



Tamkeen Business Review

Economic Update
2024



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Data Sources

Section	Data Indicator	Data Source	Released Date
Economic Development	Real Gross Domestic Product (GDP)	National Accounts, Information & eGovernment Authority	Q4-2024
	Sector Growth	National Accounts, Information & eGovernment Authority	Q4-2024
	GDP Breakdown by Sector	National Accounts, Information & eGovernment Authority	Q4-2024
Financial Markets Trends	Inflation	CPI, Information & eGovernment Authority	Dec 2024
	Average Rate of Interest	Statistical Bulletin, Central Bank of Bahrain	Dec 2024
	Distribution of Outstanding Loans & Advances by Sector	Statistical Bulletin, Central Bank of Bahrain	Dec 2024
Foreign Trade Overview	Non-Oil Trade Balance	Foreign Trade, Information & eGovernment Authority	Q4-2024
	Non-Oil Exports	Foreign Trade, Information & eGovernment Authority	Q4-2024
	Non-Oil National Origin Exports	Foreign Trade, Information & eGovernment Authority	Q4-2024
	Non-Oil Imports	Foreign Trade, Information & eGovernment Authority	Q4-2024
Labor Market Overview	Private Sector Employment	Statistical Report, Social Insurance Organization	Q4-2024
	Private Sector Average Wages	Statistical Report, Social Insurance Organization	Q4-2024
Global & Regional Context	Real GDP Growth	IMF, World Economic Outlook Update	April 2025
	Europe Brent Spot Price	US Energy Information Administration	Dec 2024



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Economic Indicators and Definitions

Bahrain's non-oil sector continued to drive economic growth in 2024 with 3.8% YoY increase



Executive Summary

Bahrain's real GDP grew by 2.6% YoY in 2024. This growth was driven by the non-oil sector, which accounted for 86% of the Kingdom's total real GDP. This follows a strong performance in 2023, reflecting the country's ongoing efforts to diversify its economy. This growth comes despite heightened global volatility and economic turbulence, underscoring the economy's relative resilience.

1. Global Context

- Amidst recent US tariffs and retaliatory measures, U.S. growth revised down to 1.8% driven by greater policy uncertainty.
- China's growth cut down to 4% below expected targets, in light of imposed tariffs and low consumer confidence.
- The Eurozone faces subdued growth with an additional downgrade down to 0.8% due to high energy prices and a weak manufacturing sector.
- Inflation remains mixed, central banks should assess their monetary strategies based on evolving data and communicate transparently to support price stability
- Continued downward oil price pressures despite OPEC+ supply cuts, influenced by geopolitical factors, trade wars and shifting demand.

2. Economic Developments in Bahrain

- The non-oil sector continued to drive economic growth in Bahrain in 2024, expanding by 3.8% YoY.
- The fastest growing sectors in 2024 were Information & Communication, Professional, scientific & technical, Accommodation & Food Services, and Transportation & Storage.
- The Financial and Insurance Activities sector remained the largest contributor to real GDP, accounting for 17.2% of the total in 2024.

3. Financial Markets Trends

- Bahrain's YoY inflation remained low throughout 2024, despite an increase from negative 0.3% in December 2023 to 0.5% in December 2024.
- In 2024, Business loan rates declined to 7.3% from 8.7%, while personal loan rates fell to 5.4% from 6.5%, reducing borrowing costs.
- As of December 2024, SMEs accounted for 11% of total outstanding loans, with key sectors such as Construction, Wholesale & Retail Trade, and Real Estate showing the highest dependence on SME financing.

4. Foreign Trade Overview

- Non-oil national origin exports totaled BHD 4.68 Bn in 2024, reflecting a 0.3% YoY increase.
- Saudi Arabia continues to be Bahrain's largest export market, contributing to 23% of total non-oil exports of national origin export value in 2024.
- China remained the top source of imports to Bahrain, accounting for 14.3% of total non-oil imports, followed by Australia at 9.6% of imports, and Brazil at 8.5%.

5. Labor Market Overview

- In 2024, private sector employment saw a 2% YoY increase compared to the previous year reaching a total of 571,253 employees.
- The number of Bahraini nationals working in the private sector rose by 2.4% YoY in 2024 totaling 103,986 in 2024.
- The monthly average wages of Bahraini employees working in the private sector increased by 4.7% YoY in 2024.

Bahrain 2024 Economic Highlights

Economic Development

Data Source: IGA, National Accounts, CPI, 2024



15,138.2 ^{BHD}/_{MN}

Real GDP, 2024



2.6%

YoY Growth in Real GDP, 2024



86%

Non-Oil Real GDP Share, 2024



3.8%

YoY Non-Oil Growth in Real GDP, 2024



0.5%

Inflation, Dec 2024

Fastest Growing Sectors (YoY%)

Data Source: IGA, National Accounts, 2024



12.3%

Information & Communication



9.5%

Professional, Scientific & Technical



5.9%

Accommodation & Food Services



4.9%

Transportation & Storage

Foreign Trade

Data Source: IGA, Foreign Trade, 2024
Date of extraction 5 February 2025



9,128.7 ^{BHD}/_{MN}

Total Value Exports, 2024



4,451.8 ^{BHD}/_{MN}

Oil Exports, 2024



4,676.9 ^{BHD}/_{MN}

Non-oil Exports, 2024



7,772.1 ^{BHD}/_{MN}

Value of commodities Imported, 2024



0.3%

YoY Change in Non-Oil Exports, 2024

Labor Market

Data Source: IGA, Foreign Trade, 2024
Date of extraction 5 February 2025

Private Sector Employment



103,986

Bahraini Employees

↑ YoY (2.4%)



467,267

Non-Bahraini Employees

↑ YoY (1.9%)



853 BHD

Average Wage of Bahrainis

↑ YoY (4.7%)

Public Sector Employment



50,908

Bahraini Employees

↑ YoY (1.5%)



975 BHD

Average Wage of Bahrainis

↑ YoY (6.3%)

Economic Developments in Bahrain



Bahrain's non-oil sector continued to drive economic growth in 2024, accounting for 86% of the Kingdom's real GDP

Key Takeaways

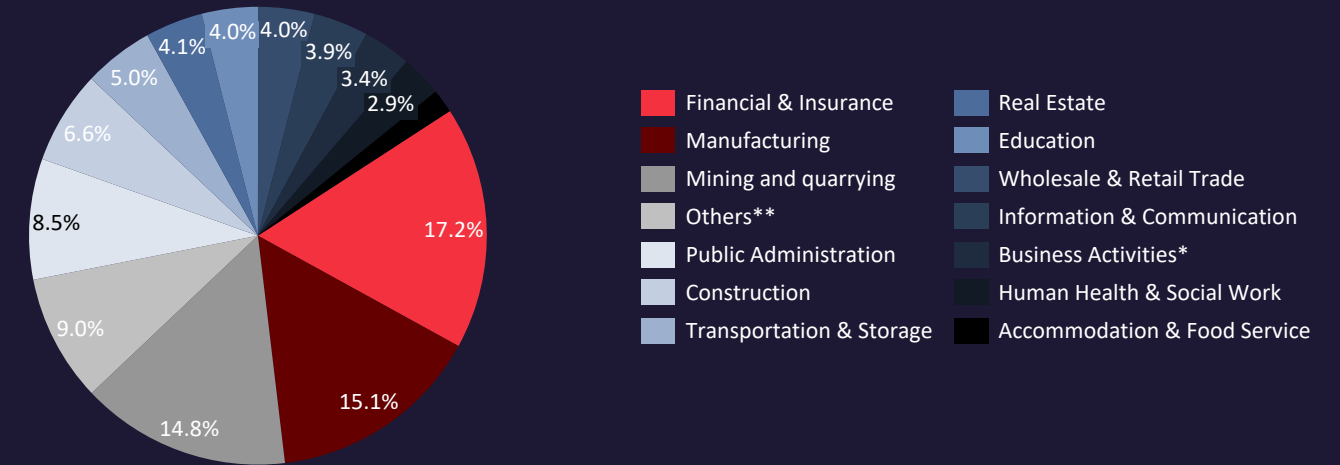
1. The non-oil sector continued to drive economic growth in Bahrain in 2024, expanding by 3.8% YoY.
2. The fastest growing sectors in 2024 were Information & Communication, Professional, scientific & technical, Accommodation & Food Services, and Transportation & Storage.
3. The Financial and Insurance Activities sector remained the largest contributor to real GDP, accounting for 17.2% of the total in 2024.

- Bahrain's real GDP grew by 2.6% YoY in 2024 reaching to 15,138.2 Mn. This growth was driven by the non-oil sector, which expanded by 3.8% YoY and accounted for 86% of the Kingdom's total real GDP. By contrast, the oil sector experienced a 4% YoY decline in 2024.
- The fastest growing sector in 2024 was observed in the Information & Communication sector with a growth rate of 12.3% YoY. The number of mobile telephone subscribers increased from 2.4 Mn in Q4-2023 to approximately 2.6 Mn in Q4-2024, reflecting an increase of 6% YoY. Additionally, the mobile broadband subscriptions increased, bringing the total to 2.4 Mn, with a penetration rate of 165%. This represented a 7-percentage point increase.

- The Professional, Scientific & Technical sector recorded a 9.5% YoY increase in 2024 compared to 2023.
- Accommodation & Food Services activities posted continued strong growth of 5.9% in 2024, supported by a 19.9% rise in inbound tourism, which reached 14.9 Mn visitors. Same-day visitors increased by 19.4% to 8.3 Mn, while overnight visitors increased by 20.7% to 6.6 Mn, contributing to a 16% growth in overnight stays.
- The Transportation & Storage sector expanded by 4.9% YoY in 2024. This growth was driven by a rise in aircraft mobility of 8.4% YoY. While sea containers handled at Khalifa Bin Salman Port rose by 1.3%, compared to 2023.

Data Source: iGA, National Accounts, 2024

GDP Breakdown by Sector (% , 2024)

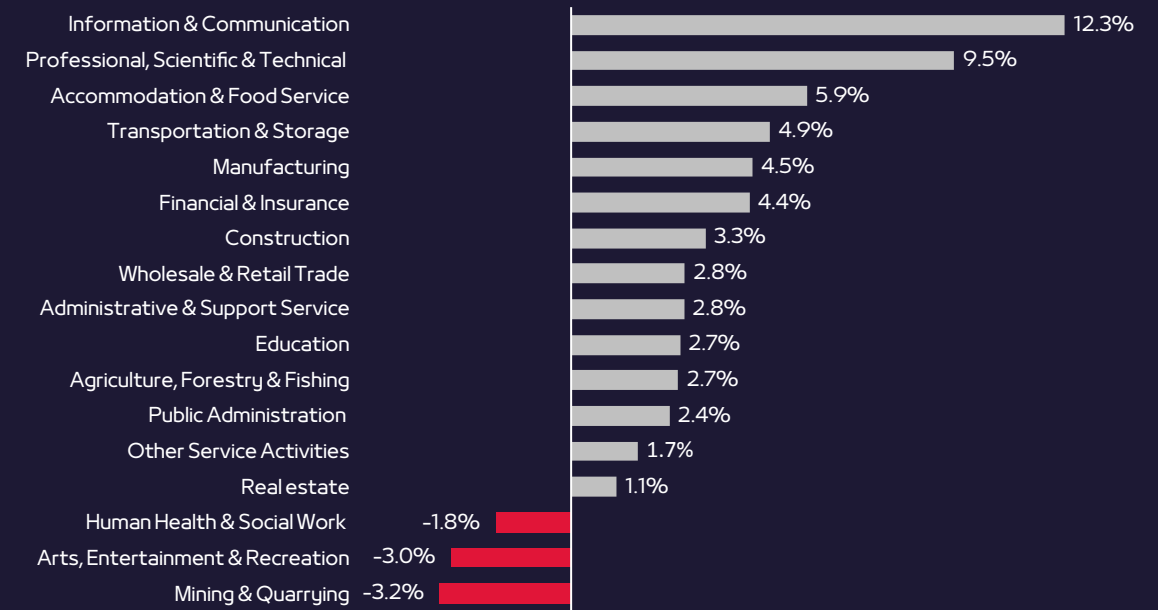


* Business Activities include Professional, Scientific, Technical Activities, and Administrative and Support Activities

** Others include the Agriculture, Electricity, Water Supply, Other Service Activities, Activities of Household, Arts, Entertainment & Recreation, and Net Taxes on Products

Data Source: iGA, National Accounts, 2024

Bahrain's YoY Real GDP Growth per Sector (% , 2024)



% Change: YoY 2024 vs 2023

Data Source: iGA, National Accounts, 2024

Financial Markets Trends



Key Takeaways

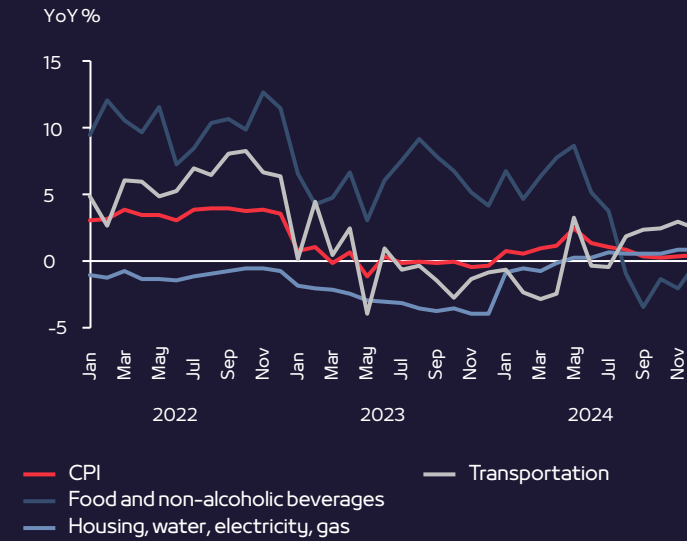
1. Bahrain's YoY inflation remained low throughout 2024, despite an increase from negative 0.3% in December 2023 to 0.5% in December 2024.
2. In 2024, Business loan rates declined to 7.3% from 8.7%, while personal loan rates fell to 5.4% from 6.5%, reducing borrowing costs.
3. As of December 2024, SMEs accounted for 11% of total outstanding loans, with key sectors such as Construction, Wholesale & Retail Trade, and Real Estate showing the highest dependence on SME financing.

- In 2024, global inflation showed signs of moderation averaging around 5.2%, a decline from 8.2% in 2022 and 6.8% in 2023, driven by easing supply chain disruptions and relatively stable oil prices.
- In 2024, Bahrain's Consumer Price Index (CPI) exhibited minimal fluctuations, reflecting a stable inflationary environment. The CPI reached an all-time high of 102 points in August 2024, before decreasing to 101.1 points in December 2024.
- Bahrain's YoY inflation rates remained low throughout the year, where the highest rate recorded was in May 2024 increasing by 2.5% YoY, mainly driven by the increase in food prices.
- The decline in inflation rates prompted central banks to reassess their monetary policies. In September 2024, the Central Bank of Bahrain took a significant step by lowering interest rates for the first time since raising them in March 2022 to curb inflation, as global inflationary pressures eased.

- In 2024, the average interest rate on credit facilities in Bahrain stood at 7.3% for business loans from 8.7% in 2023 and 5.4% for personal loans from 6.5% in the previous year.
- Total outstanding loans reached BHD 5,211.74 Mn as of December 2024, of which 11% were attributed to SMEs. Sectors such as Other Service Activities, Construction, Wholesale & Retail Trade, and Real Estate had the highest SME loan concentrations, indicating that businesses in these sectors are heavily reliant on financing.

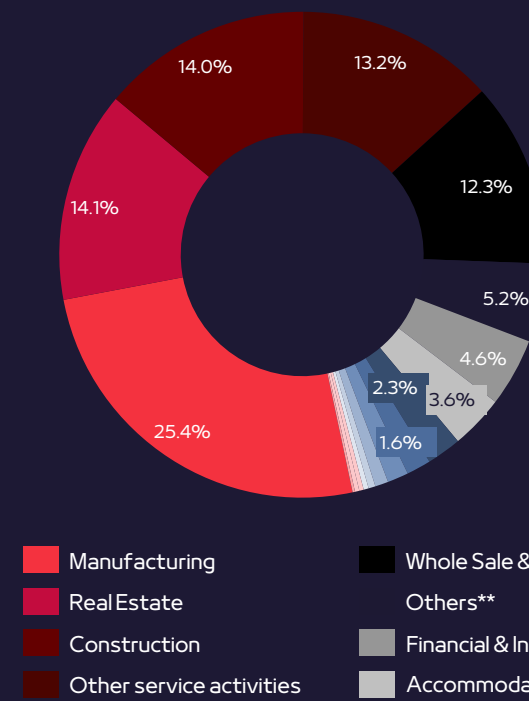
Data Source: IGA, Consumer Price Index, December 2024

Consumer Price Inflation (YoY %, Jan 2022 – Dec 2024)



Data Source: CBB, Statistical Bulletin, Table 21, December 2024

Distribution of Outstanding Loans & Advances by Sector (% , Dec 2024)



*Business Activities include Professional, Scientific, Technical Activities, and Administrative and Support Activities

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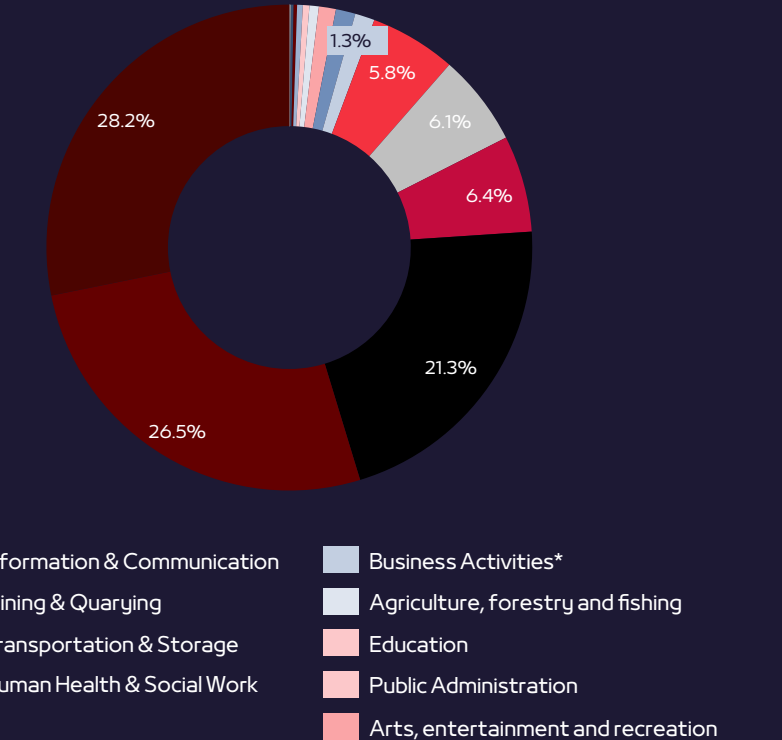
Data Source: CBB, Statistical Bulletin, Table 7, December 2024

Average Rate of Interest on Credit Facilities (% , Jan 2022 – Dec 2024)



Data Source: CBB, Statistical Bulletin, Table 21, December 2024

Distribution of Outstanding Loans & Advances to SMEs by Sector (% , Dec 2024)



Foreign Trade Overview



Non-oil national origin exports totaled BHD 4.68 Bn in 2024, reflecting a 0.3% YoY increase

Key Takeaways

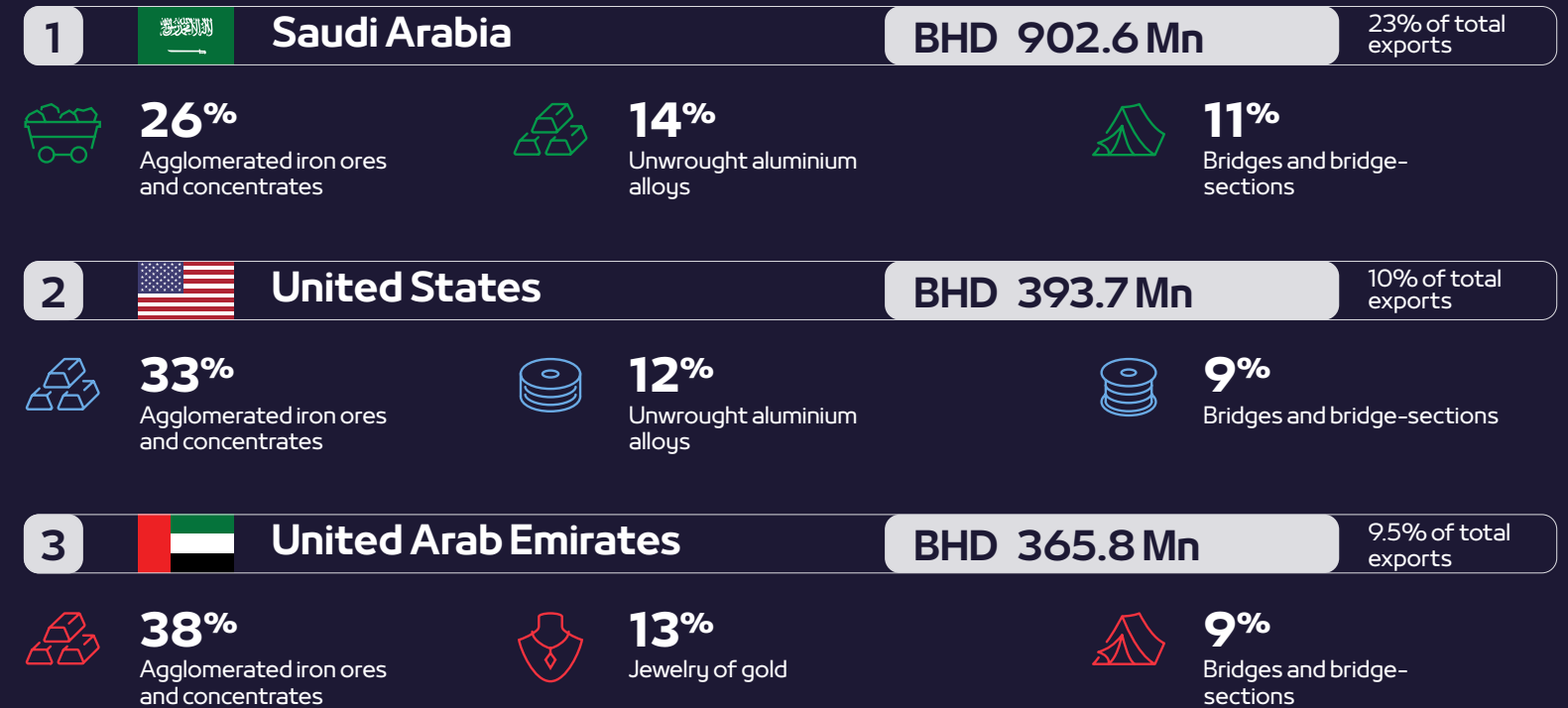
1. Non-oil national origin exports totaled BHD 4.68 Bn in 2024, reflecting a 0.3% YoY increase.
2. Saudi Arabia continues to be Bahrain's largest export market, contributing to 23% of total non-oil exports of national origin export value in 2024.
3. China remained the top source of imports to Bahrain, accounting for 14.3% of total non-oil imports, followed by Australia at 9.6% of imports, and Brazil at 8.5%.

- Bahrain's total exports declined in 2024, reaching BHD 9.13 Bn, which marks a 2.2% YoY decrease from BHD 9.33 Bn in 2023, primarily driven by a 4.6% drop in oil exports to BHD 4.45 Bn.
- Non-oil national origin exports totaled BHD 4.68 Bn in 2024, reflecting a 0.3% increase compared to the previous year.
- Unwrought aluminum alloys remained the leading non-oil national origin product, contributing 27% of total national origin export value, followed by agglomerated iron ores and concentrates, accounting for 17% of total national exports in 2024.

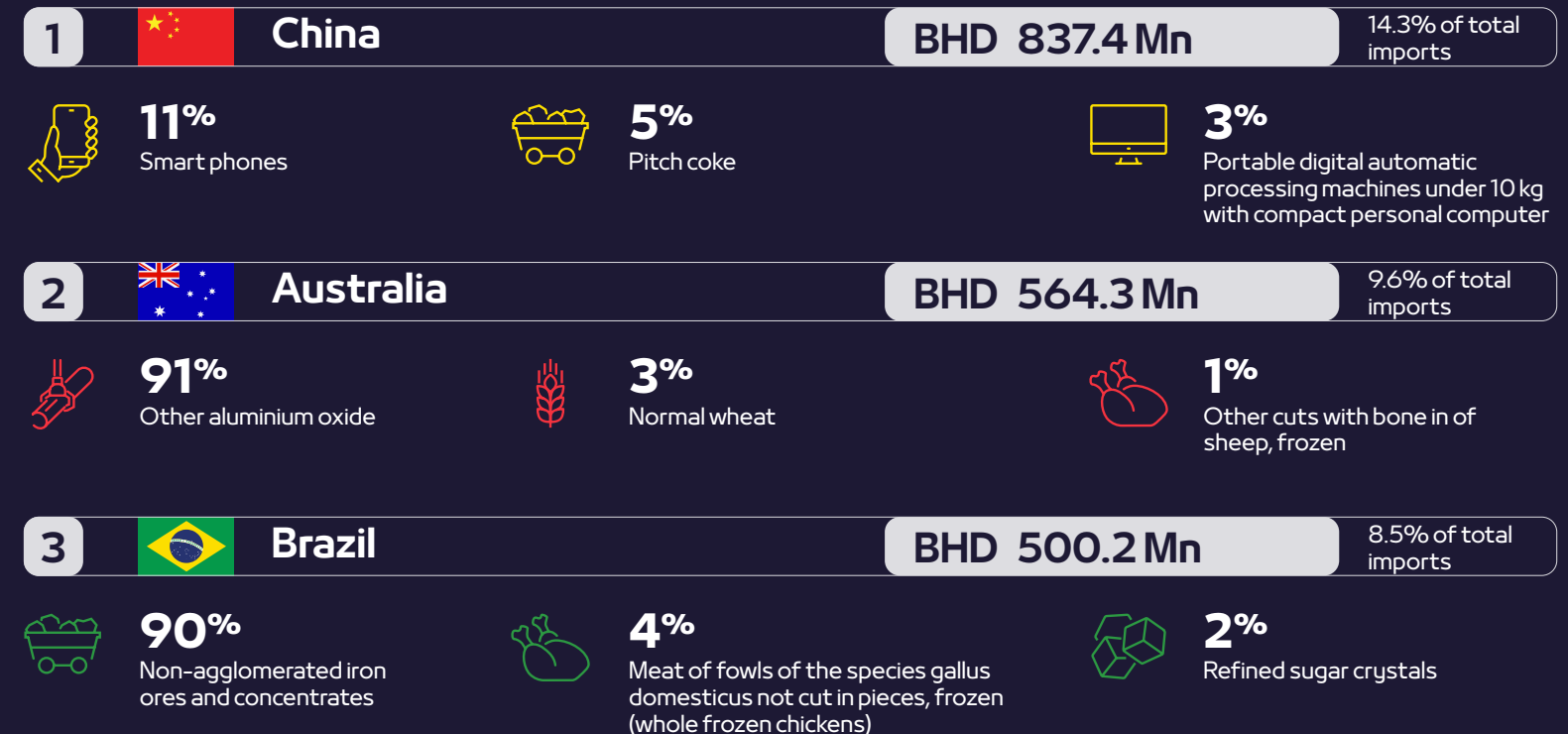
- Saudi Arabia maintained its position as the primary destination for Bahrain's non-oil national-origin exports, holding a 23% share of total exports, followed by the United States at 10.2% and the United Arab Emirates at 9.5%.
- The total value of commodities imported in 2024 reached BHD 7.77Mn, representing a 1.8% YoY increase.
- China remained the top source of imports to Bahrain, accounting for 14.3% of total non-oil imports, followed by Australia at 9.6% of imports, and Brazil at 8.5%.

Data Source: IGA, Foreign Trade, 2024, Extraction Date: 5 February 2025

Leading Destinations of Non-oil Exports of National Origin in 2024



Leading Sources of Merchandise Imports in 2024



Labor Market Overview



Bahraini employment recorded a growth of 2.4% YoY in 2024

Key Takeaways

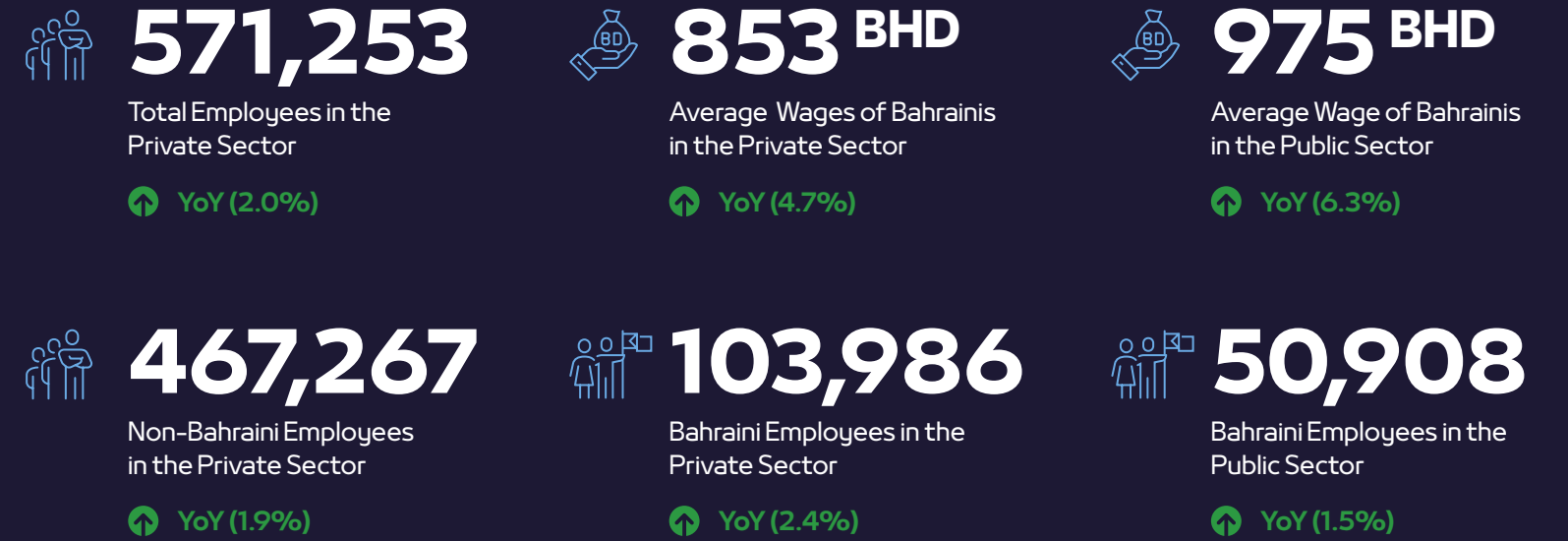
1. In 2024, private sector employment saw a 2% YoY increase compared to the previous year reaching a total of 571,253 employees.
2. The number of Bahraini nationals working in the private sector rose by 2.4% YoY in 2024 totaling 103,986 in 2024.
3. The monthly average wages of Bahraini employees working in the private sector increased by 4.7% YoY in 2024.

- In 2024, private sector employment saw a 2% YoY increase compared to the previous year. This growth was driven by a continued rise in the number of Bahraini employees in the private sector, reaching 103,986 by year end, a 2.4% YoY increase.
- Meanwhile, the number of non-Bahraini employees in the private sector reached 467,267 in 2024, showing an increase of 1.9% YoY.
- These labor market trends highlight the expanding role of the private sector in driving Bahraini employment, where these achievements underscore Bahrain's commitment to empowering its workforce and bolstering its economic resilience.

- The average monthly wages of Bahrainis working in the private sector increased by 4.7% YoY, reaching on average BHD853, while in the public sector, the average monthly wage rose to BHD 975, reflecting a 2.5% YoY increase in 2024.
- As businesses embrace technological shifts and the evolving market, new opportunities for Bahrainis continue to emerge, reinforcing a positive employment trend. With the growing demand for skilled workers, further efforts to upskill the Bahraini workforce will be essential in sustaining this momentum.

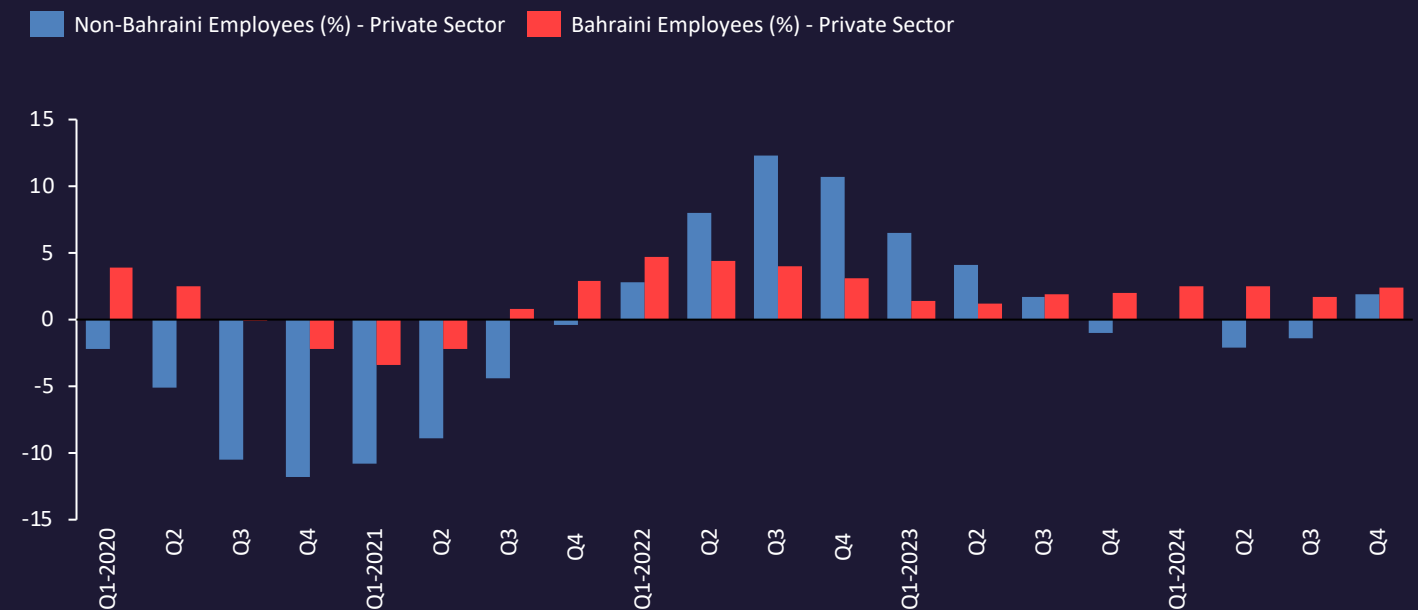
Data Source: Social Insurance Organization, Statistical Report, Q4-2024

Labor Market Indicators (2024)



Data Source: Social Insurance Organization, Statistical Report, Q4-2024

YoY Changes in Employment by Labor Market Segment (% , 2020 – 2024)



Data Source: Social Insurance Organization, Statistical Report, Q4-2024

Global Context



Key Takeaways

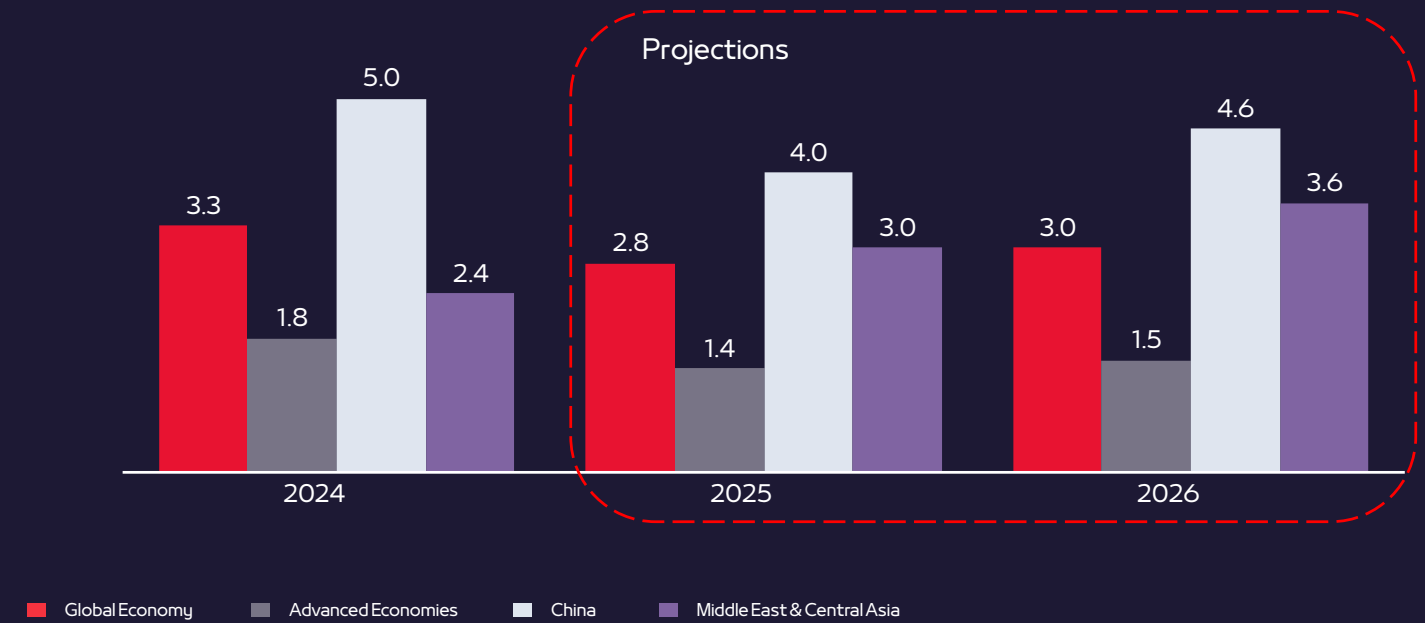
1. Amidst recent US tariffs and retaliatory measures, U.S. growth revised down to 1.8% driven by greater policy uncertainty.
2. China's growth cut down to 4% below expected targets, in light of imposed tariffs and low consumer confidence.
3. The eurozone faces subdued growth with an additional downgrade down to 0.8% due to high energy prices and a weak manufacturing sector.
4. Inflation remains mixed, central banks should assess their monetary strategies based on evolving data and communicate transparently to support price stability
5. Continued downward oil price pressures despite OPEC+ supply cuts, influenced by geopolitical factors, trade wars and shifting demand.

- As per the IMF spring 2025 outlook, the global growth outlook has been revised downward to 2.8% in 2025, and a slight rise of 3% in 2026, compared to the previous forecast of steady 3.3% growth for both years. This reflects the widespread impact of recent US tariffs and retaliatory measures disrupting global supply chains and economic activity, signaling a cautious trajectory amid escalating trade tensions and intensifying downside risks.
- The U.S. economy is now expected to slow to 1.8% in 2025, 0.9 percentage points lower than the Jan 2025 WEO update. This revision stems from greater policy uncertainty driven by new tariffs, trade tensions, and softer demand momentum.
- Despite overall economic stability, China's growth is projected to fall short of expectations, cut to 4%, due to ongoing tariffs, rising uncertainty, slower consumption, and weak consumer confidence.

- In the eurozone, growth is expected to remain subdued at 0.8% for 2025. Weaker manufacturing and Germany's underperformance will further weigh on regional growth.
- Given ongoing uncertainties and the balance between growth and inflation, central banks should reassess monetary strategies based on evolving data and communicate clearly to support price stability. If inflation risks persist or expectations rise, rate cuts must be firmly grounded in evidence that inflation is returning to target.
- Oil prices face downward pressure from oversupply and weak demand despite production cuts since April 2023, and demand led by China's petrochemical sector. Brent crude fell to \$74 per barrel in December 2024 from \$85 in April 2023, showing limited cut impact. Geopolitical tensions, trade wars, and declining demand—especially from China's energy shift—may continue to weigh on future forecasts.

Data Source: IMF, World Economic Outlook Update, April 2025

YoY Real GDP Growth (% , 2024 – 2026 Projections)



Data Source: US Energy Information Administration, Dec 2024

Europe Brent Spot Price (USD/bbl, Jun 2021 – Dec 2024)





Economic Indicators and Definitions

Name	Definition
Economic Indicator	A set of data that serves as a tool for analyzing current economic conditions and future prospects. Usually classified according to their timing in relationship to the ups and downs of the business cycle, that is, whether they anticipate (lead), coincide with, or lag behind general business conditions.
Gross Domestic Product (GDP)	A primary indicator of macroeconomic performance that shows the overall health and size of an economy. It is the monetary value of all finished goods and services produced within a country during a specific time period. The GDP consists of four components: Consumption (C), Investment (I), Government Expenditure (G) and Net Exports (NX).
Gross Domestic Product at Current Price	GDP at current price is the GDP unadjusted for the effects of inflation; thus, this is at current market prices and known as the nominal GDP.
Gross Domestic Product at Constant Price	GDP at constant price is the GDP adjusted for the effects of inflation and known as the real GDP.
Gross Domestic Product – Growth Rate	The GDP growth rate (also refers to the percent change in real GDP) compares the year-over-year (or quarterly) change in a country's economic output, to measure how fast (or slow) an economy is growing.
Inflation	The rate at which the value of a currency is falling and, consequently, the general level of prices for goods and services is rising.
Consumer Price Index (CPI)	One of the most followed indicators to measure inflation. The Consumer Price Index measures the average change in prices over time that consumers pay for goods and services.
Non-Oil Sector	Includes all economic activities excluding oil sector activities.

Name	Definition
Deposit Liabilities to Non-Banks	Includes deposits made in Bahraini Dinars or foreign currencies within retail banks, as well as local deposits from both government and private sectors (excluding banks) and foreign deposits.
Rate of Interest on Credit Facilities	Average interest rate on personal and business loans.
Labor Market	Known as the job market and relates to the supply and labor demand in which the supply is provided by the workers and demand by the employers.
Labor Market Entrants	Known as the new active employees registered for the first time in the private sector from the beginning of the year.
Monthly Average Wage	The average wage is the sum of the monthly wages of all individuals in a wage distribution divided by their numbers. The monthly average wage represents the wage that each person would receive on a monthly basis if total wage were distributed equally among them.
Non-Oil Trade Balance	The difference between the value of non-oil imports and non-oil exports during a certain period.
National Origin Exports Re-Exports	Exports including all commodities that were entirely produced or manufactured in Bahrain. Exports of commodities that have been imported previously.
Imports	Imports including all commodities that were produced or manufactured from a country abroad through foreign supplies and producers.
Million barrels per day (MBD)	Million barrels per day, a unit of measurement for oil production and consumption.



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