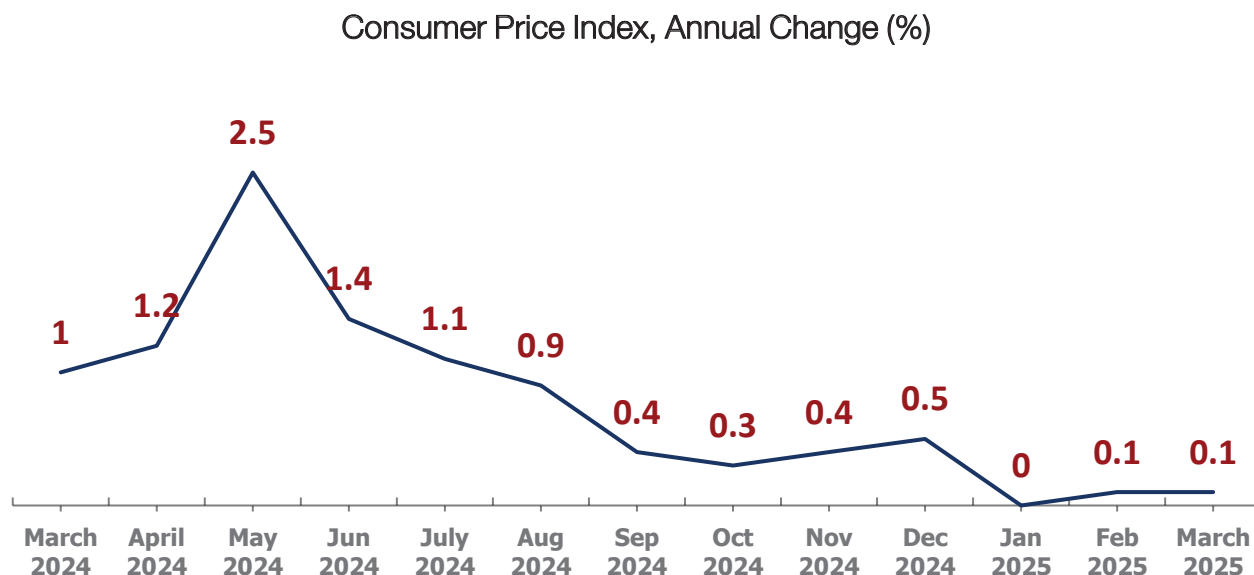
Source: Information and e-Government Authority



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Local Economic Outlook

0.1% increase in Consumer Price Index (CPI) in March 2024 compared to March 2025

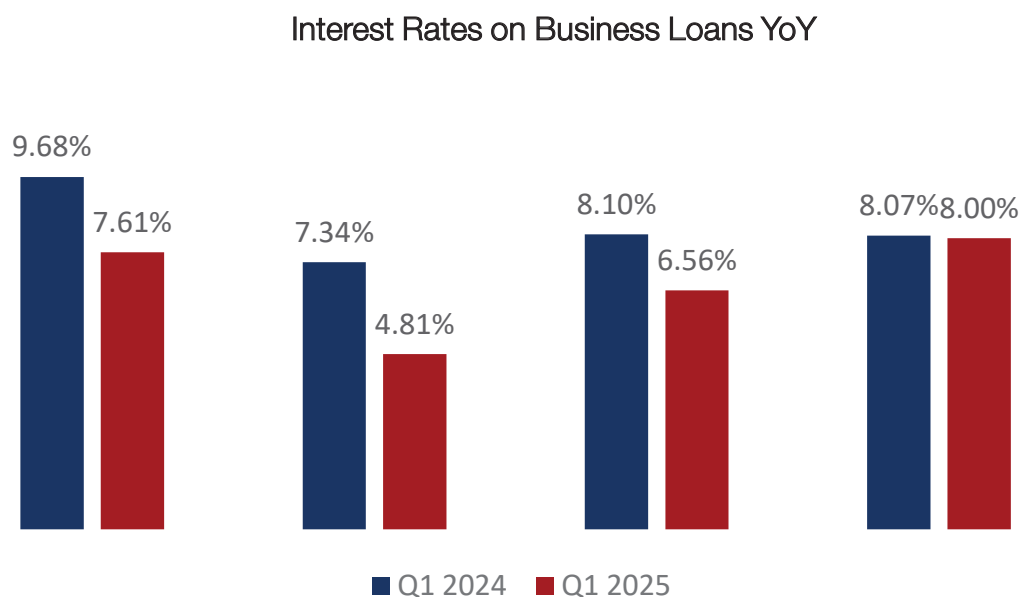


The consumer price index increased in March 2025 compared to March of last year by 0.1%. The most notable changes in the year were:

- +3.9% Increase in Restaurants and Hotels Group
- +3.6% Increase in Transport Group
- +3.2% Increase in Communication Group
- -2.2% Decrease in Furnishings, Household Equipment and Routine Household Maintenance Group

Source: Information and e-Government Authority

Decrease in interest rates on the business loans in all sectors in Q1 2025 YoY

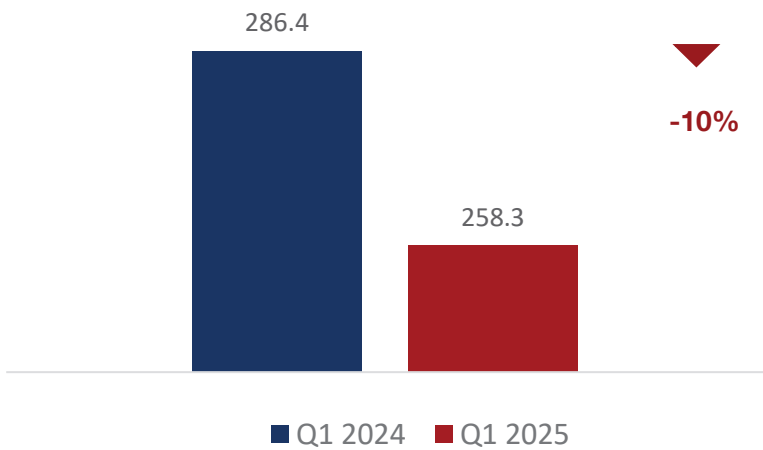


In the Construction and Real Estate sector, the interest rate decreased from 9.68% in Q1 2024 to 7.61% in Q1 2025. The interest rate in the Manufacturing sector decreased from 7.34% in Q1 2024 to 4.81% in Q1 2025, interest rates also decreased in the Trade sector from 8.10% in Q1 2024 to 6.56% in Q1 2025.

Source: Central Bank of Bahrain

10% decrease in ATM withdrawal values in Q1 2025 compared to the same period in 2024

Value of ATM Withdrawals (Million BHD)

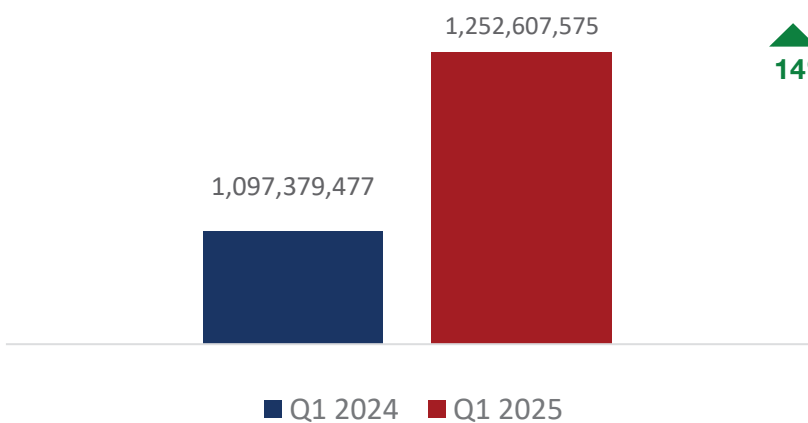


The value of ATM withdrawals decreased by 10%, from 286.4 million BHD in Q1 2024 to 258.3 million BHD in Q1 2025.

Source: Central Bank of Bahrain

14% increase in the value of POS transactions recorded in Q1 2025 compared to the same period in 2024

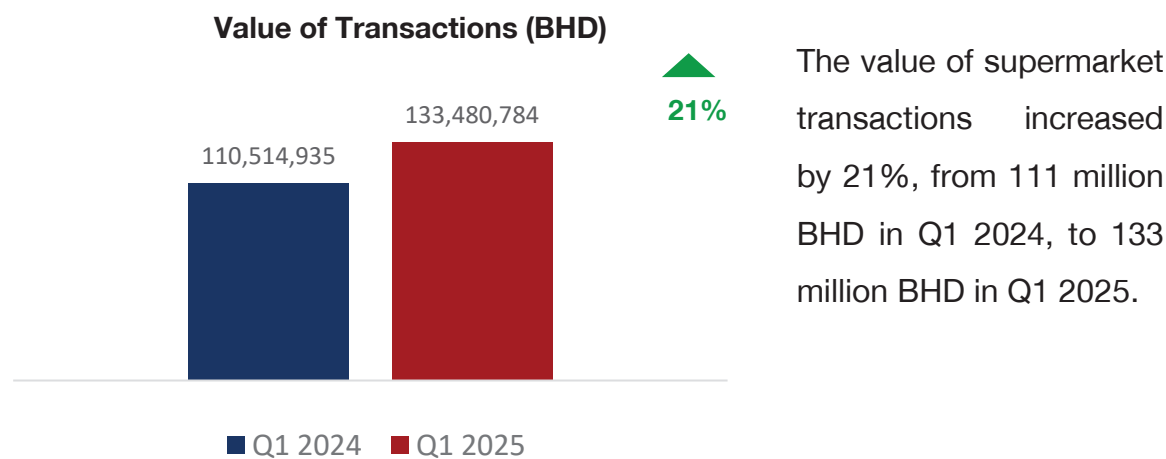
Value of POS Transactions (BHD)



The value of POS transactions increased by 14%, from 1.097 billion BHD in Q1 2024 to 1.253 billion BHD in Q1 2025.

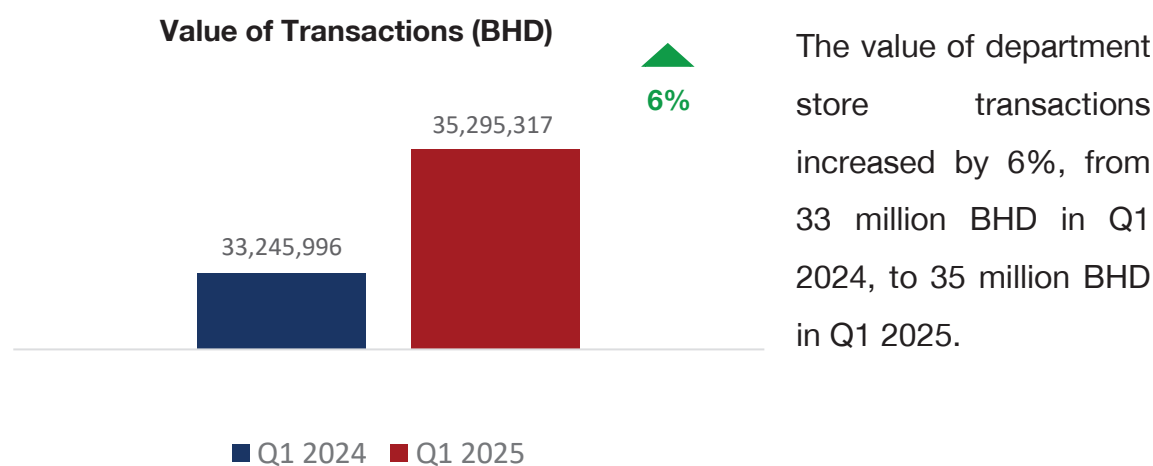
Source: Central Bank of Bahrain

21% increase in the value of supermarket transactions in Q1 2025 compared to the same period in 2024



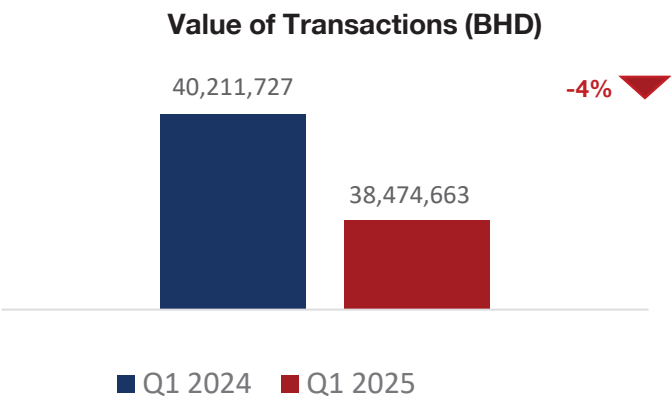
Source: Central Bank of Bahrain

6% increase in the value of department store transactions in Q1 2025 compared to the same period in 2024



Source: Central Bank of Bahrain

4% decrease in the value of jewelry store transactions in Q1 2025 compared to the same period in 2025

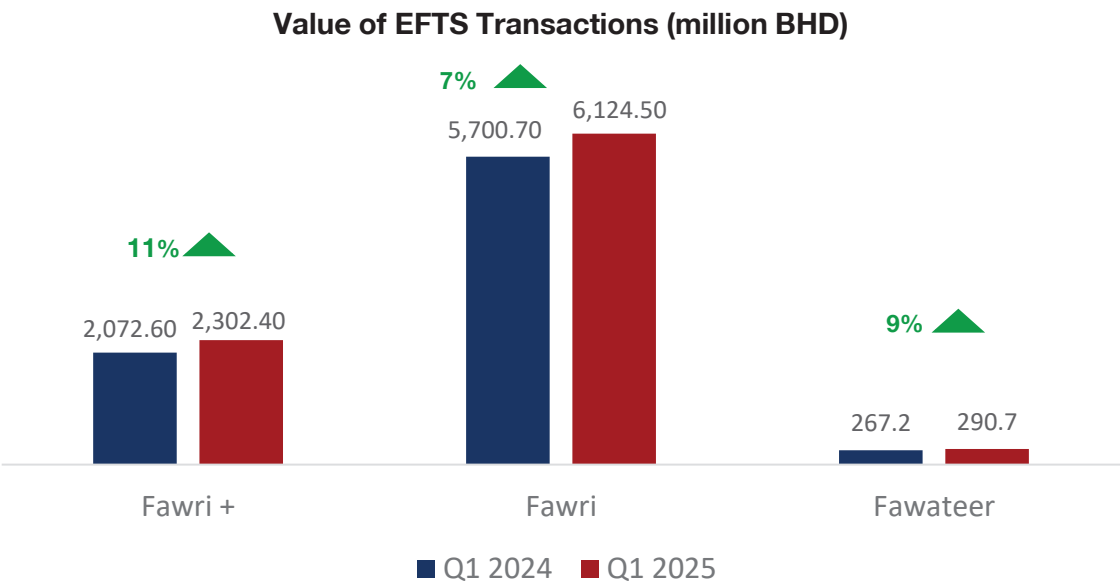


The value of transactions in the jewelry stores sector decreased by 4%, from 40 million BHD in Q1 2024, to 38 million BHD in Q1 2025.

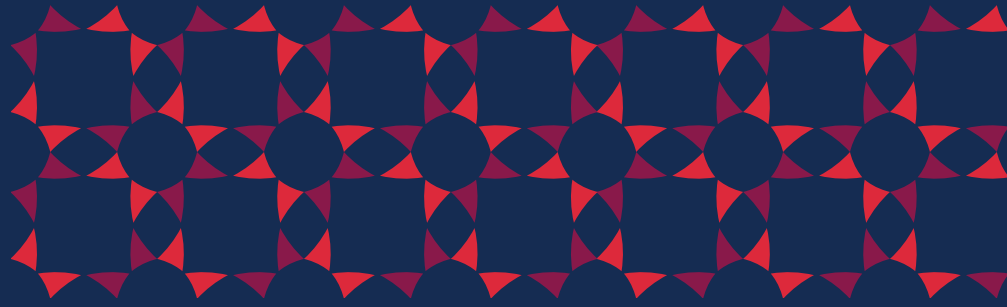
Source: Central Bank of Bahrain

11% increase in transfers via Fawri+ in Q1 2025 compared to the same period in 2024

The value of EFTS transactions through the Fawri+ system increased by 11% from 2 billion BHD in Q1 2024 to 2.3 billion BHD in Q1 2025. The value of EFTS transactions through the Fawri system increased by 7% as well from 5.7 billion BHD in Q1 2024 to 6.1 billion BHD in Q1 2025. Fawateer transactions increased by 9% from 267 million BHD in Q1 2024 to 290.7 million BHD in Q1 2025.



Source: Central Bank of Bahrain



5

Bahrain's Ranking in Global Indices

Bahrain Ranks 36th Globally and 5th in the MENA region in the 2025 IMD Smart City Index

Manama made its debut in the **IMD Smart City Index 2025**, ranking **36th** globally out of 146 cities and securing **5th place** in the **MENA** region. This strong entry highlights Bahrain's growing focus on smart infrastructure and digital transformation.

The IMD Smart City Index evaluates residents' perceptions of how well their city integrates infrastructure and technology to enhance quality of life. It is based on two main pillars: **Structures**, which assesses existing infrastructure, and **Technology**, which covers digital services and innovation. Each pillar is measured across five key areas: health and safety, mobility, activities, opportunities, and governance.

Manama's performance reflects Bahrain's commitment to leveraging smart solutions to improve urban living and strengthen its position as a forward-looking, tech-driven economy in the region.

MENA Countries Ranking in the 2025 IMD Smart City Index

City	MENA Ranking	Global Ranking
Dubai	1	4
Abu Dhabi	2	5
Riyadh	3	27
Doha	4	33
Manama	5	36
Jeddah	6	47

Source: IMD Smart City Index 2025

Bahrain Ranks 2nd in the Arab Region in the Quality of Life Index 2025

According to **the Quality of Life Index 2025 (QLI)** by **CEOWORLD Magazine**, Bahrain ranks **2nd** in the Arab region and **36th** globally out of 196 countries, placing it in the **"Very High"** tier. This strong performance reflects Bahrain's ongoing commitment to advancing national well-being and social development.

The QLI offers a comprehensive evaluation of quality of life, assessing countries across three key dimensions: Stability, Satisfaction, and Balance. These are measured through 23 carefully selected indicators.

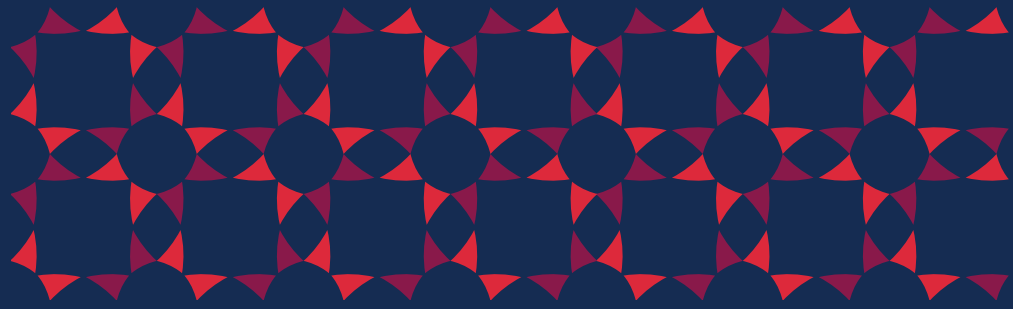
The index is based on data from a wide range of internationally recognized sources, including the World Economic Forum, World Bank, UNDP, Transparency International, and others

Bahrain's high ranking underscores its efforts to strengthen social stability, enhance public satisfaction, and promote balanced, inclusive development. It also reinforces the kingdom's growing reputation as a forward-looking and resilient nation within the region.

Top 6 Arab Countries in the 2025 Quality of Life Index

Country	Arab Region Ranking	Global Ranking
United Arab Emirates	1	18
Bahrain	2	36
Saudi Arabia	3	43
Qatar	4	44
Kuwait	5	52
Oman	6	62

Source: CEOWORLD Quality of Life Index 2025

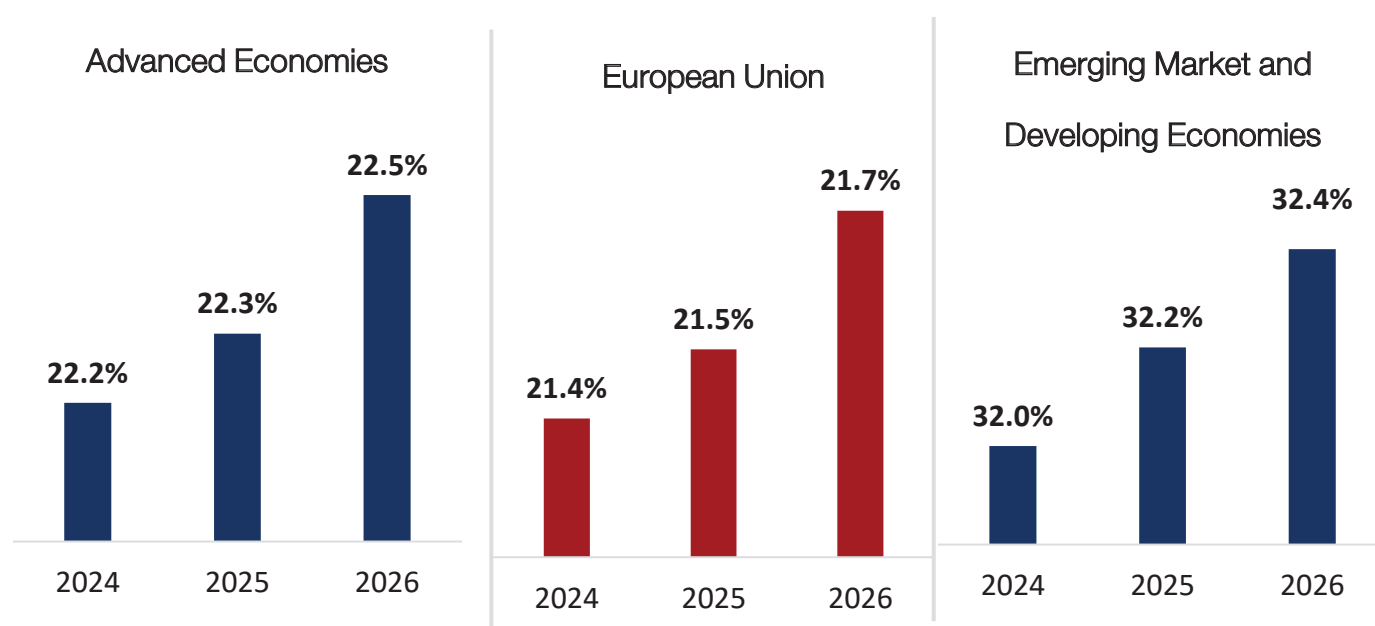


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Global Economic Outlook

Investment is expected to increase to 22.5% in 2026 in the Advanced Economies

Investment (as a percentage of GDP)

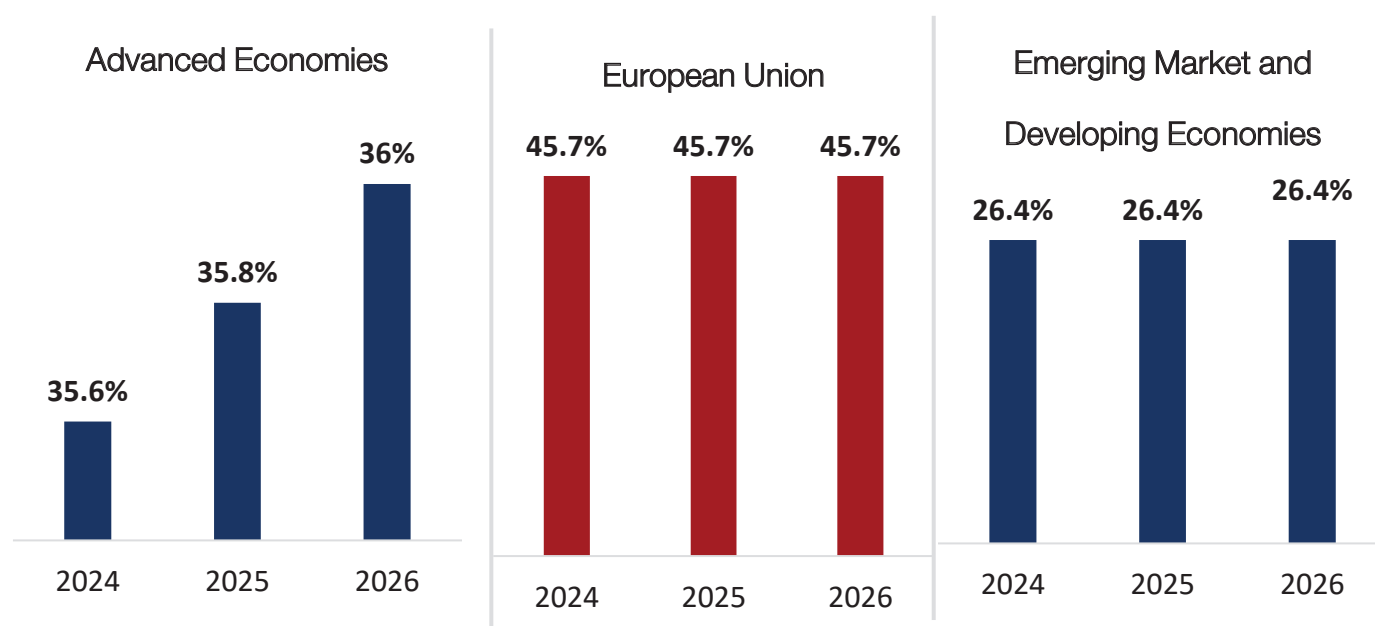


According to the IMF’s “World Economic Outlook” report released in October 2024, the Investment (as a percentage of GDP) in the Advanced Economies increased from 22.2% in 2024 to 22.3% in 2025 and expected to increase to 22.5% in 2026. In the European Union, it increase from 21.4% in 2024 to 21.5% in 2025 and expected to increase to 21.7% in 2026. While in Emerging Market and Developing Economies, it increase from 32% in 2024 to 32.2% in 2025 and expected to increase to 32.4% in 2026.

Source: IMF – World Economic Outlook October 2024

General government revenue is expected to be stable at 45.7% in 2024, 2025 and 2026 in the European Union

General government revenue (as a percentage of GDP)



According to the IMF's "World Economic Outlook" report released in October 2024, the General government revenue (as a percentage of GDP) in the Advanced Economies increased from 35.6% in 2024 to 35.8% in 2025 and expected to increase to 36% in 2026. In the European Union, it is expected to be stable at 45.7% in 2024, 2025 and 2026. While in Emerging Market and Developing Economies, it is expected to be stable at 26.4% in 2024, 2025 and 2026.

Source: IMF – World Economic Outlook October 2024

17% Decrease in WTI oil price in March 2025 YoY

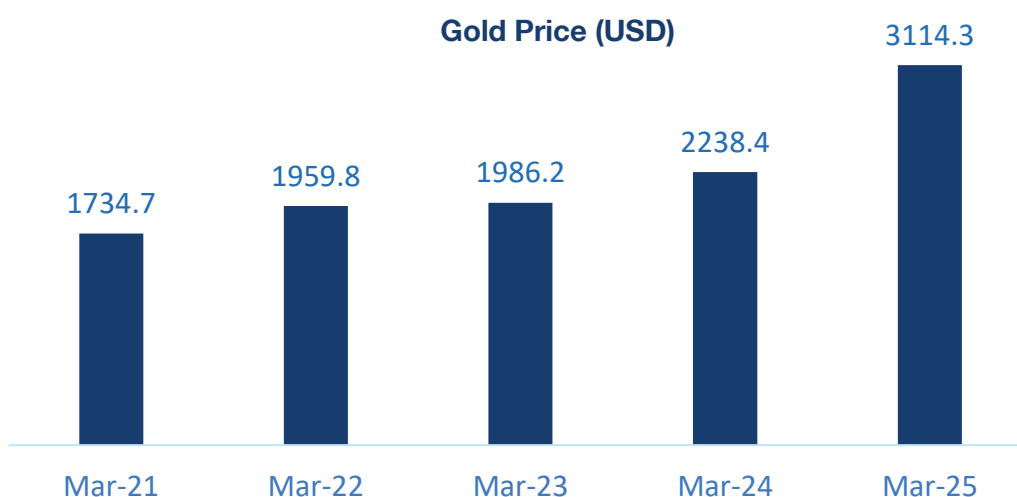
Oil Prices (USD per barrel)

Oil Type	March 2024	March 2025	Percentage Change
WTI	\$83.17	\$69.39	-17% ▼
Brent	\$87.48	\$73.63	-16% ▼

The price of a barrel of WTI crude oil has decreased by 17% in March 2025 compared to March 2024. The price of a barrel of WTI crude oil has decreased from \$83.17 per barrel in 2024 to \$69.39 per barrel in 2025. Also, the price of Brent crude oil has decreased from \$87.48 per barrel in 2024 to \$73.63 per barrel in 2025.

Source: Bloomberg

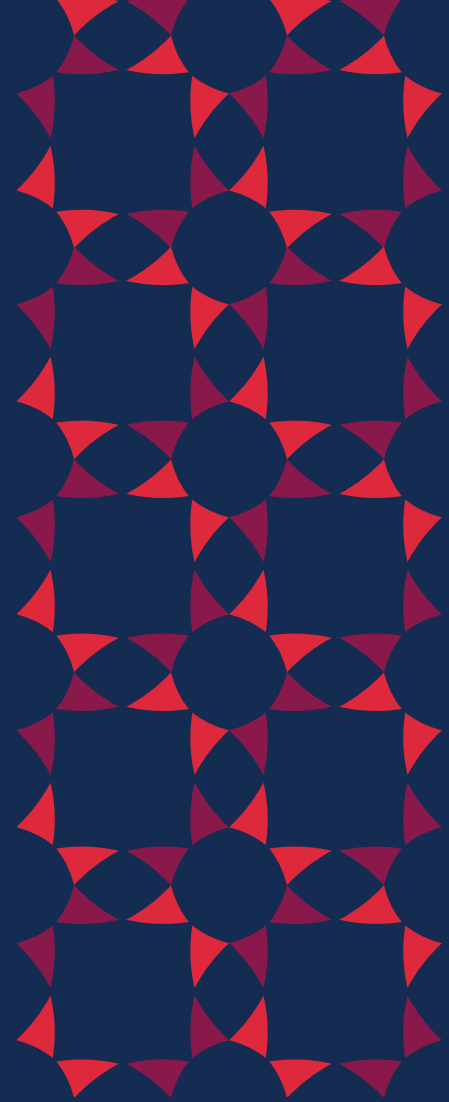
80% increase in gold price over 5-year period



The price of gold reached \$3114.3 USD in March 2025, an increase of 80% compared to \$ 1734.7 USD in March 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.