



وزارة المالية والاقتصاد الوطني

Ministry of Finance
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BAHRAIN

SUMMARY

STRONG GROWTH MOMENTUM DRIVEN BY THE NON-OIL SECTORS

Bahrain's economy recorded the highest YoY real growth rate since 2011 in the second quarter of this year by 6.9%, according to initial data published by the Information and eGovernment Authority. Almost all of the economic sectors saw a positive growth driven by a post-COVID-19 economic recovery.

- ◆ **Bahrain's real GDP continued its positive performance during 2022, growing by 6.9% YoY** in the second quarter, as almost all of the non-oil sectors recorded growth. Contrastingly, the oil sector, experienced a 2.2% YoY drop as a result of the decrease in total production due to the scheduled maintenance of Bahrain field.
- ◆ **Economic growth was mainly driven by the non-oil sectors which grew by 9.0% YoY in real terms.** Five sectors posted annual real growth exceeding 7%, of which the sectors previously affected by COVID-19 saw the highest growth rates: Hotels and Restaurants which grew of 18.1% and Transportation & Communications by 15.1%. Additionally, the Manufacturing sector expanded by 7.6%, Trade by 7.5%, and Government Services by 7.1%.
- ◆ **In nominal terms, GDP expanded by 22.9% during Q2 2022 YoY**, with the oil sector growing significantly by 51.7% due to the increase in global oil prices. The non-oil sector also grew by 17.8%, mainly due to the contributions of the Manufacturing and Hotels and Restaurants sectors, which expanded by 49.8% and 25.5% YoY, respectively.
- ◆ **Despite global challenges, economic growth dynamics in the Gulf region remain very strong.** In an effort to offset global inflationary pressures, the central banks of the GCC countries increased interest rates by 2.25 percentage points since the beginning of the year, in line with the US Federal Reserve, in order to maintain financial and monetary stability. Further, the IMF projects economic growth of the GCC countries at 6.4% in 2022 driven by increased oil prices and production levels as well as stronger performance in the non-oil sectors.

Bahrain Economic Outlook

	2020	2021 Prelim	2022 Forecast	2023 Forecast
Real GDP growth (%)	-4.9%	2.2%	4.1%	2.5%
Non-hydrocarbons sector	-6.0%	2.8%	5.0%	2.9%
Hydrocarbons sector	-0.1%	-0.3%	0.3%	0.3%
Nominal GDP growth (%)	-10.2%	11.9%	14.8%	1.9%
Inflation (CPI %)	-2.3%	-0.6%	3.2%	2.5%
Current account (% of GDP)	-9.3%	6.7%	16.5%	11.0%
Crude Oil Brent (USD)	41.7	70.9	104.2	96.9

Source: Ministry of Finance and National Economy estimates

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EXTERNAL CONTEXT

Global Prospects

The global economy is projected to grow by 3.2% in 2022, according to the World Economic Outlook July 2022 update issued by the International Monetary Fund, down from an initial projection in April of 3.6% due to rising global inflation levels and the Russia-Ukraine conflict and its ramifications. Further, the IMF also lowered the 2023 growth forecast to 2.9% from 3.6%.

In the second quarter of 2022, the United States GDP fell by 0.6% YoY following a 1.6% drop in Q1. The Euro-zone, by contrast, saw growth slightly accelerate from 0.5% in Q1 to 0.8% in Q2. As for China, real GDP fell short of expectations growing by just 0.4% on an annual basis in Q2, down from 4.8% in Q1, due to COVID-19 restrictions and the real estate crisis hampering economic performance.

As for inflation levels, price pressures increased globally in Q2 2022 due to supply chain disruptions which were impacted by the zero-COVID policy implemented in China, as well as the increase in food and commodity prices due to global political dynamics. In the United States, inflation reached a four-decade high in June 2022, with consumer prices soaring by 9.1% driven by the rise in gasoline, food, and housing prices, whilst the Eurozone annual inflation rate rose by 8.6% during the same period. The US Federal Reserve has led an increasingly global trend toward tighter monetary policy with two consecutive 0.75% rate hikes in June and July with further increases expected to follow. The quick pace of monetary tightening has delivered a period of exceptional Dollar performance, while the Euro has dropped to its lowest level in 20 years by USD 0.9951.

Regarding the oil market, the Organization of the Petroleum Exporting Countries (OPEC) maintained its oil GDP forecast for 2023 of 2.7 Mn barrels per day, while its forecast for 2022 remained at 3.1 Mn. Additionally, according to the latest report that was published by the organization during September 2022, the demand for oil within the Organization for Economic and Cooperation and Development (OECD) is forecasted to grow by 1.6Mn barrels per day during 2022, while the demand for oil for non-OECD members is forecasted to grow by 1.5 Mn barrels. This was stated based on the belief that major economies are performing better than expected despite the high inflation. The discouraging global growth outlook has also put downward pressure on oil prices, although the market remains tight and sensitive to unexpected disruptions. Having risen to USD122.7 per barrel in June, oil prices fell back below USD100 per barrel in August.

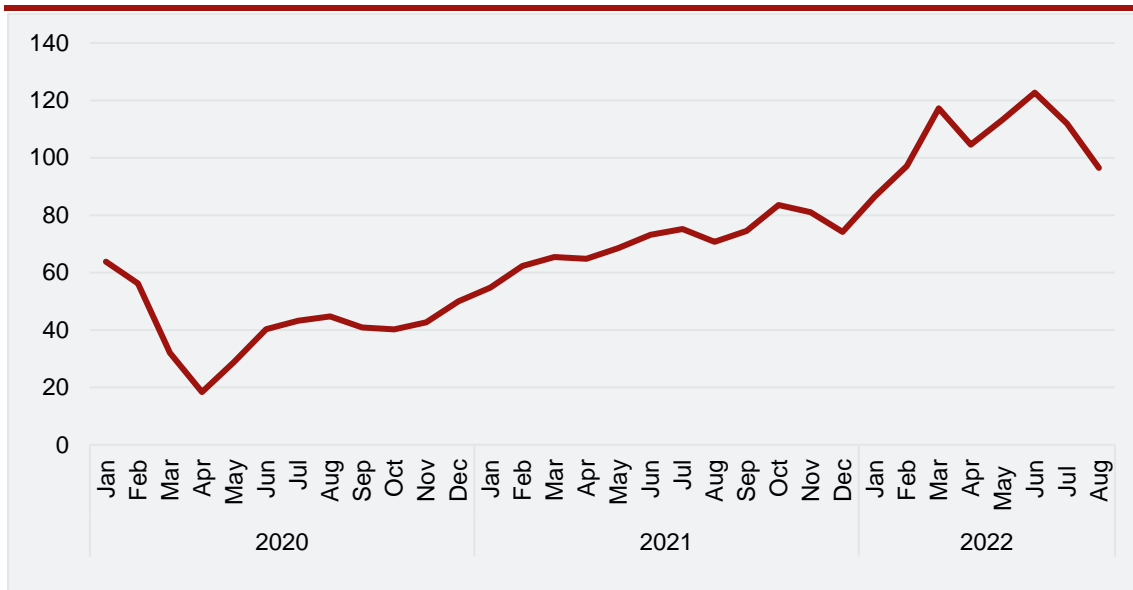
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Europe Brent Spot Oil Price (USD per barrel)



Source: US Energy Information Administration

GCC Economic Outlook

Saudi Arabia's General Authority for Statistics revealed an increase in real GDP for Q2 2022. According to its estimations, GDP at real prices expanded by 12.2% compared to the same period in 2021, with the oil sector growing by 22.9% YoY and non-oil sector by 8.2% YoY.

The United Arab Emirates real GDP grew by 8.4% YoY in the first quarter of 2022, according to the latest "Competitiveness and Statistics" report issued by the Federal Center for Competitiveness and Statistics in September 2022, with the non-oil sector recording an 8.8% YoY growth. In nominal terms, GDP achieved a strong growth of 22.3% YoY, with the non-oil sector growing by 16%, noting that it contributes 74% of total GDP.

Inflation levels in the GCC remained well below the rest of the world due to improved economic activity across the region as well as increased oil prices. Although GCC countries import a substantial amount of their food supplies, they managed to offset the food supply disruptions associated with the Russian-Ukrainian conflict due to the diversity of import sources. Additionally, capping the ceiling of prices for important commodities like food and gasoline has empowered GCC governments, such as Saudi Arabia and Qatar, to protect consumers from sharp increase in prices. As such, by the end of June, the annual pace of CPI inflation in the region ranged from 2.3% in Saudi Arabia to 5.4% in Qatar.

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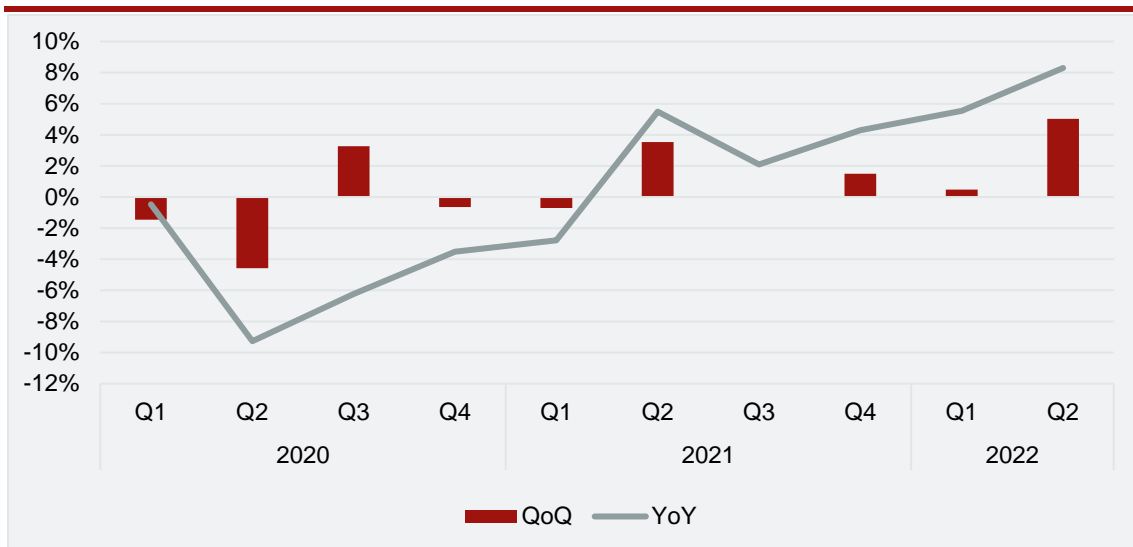
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The Information and eGovernment Authority released the preliminary national accounts for Q2 2022 revealing a strong positive economic performance as real GDP grew by 6.9% YoY and nominal GDP by 22.9% YoY.

In Q2 2022, the non-oil sector recorded an increase of 9.0% in real terms and 17.8% in nominal terms compared to the same period in 2021. On the other hand, the oil sector saw a decline of 2.2% in real terms but a growth of 51.7% in nominal terms.

Real GDP Growth (%)



Source: Information & eGovernment Authority

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Non-Oil sector

The non-oil sector growth continued during Q2 2022, increasing by 9.0% YoY in real terms and 17.8% YoY in nominal terms.

The Hotels and Restaurants sector continued to record the highest growth amongst non-oil sectors, increasing by 18.1% YoY in real terms. This growth is due to the increase in the number of passengers arriving through King Fahd Causeway to Bahrain by 945.1% compared to the second quarter of 2021, while the number of passengers arriving through Bahrain International Airport increased by 119.6% YoY. Furthermore, tourism revenues totaled BD 330.4mn during Q2 2022, an increase of 562.0% compared to the same period last year, according to the results of the Tourism Survey conducted by the Bahrain Tourism and Exhibition Authority and the Information & eGovernment Authority.

The Transportation and Communication sector also witnessed a notable improvement increasing by 15.1% YoY in Q2 2022. As for the Manufacturing sector, it grew by 7.6% YoY as a result of the increase in production across the main players of the sector, with the Bahrain Petroleum Company (BAPCO), Bahrain National Gas Company (Banagas) and Aluminum Bahrain (ALBA) all increasing production by 40.8%, 9.7%, and 1.2%, respectively

The Trade sector grew by 7.5% in real terms, which reflects the increase in the value of point of sale and e-commerce transactions by 44.7% in Q2 2022. Additionally, new commercial registrations for companies increased by 29.2%, while the numbers of inwards and outwards trucks passing through King Fahd Causeway witnessed a growth of 2.4%.

Government Services grew by 7.1% YoY during Q2 2022 in real terms. The Real Estate and Business Activities sector also recorded real growth during Q2 2022, increasing by 4.5% YoY, reflecting the increase in the number of real estate transactions registered with the Survey and Land Registration Bureau by 1.9% compared to the same period last year.

The Financial Services sector, the largest non-oil sector contributor to real GDP, grew by 3.6% YoY in real terms. According to the Central Bank of Bahrain's monthly statistical bulletin, total value of non-bank deposits increased by 11.7%, total value of outstanding loans of retail banks increased by 5.8%, while the balance sheet of banking system increased by 5.6%, the broad measure of money supply (M3) increased by 3.4%, and finally, the number of electronic fund transfer transactions (Fawri/Fawri+/Fawateer) rose by an annual 31.5% YoY.

The Construction sector achieved a growth of 2.6% YoY in real terms, supported by the increase in total built-up area of issued building permits by 1.6% YoY.

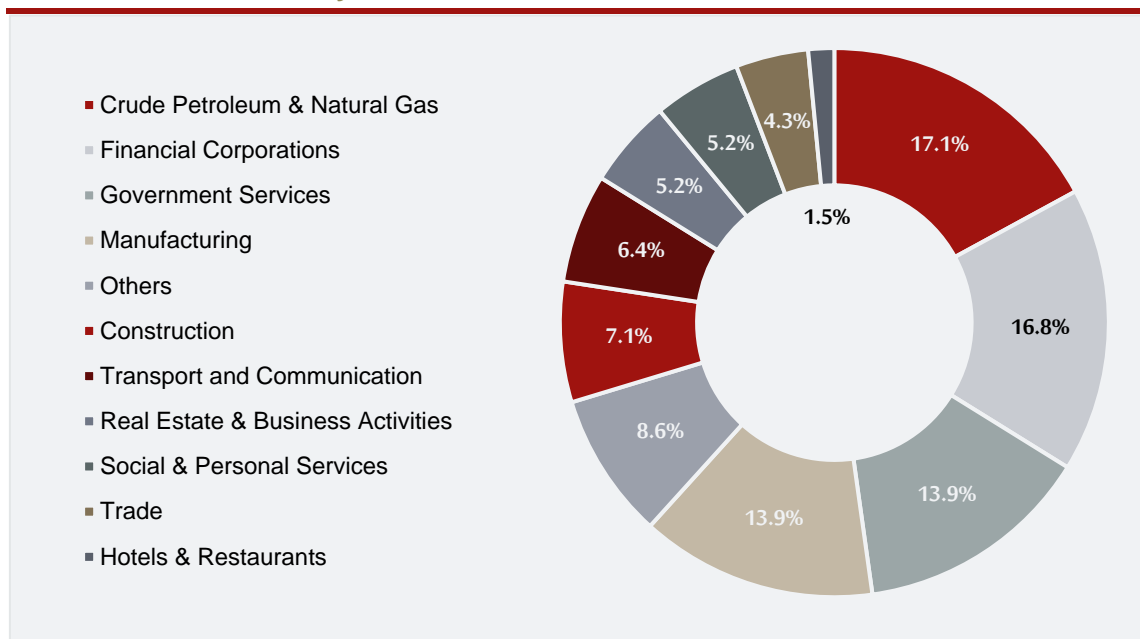
Real GDP Growth by Sector (YoY, %)

Year Sector	2021					2022	
	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Crude Pet. & Nat. Gas	-0.3%	2.1%	-2.3%	-4.6%	4.7%	-4.7%	-2.2%
Manufacturing	0.5%	-1.9%	2.3%	-0.3%	1.8%	5.3%	7.6%
Electricity & Water	3.0%	-4.9%	2.8%	4.4%	9.6%	12.2%	0.0%
Construction	0.8%	-0.9%	0.2%	0.7%	3.1%	3.0%	2.6%
Trade	1.2%	-6.2%	4.2%	4.5%	2.9%	1.6%	7.5%
Hotels & Restaurants	7.6%	-20.4%	45.2%	-5.6%	31.7%	26.6%	18.1%
Transp. & Comm's	6.4%	-26.8%	36.0%	25.8%	11.5%	15.8%	15.1%
Social & Pers. Serv.	-1.3%	-13.3%	3.2%	4.0%	2.9%	-1.9%	-0.4%
Real Est. & Bus. Act.	3.3%	-1.0%	4.7%	4.7%	4.8%	4.7%	4.5%
Financial Services	6.0%	10.7%	12.4%	-2.7%	5.2%	3.1%	3.6%
Government Services	2.0%	1.8%	1.2%	1.9%	3.1%	6.4%	7.1%
Other	3.5%	-16.3%	14.3%	31.8%	-3.8%	46.7%	58.7%
GDP	2.2%	-2.8%	5.5%	2.1%	4.3%	5.4%	6.9%
Non-oil GDP	2.8%	-3.8%	7.4%	3.8%	4.2%	7.7%	9.0%

Source: Information & eGovernment Authority

As for sector contributions to real GDP in Q2 2022, the non-oil sectors contributed 82.9%, with the Financial Corporations sector remaining the largest contributor of the non-oil sectors at 16.8% of total real GDP. The Manufacturing and Government Services sectors tied as the second largest contributors to GDP at 13.9% each, followed by the Construction sector at 7.1% and Transport and Communication at 6.4%.

Real GDP Breakdown by Sector – Q2 2022



Source: Information & eGovernment Authority

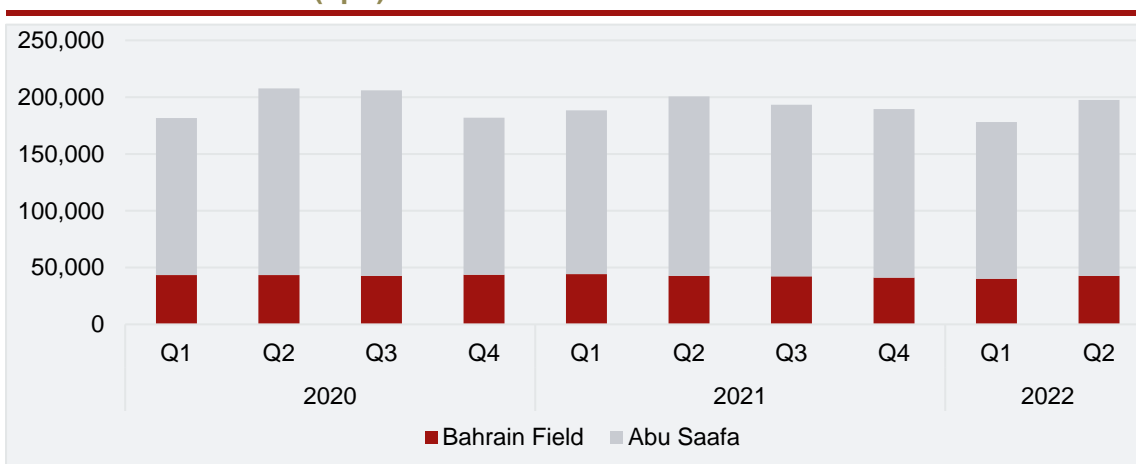
Oil Sector

The oil sector declined slightly in real terms by 2.2% YoY during Q2 2022 as a result of the decrease in total oil production by 3.2% YoY due to maintenance at the onshore Bahrain field. In nominal terms, the oil sector witnessed a remarkable growth of 51.7% YoY, due to the increase in oil prices, which averaged USD 113.93 during the quarter, almost double the average of USD 68.29 recorded during the same period of 2021.

Production at the Abu Sa'afah field averaged 154,799 b/d, which was an increase of 13.7% QoQ and a slight decrease of 2% YoY. On the other hand, production at the onshore Bahrain field averaged 39,411 b/d, down by 0.7% QoQ and 7.8% YoY. Production of natural and associated gas amounted to 239,423 cubic feet, recording an increase of 3.1% YoY and 13.7% QoQ, while about 34.2% of the total gas was reinjected into the oil sector.

The Bapco Modernization Program (BMP) reached a completion rate of 85.2% by late July 2022. The project aims to increase refining capacity, enhance products slate, improve energy efficiency, and emerge as one of the most competitive and environmentally compliant refineries in the region. The project, which should increase production from 267,000 to 380,000 b/d, is expected to be completed during Q4 2023.

Crude Oil Production (bpd)



Source: Ministry of Oil & Environment

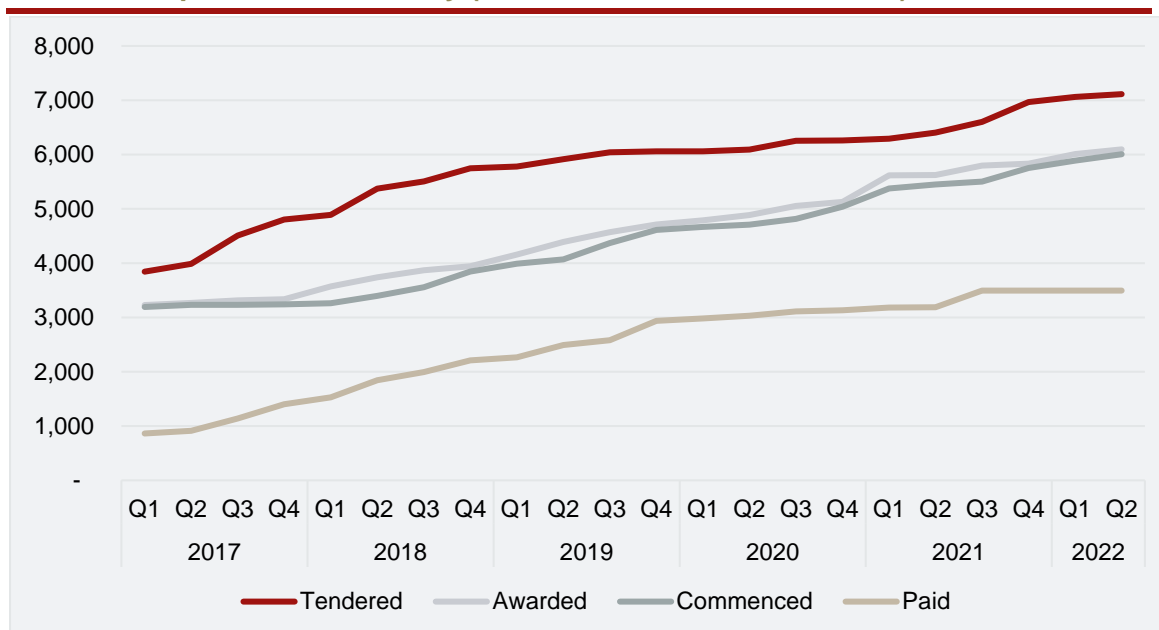
Infrastructure Projects

The USD 7.5bn GCC Development Fund has contributed to financing a number of development projects across many sectors, such as housing, infrastructure, and social development, youth and sports, in addition to development work of the Bahrain International Airport.

In Q2 2022, projects worth USD 100mn were awarded, increasing the total value of awarded projects to USD 6.1bn, an increase of 8.2% compared to Q2 2021.

The awarded projects included Sh Mohammed bin Khalifa's Specialist Cardiac Center, under the umbrella of the Emirates Development Fund, the Janabiya Highway widening project under the Kuwait Development Fund, and the development of the Sports City under the Saudi Arabia Development Fund, all of which were awarded during Q2 2022.

GCC Development Fund Activity (USD million, cumulative totals)



Source: Ministry of Finance and National Economy

Other notable strategic projects include:

- ◆ Bahrain joined the Industrial Partnership for Sustainable Economic Development which also includes the UAE, Egypt, and Jordan. The partnership plans to establish large joint industrial projects with view to driving economic diversification and job creation. The partnership is supported by a USD 10bn investment fund managed by Abu Dhabi's ADQ.
- ◆ The Ministry of Electricity and Water Affairs tendered a 20-year contract for local or international companies to build, own, operate, and maintain grid-linked solar photovoltaic power panels with a minimum capacity of 72 MW. This project is in line with the Kingdom's vision to adopt a circular carbon economy that would further protect the environment and support in achieving the 2060 net zero target.
- ◆ Edamah has signed an agreement with Minor Groups, a leading company in the hospitality sector globally, to develop its Avani and Tivoli brand hotels on the waterfront at Bilaj Al Jazayer, which are scheduled to open in 2024.

- ◆ Eagle Hills Diyar announced the commencement of the construction of the Address Residences Marassi Vista, a 10-storey building set on a built-up area of 33,756m². The project is expected to be completed by Q2 2024.
- ◆ The construction work on the Avenues - Bahrain Phase 2 expansion project has commenced in 2022, and it is expected to be completed by Q1 2024.
- ◆ The construction of the Boulevard 1890 has begun, covering an area of more than 5,000 square meters in the heart of Seef District. The project will include a multipurpose commercial complex of more than 31 shops and a number of restaurants and cafes.
- ◆ Edamah signed a 10-year lease agreement valued at USD 7mn in May with Canada's Trident Warehousing for an 8,137 sqm facility at the Sitra Industrial Park. This solidifies international companies' interest in establishing a footprint in the Gulf region.
- ◆ Haya Power & Desalination Company has started full operations of the Al Dur 2 independent water and power project. The build, own, and operate contract is based on a 20-year power purchase agreement by EWA. The Plant shall be developed to generate 1,500 MW of Power based on Combined Cycle Gas Turbine (CCGT) technology and produce 50 MIGD of water through Sea Water Reverse Osmosis (SWRO) technology.
- ◆ Eleven companies submitted prequalification documents for the Bahrain's planned metro project. The 109 km network is expected to be developed in four phases and has an estimated value of USD 2bn.
- ◆ The Ministry of Works has issued a bid for consultancy for the planned Sports City development in Sakhir. The development will have the country's largest sports stadium and a multi-purpose indoor sports area.

International Trade

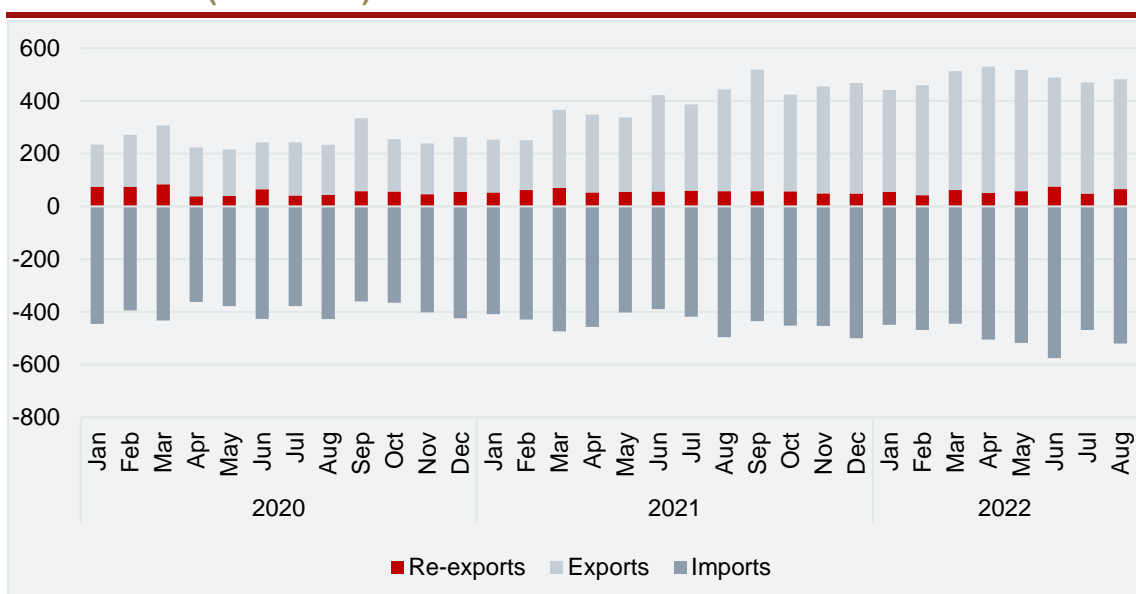
Based on the monthly foreign trade data issued by the Information and eGovernment Authority, trade balance of non-oil goods saw a growth in Q2 2022, as deficit was cut by 55.1% YoY from BD 141.1mn in Q2 2021 to BD 63.4mn in Q2 2022. In April specifically, trade balance recorded a surplus of BD 24.4mn compared to a deficit of BD 109.0mn in April of 2021.

The total value of Bahraini non-oil exports reached approximately BD 1.5bn in Q2, a remarkable 38.6% increase YoY. The national origin exports also grew YoY by 43.2% totaling approximately BD 1.4bn mainly attributed to base metals and articles thereof, which contribute to about 63.2% of total national origin exports, increasing by 79.3% YoY.

On the other hand, the total value of non-oil imports during Q2 2022 totaled BD 1.6bn, an increase of 28.0% YoY, as mineral products contributed to 18.7% of the total non-oil imports, which increased by 8.9% YoY.











According to the Balance of Payments data issued by the Central Bank of Bahrain, Bahrain's current account saw a strong improvement of 319.3% YoY in Q2 2022, recording a surplus of BD 0.76bn compared to BD 0.18bn in Q1 2022. The total exports raised by 70.9% YoY; this was driven by the increase in oil exports by 116.1% totaling around BD 1.71bn, in addition to the growth in non-oil exports. On the contrary, the total value of oil imports also increased by 166.2% YoY to BD 0.9bn.

Non-oil Trade (BD million)



Source: Information & eGovernment Authority (preliminary data sources have been attained from Customs Affairs)

The following are the Kingdom's key trading partners in Q2 2022:

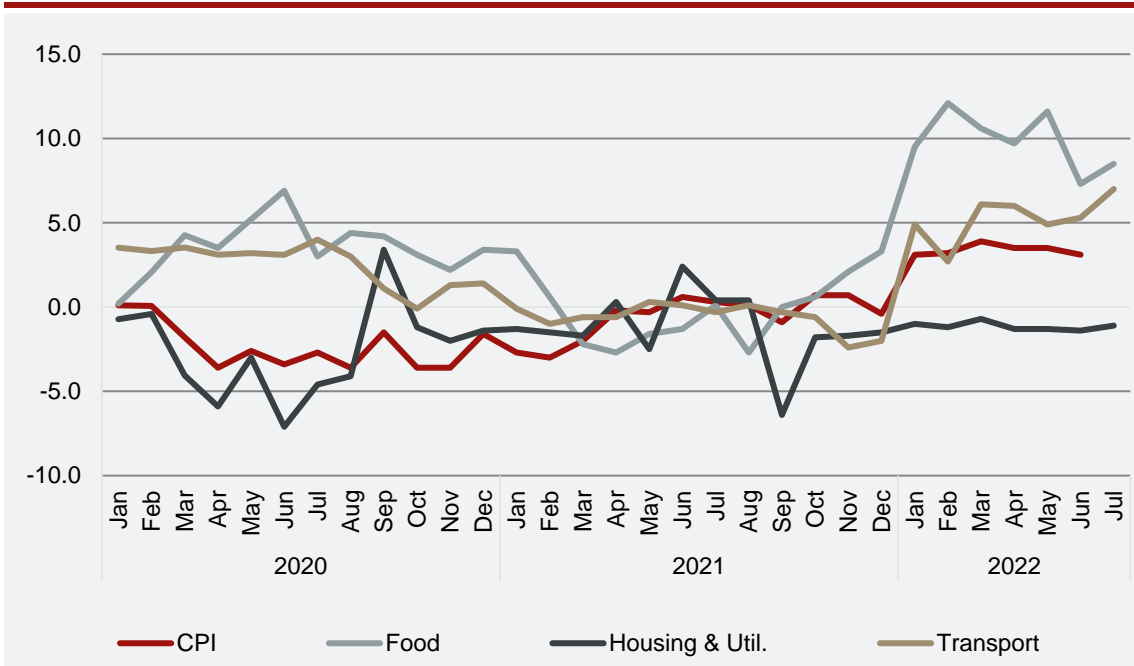
Exports		Imports	
Country	% of Total	Country	% of Total
Kingdom of Saudi Arabia 	18.1%	China 	14.7%
United States of America 	15.2%	Brazil 	10.7%
United Arab Emirates 	8.3%	Australia 	10.0%
Oman 	5.1%	United Arab Emirates 	7.5%
Turkey 	4.7%	India 	6.2%

Inflation

The recent rise in inflation levels across the world is largely attributed to supply chain disruptions caused by COVID-19 as well as political dynamics driving up energy and food prices. Nonetheless, these global inflationary pressures have had a limited effect on the Kingdom of Bahrain’s inflation levels.

In the second quarter of this year, headline Consumer Price Index increased by an average of 3.4% YoY, with both April and May recording a 3.5% increase while June prices went up by 3.1%. The CPI components remained stable compared to the first quarter of 2022.

Consumer Price Inflation (%) YoY

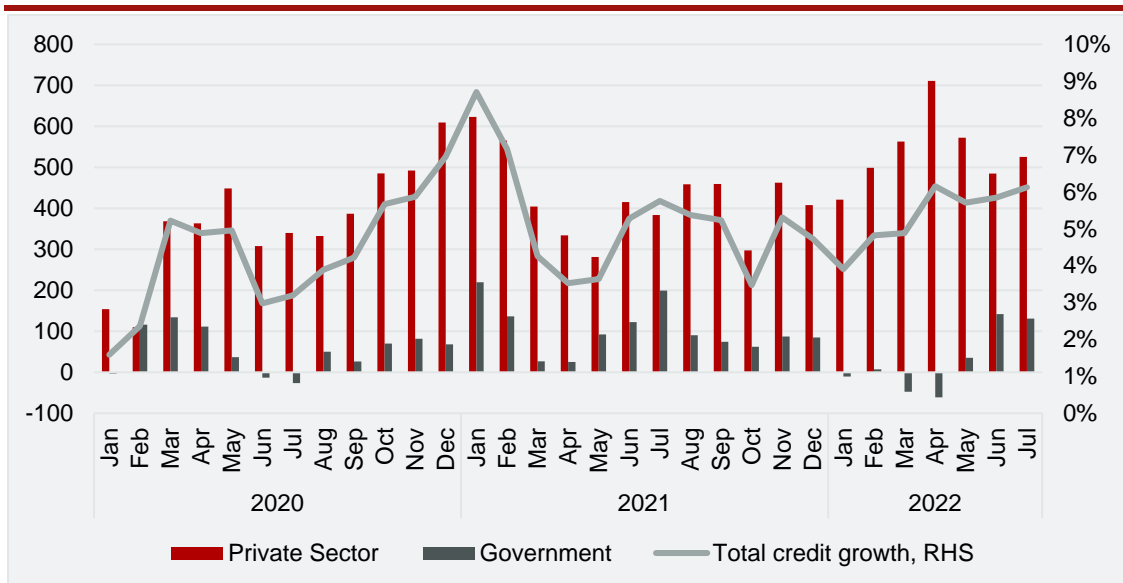


Source: Information & eGovernment Authority

Bank Credit and Deposits

According to the Central Bank of Bahrain data, the total portfolio of outstanding loans issued by local retail banks amounted to BD11.3bn in Q2 2022. This marked a 5.8% YoY, which was the highest rate since February 2021. Business sector credit, which accounted for 45.0% of the total retail bank loan portfolio, declined by 6.4% YoY to a total BD 5.1bn. On the other hand, personal credit, which accounted for 49.1% of total bank lending in Q2 2022, grew by 17.4% YoY to BD 5.6bn. Finally, government sector credit, which accounted for 5.9% of the total, has grown by 31.7% YoY to BD 0.6bn.

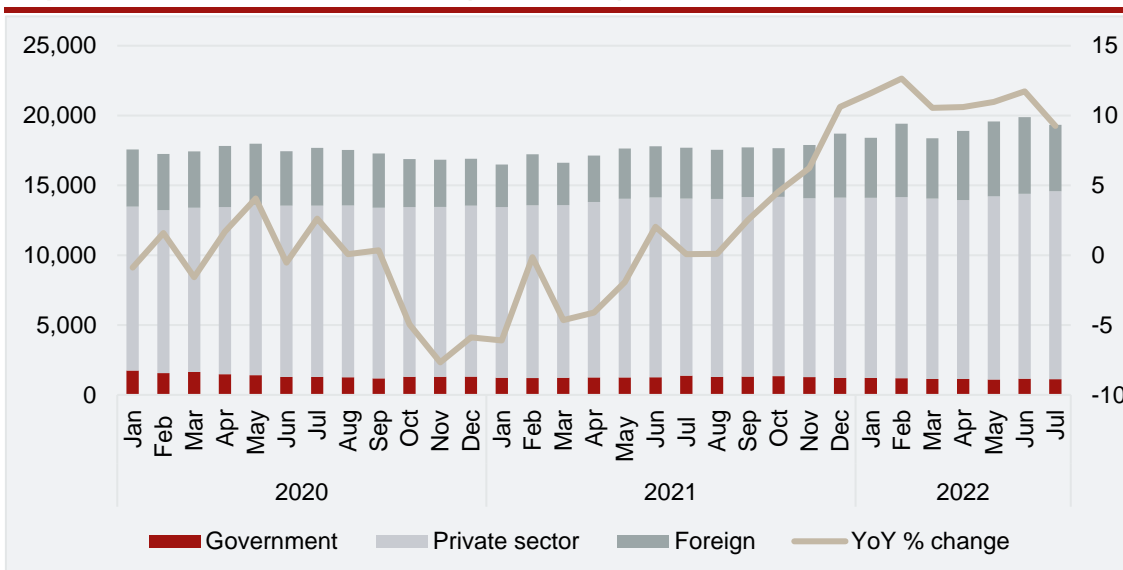
YoY Growth in Credit Issued by Retail Banks (BD million)



Source: Central Bank of Bahrain

Bank deposits by non-bank entities has continued to post brisk growth with a YoY increase of 11.7% in Q2 amounting to BD 19.9bn.

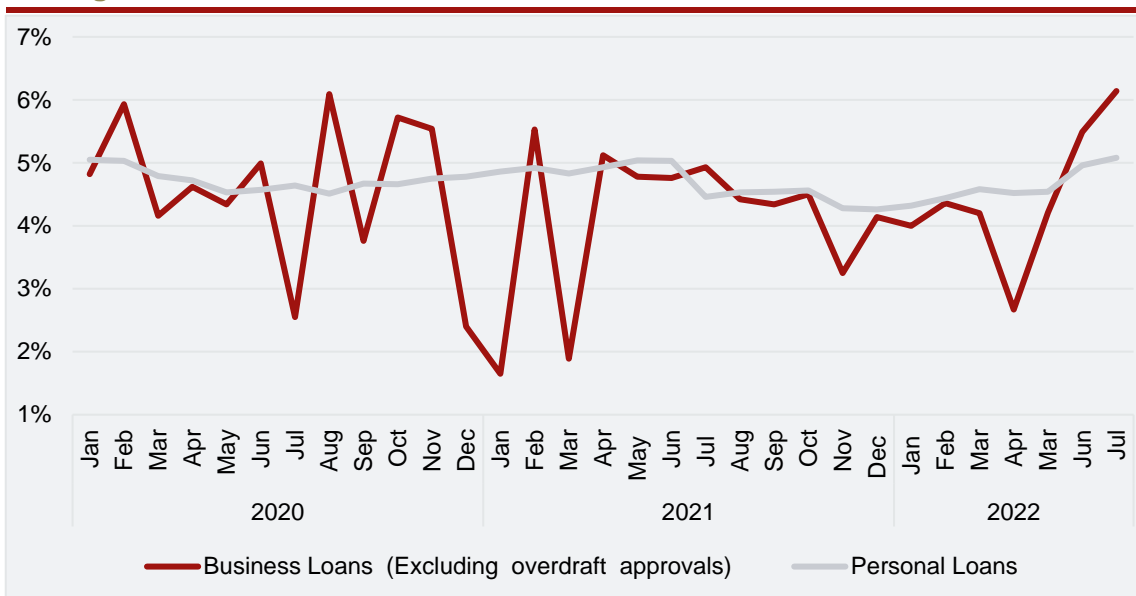
Deposit Liabilities to Non-banks (BD million)



Source: Central Bank of Bahrain

The average interest rate on commercial loans stood at 6.1% in July 2022, which was an increase of 24.5% compared to last year. On the other hand, the average interest rate on personal loans -except credit cards- has increased by 13.9% YoY to reach 5.1% in July.

Average Rate of Interest on Credit Facilities - Conventional Retail Banks

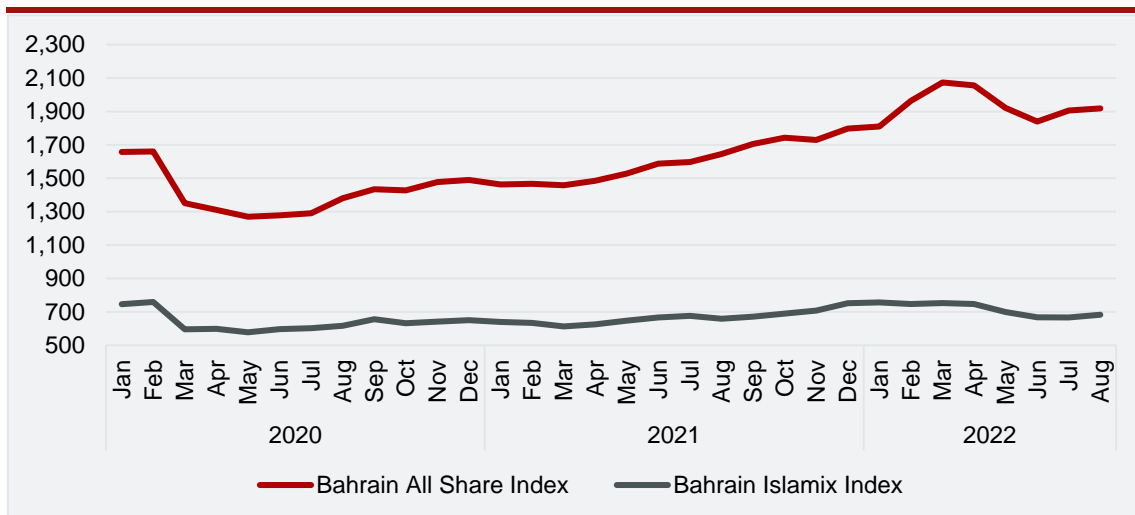


Source: Central Bank of Bahrain

Financial Markets

From the end of 2021, the Bahrain All Share Index continued to perform strongly closing at 1,839.63 by the end of Q2 2022, a rebound of 15.9% YoY. The total market capitalization reached BD 11.1bn in Q2 2022 compared to BD 9.9bn in Q2 2021, marking a YoY increase of 12.0%.

Bahrain All Share Index and Bahrain Islamix Index



Source: Bahrain Bourse

The Central Bank of Bahrain increased its key policy rates on June 15, mirroring the decisions of the US Federal Reserve and other GCC central banks. Following the two rounds of increases, the main policy rate on the one-week deposit facility rose from 1.75% to 2.50%. The overnight deposit rate was increased from 1.50% to 2.25%, the four-week deposit rate from 2.50% to 3.25%, and the lending rate from 3.00% to 3.75%.

Fixed income issuance by the CBB continued on its regular schedule. Coupon rates reflected the higher policy rates with the rate on the 91-day Treasury bills increasing from 1.99% in early April to 3.74% by the end of June. In reflection of the higher yields, significant oversubscriptions were recorded.

Short-term Bond and Sukuk Issues Arranged by the Central Bank of Bahrain

Issue date	Issue	Value, BD mn	Maturity Days	Average Interest/ Profit Rate (%)	Avg Price (%)	Over-subscription (%)
6-Apr-22	Treasury Bills No. 1907	70	91	1.99	99.499	211
7-Apr-22	Sukuk Al Ijarah No. 200	26	182	2.34	-	414
13-Apr-22	Sukuk Al Salam No. 252	43	91	1.90	-	254
20-Apr-22	Treasury Bills No. 1908	70	91	2.03	99.490	222
21-Apr-22	Treasury Bills No. 92	100	364	3.25	96.820	150
27-Apr-22	Treasury Bills No. 1909	70	91	2.02	99.492	224
4-May-22	Treasury Bills No. 1910	70	91	2.19	99.449	100
5-May-22	Sukuk Al Ijarah No. 201	26	182	2.34	-	100
8-May-22	Treasury Bills No. 1911	35	182	2.82	98.597	100
11-May-22	Treasury Bills No. 1912	70	91	2.30	99.422	186
18-May-22	Sukuk Al Salam No. 253	43	91	2.30	-	184
19-May-22	Development Bond No. 29	150	1,820	5.50	-	214
25-May-22	Treasury Bills No. 1913	70	91	2.53	99.365	119
29-May-22	Treasury Bills No. 1914	35	182	3.15	98.432	101
1-Jun-22	Treasury Bills No. 1915	70	91	2.83	99.289	100
8-Jun-22	Treasury Bills No. 1916	70	91	2.96	99.257	101
9-Jun-22	Sukuk Al Ijarah No. 202	26	182	3.15	-	126
15-Jun-22	Sukuk Al Salam No. 254	43	91	2.96	-	102
22-Jun-22	Treasury Bills No. 1917	70	91	3.47	99.131	132
23-Jun-22	Treasury Bills No. 93	100	364	4.66	95.496	121
26-Jun-22	Treasury Bills No. 1918	35	182	4.17	97.933	161
29-Jun-22	Treasury Bills No. 1919	70	91	3.74	99.063	100

Source: Central Bank of Bahrain

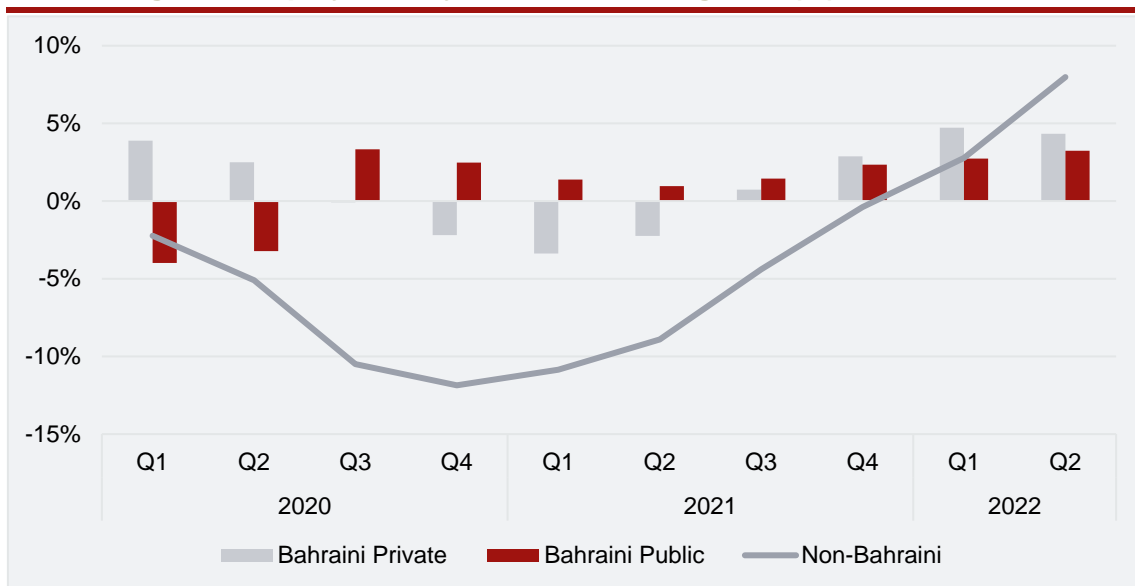
Nogaholding successfully refinanced its USD 1.6bn Murabaha facility to a total of USD 2.2bn. This is the company's first sustainability-linked financing solution which uses key performance indicators related to greenhouse gas emissions and safety measures. The financing is structured as a dual-tranche facility with both a conventional and an Islamic element. It will be used to expand and diversify Nogaholding's oil and gas assets. The financing solution was more than twice oversubscribed with participation from 22 banks.

Labor Market

The Social Insurance Organization reported an increase in Bahraini employment in Q2 2022 by 4.3% YoY in the private sector and 3.2% in the public sector. Furthermore, the average monthly salary also saw an increase in both the private and public sectors by 1.6% and 5.5% YoY, respectively, to stand at BD 779 (private sector) and BD 870 (public sector). As for non-Bahraini workers, overall employment increased by 8.0% YoY while the average monthly salary declined by 1.9% to BD 259.

One of the objectives of the Economic Recovery Plan is to employ 20,000 Bahraini and train 10,000 Bahraini annually until 2024. Up until the end of Q2 2022, 71.6% of the employment target has been achieved with 14,321 Bahrainis employed in comparison to 12,038 employees in Q2 2021, an increase of 19.0%. As for the training target, 58.9% has been achieved with, 5,891 Bahrainis trained by the end of Q2 2022 in comparison to 4,772 trainees in Q2 2021, an increase of 23.4%.

YoY Changes in Employment by Labor Market Segment (%)



Source: Social Insurance Organization

International Rankings

Bahrain ranked 1st in the Arab World and MENA region in the Economic Freedom of the World 2022 index released by Fraser Institute. Bahrain's overall performance improved by 17 spots to rank 39th out of 165 countries. The index measures the degree to which countries' policies and institutions are supportive of economic freedom across five components: Size of government, Legal systems & property rights, Sound money, Freedom to trade internationally, and Regulations. Notably, Bahrain ranked 13th globally in the 'Freedom to trade internationally' component.

Bahrain's capital Manama topped the financial attractiveness sub-index in the AIRINC Global 150 Cities Index 2022 for the fourth consecutive year. The index, issued by Associates for International Research Inc., evaluates salary levels, living costs, tax rates, and living conditions to assess the attractiveness of 150 cities across the globe. Moreover, Bahrain's rank improved by 24 spots to 44th globally in the overall attractiveness index.

Bahrain's performance improved by 4 spots to rank 11th globally out of 84 countries in the fDi Greenfield Performance Index 2022 issued by the Financial Times. To be included in the index a county must have received at least 10 greenfield FDI projects in 2021. Further, Bahrain maintained its rank as 2nd in the Middle East for FDI greenfield performance.

Bahrain ranked 7th globally, leading the GCC countries, in the Global Crypto Regulation Index (GCR) issued by Solidus Labs. The index ranks crypto regulatory regimes across five categories: Legal Status & Environment, Regulatory Framework, Market Surveillance & Anti-Market Manipulation, Registration Requirements, and AML/CFT Requirements. Bahrain achieved a full score of 5/5 in the Legal Status & Environment category and received a score of 4/5 across all of the remaining categories.

The Human Development Report 2021/2022 published by the United Nations Development Programme (UNDP) categorized Bahrain as a "very high human development" country. Bahrain ranked 35th out of 191 countries in the report's Human Development Index (HDI), assessing health, education, and standard of living, coming in 2nd in the Arab World. Bahrain's performance improved by 3 positions in the Gender Inequality Index, also covered in the report, to rank 46th globally.

The Global Gender Gap Report 2022 published by the World Economic Forum examines the progress of 146 countries towards gender parity using 14 indicators across four main areas: Economic Participation & Opportunity, Educational Attainment, Health & Survival, and Political Empowerment. The Kingdom saw the biggest improvement in the Education Attainment pillar, moving up 36 spots to 54th out of 146 countries. Further, Bahrain ranked 1st globally in literacy rate, enrolment in secondary education, enrollment in tertiary education, and sex ratio at birth, achieving full parity on all four indicators.

The Expat Insider Survey 2022 published by InterNations ranked Bahrain as the 15th best-rated expat destination globally out of 52 countries. The survey evaluates the lives of expatriates abroad according to 56 factors. Bahrain ranked 1st globally in the 'Expat Essentials' sub-index which covers digital Life, admin topics, housing, and language factors. Bahrain also led the GCC countries in the 'Digital Life' and 'Admin Topics' sub-categories.

Glossary

Term	Explanation
Real Growth Rate	The growth rate of a nation's Gross Domestic product (GDP) adjusted for the effects of price inflation.
Nominal Growth Rate	The growth rate of a nation's Gross Domestic Product (GDP) evaluated at current market prices.
Gross Domestic Product	An aggregate measure of production (all finished goods and services produced), which equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies) within a country's borders in a specific time period, in this bulletin for instance it is a three months period
Crude Petroleum and Natural Gas	Comprises of crude oil extracted as well as extraction of natural and associated gas.
Financial	Comprises units primarily engaged in financial transactions, i.e. transactions involving the creation, liquidation or change of ownership of financial assets. Also included are insurance and pension funding and activities facilitating financial transactions, and others.
Manufacturing	Comprises units engaged in the physical or chemical transformation of materials, substances, or components into new products, such as plants, factories or mills, etc Examples of manufacturing sector activities: Manufacturing of food and beverages, tobacco products. Manufacturing of textiles, wood and paper products, refined petroleum products, chemicals, furniture, etc.
Government	Comprises of all ministries and authorities in the state budget and other attached and independent bodies as per the consolidated final accounts, such as those entities involved in security, education, culture, development and other entities that provide collective services.
Transport and Communications	Transport sector comprises activities related to providing passenger or freight transport, whether scheduled or not, by pipeline, road, water or air. As well as, postal activities, storage and telecommunication, etc
Construction	Comprises general construction -residential and non- residential buildings and roads- and special trade construction for buildings and civil engineering, building installation and building completion. It includes new work, repair, additions and alterations, and also construction of a temporary nature.
Social and Personal Services	Comprises services provided by businesses and government units to individuals, other businesses or the community as a whole, such as private health and education services, others such as sports and entertainment activities, repairing of computers and households' equipment, etc.
Real Estate and Business Activities	Comprises real estate activities such as purchase or lease, that are mainly linked to the business sector. However, more or less all activities covered in this section can also be provided to private households, for example, renting of personal and household goods, database activities, legal activities, accounting or auditing services, interior decoration and photographic activities, etc.

Term	Explanation
Trade	Comprises wholesale and retail sale (sale without transformation) of any type of goods and rendering services incidental to the sale of merchandise.
Hotels and Restaurants	Comprises units providing customers with short-term lodging and/or preparing meals, snacks, and beverages for immediate consumption.

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