



وزارة المالية والاقتصاد الوطني

Ministry of Finance
and National Economy

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SUMMARY

THE NATIONAL ECONOMY CONTINUES TO REBOUND A YEAR AFTER LAUNCHING THE ECONOMIC RECOVERY PLAN

Bahrain's economy recorded a remarkable YoY real growth rate of 4.2% in the third quarter of this year, according to preliminary data published by the Information and eGovernment Authority. Almost all economic activities witnessed a strong recovery in conjunction with the first anniversary of the Economic Recovery Plan, reflecting its success in accelerating the pace of economic recovery in the Kingdom.

- ◆ **Bahrain's real GDP continued its positive performance during the third quarter of 2022, growing by 4.2% YoY in real terms**, supported by 4.9% growth in the non-oil sector as well as 1.2% YoY growth in the oil sector.
- ◆ **In real terms, economic growth was seen in most non-oil sectors during Q3 2022 YoY**, of which Hotels and Restaurants achieved the highest growth rate among the non-oil sectors by 14.7% YoY, followed by Transportation & Communications by 8.0%, Real Estate & Business Activities by 6.8%, Trade by 5.9%, and Manufacturing by 5.0%. In addition, the Government Services sector rebounded by 4.6%, whereas the Financial Services sector increased by 1.1%.
- ◆ **In nominal terms, GDP expanded by 10.9% during Q3 2022 YoY**, with the oil sector growing significantly by 34.4% due to the increase in global oil prices. The non-oil sector also grew by 6.4% driven by a jump of 22.4% in Hotels and Restaurants. Further, Transportation & Communications and Manufacturing sectors expanded by 9.5% and 8.1% YoY, respectively.
- ◆ **YTD Real GDP growth (January-September 2022) grew by 5.5%** compared to the same period in 2021, with the non-oil sector having recorded a growth of 7.2% YoY.

Bahrain Economic Outlook

	2020	2021 Prelim	2022 Forecast	2023 Forecast
Real GDP growth (%)	-4.9%	2.2%	4.1%	2.9%
Non-hydrocarbons sector	-6.0%	2.8%	5.0%	3.5%
Hydrocarbons sector	-0.1%	-0.3%	0.1%	0.3%
Nominal GDP growth (%)	-10.2%	11.9%	12.6%	2.3%
Inflation (CPI %)	-2.3%	-0.6%	3.2%	2.5%
Current account (% of GDP)	-9.3%	6.7%	14.6%	9.5%
Crude Oil Brent (USD)	41.7	70.9	101.5	92.4

Source: Ministry of Finance and National Economy estimates

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EXTERNAL CONTEXT

Global Prospects

After a year of high inflation rates, there are tentative signs of price pressures stabilization in the upcoming years. According to the estimates of the International Monetary Fund (IMF) published in the “World Economic Outlook”, October 2022 report, global inflation is expected to rise from 4.7% in 2021 to 8.8% in 2022, and decline to 6.5% and 4.1% in 2023 and 2024, respectively.

The implementation of tight monetary policies - pursuing seven interest rate hikes during this year by the US Federal Reserve - led to inflation rates stabilization. The Fed raised interest rates by 25 basis points in March, followed by 50 basis points in May and 75 basis points in June, July, September, and November, respectively, and most recently in December by 50 basis points. Further, economic activity worldwide has decelerated sharply during 2022, and it is expected to continue due to the Russia-Ukraine war as well as China’s strict zero-COVID policy.

Following a strong 6.0% growth rate in 2021, October’s “World Economic Outlook” report that was published in the current year by the IMF forecasts growth of the global economy at 3.2% in 2022 and further in 2023 at 2.7%. The IMF expects the slowdown to be particularly pronounced in the advanced economies which are expected to see a deceleration from 2.4% in 2022 to 1.1% in 2023. By contrast, the emerging markets and developing economies are projected to grow at 3.7% in 2022 and 2023 alike.

In the third quarter of 2022, the United States real GDP accelerated by 2.9% YoY following a drop of 0.6% in Q2 2022, and the Euro-zone recorded a growth rate of 2.3% YoY in Q3 2022 after recording a growth rate of 4.1% in Q2 2022. As for the Chinese economy, real GDP rebounded during Q3 2022 with a YoY growth rate of 3.9%.

Regarding the oil market, oil prices have seen recurrent volatility in the second half of the current year due to uncertainty of future demand for oil. The OPEC+ alliance also reduced oil production by 2Mn barrels per day starting from November until the end of 2023, the largest cut since the COVID-19 pandemic, and the second in a row for OPEC+ alliance.

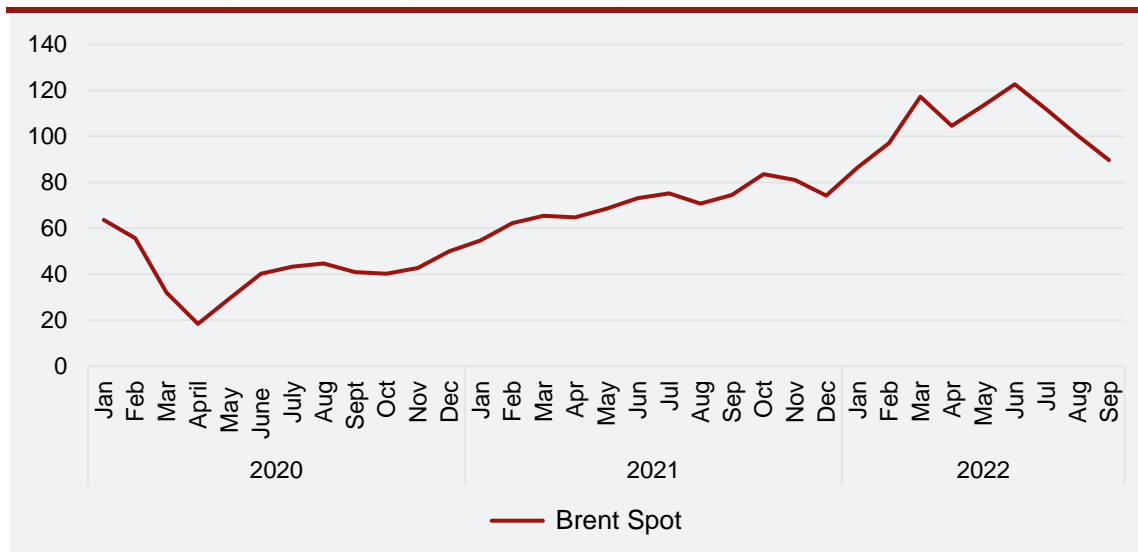
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Europe Brent Spot Oil Price (USD per barrel)



Source: US Energy Information Administration

GCC Economic Outlook

The Gulf economies have continued to record positive growth rates despite the expectations of a global economy slowdown as a result of the economic pressures and geopolitical conflicts. The IMF expects a 6.5% growth in the GCC countries in 2022, compared to 3.1% in 2021, supported by recent financial and structural reforms in terms of medium-term financial sustainability, maintaining stability of the financial sector, and promoting economic diversification. As for 2023, indicators show that the economies of the GCC countries will continue their expected growth at 3.6%, supported by tight monetary policies adopted by some central banks.

Growth momentum in Saudi Arabia has remained very strong. The country's real GDP expanded by an annual 8.8% in Q3 2022, led by a 14.2% YoY increase in the oil sector, while non-oil growth was 6.0%. On the other hand, according to the "UAE Numbers 2022" report issued by the Federal Competitiveness and Statistics Centre, UAE's GDP recorded a growth rate at constant prices of 8.5% during H1 2022, on an annual basis, while non-oil GDP grew by 7.8%. According to the preliminary GDP estimates issued by the Planning and Statistics Authority in Qatar during Q2 2022, the GDP at constant prices increased by 6.3%, on an annual basis, supported by the non-oil sector which grew by 9.7%, and the oil sector which grew by 1.2% compared to Q2 2021. While in September 2022, the Omani National Center for Statistics and Information announced a GDP growth of 4.5% YoY at constant prices, supported by a jump in oil sector by 12.5% and non-oil sector by 1.6%.

Regarding the inflation rates in the GCC countries, prices remained relatively steady showing signs of overall stabilization. Despite high contribution rates of international import to the trade balance, the inflationary pressures have been muted by the strong Dollar as most GCC countries' currencies are pegged to the USD which saw a strong appreciation in comparison to other main currencies. As for the latest released Consumer Price Index (CPI) data of October 2022, Kuwait recorded a 3.3% increase, Saudi Arabia is up by 3.0%, Oman registered 2.3%, all on an annual basis, while Qatar recorded 6.0% YoY as of September 2022.

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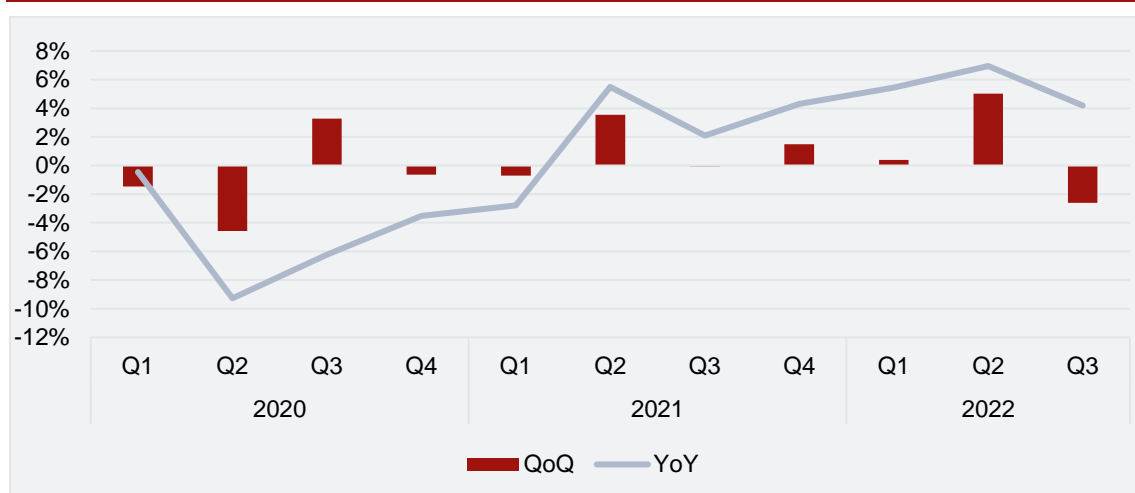
Economic Outlook

The Information and eGovernment Authority released the preliminary National Accounts for Q3 2022 revealing a robust economic performance during the quarter as real GDP grew by 4.2% YoY, driven by the performance of the non-oil sector, which registered a 4.9% increase YoY. On the other hand, the oil sector registered a 1.2% YoY increase in real terms.

During the third quarter of 2022, nominal GDP increased by 10.9% on an annual basis, as the non-oil sector witnessed an increase of 6.4% YoY. The oil sector grew by a notable 34.4% YoY in nominal terms supported by the global increase in oil prices.

Real GDP grew in YTD terms (January-September 2022) by 5.5% compared to the same period in 2021, with the non-oil sector having recorded a growth of 7.2% YoY, while the oil sector contracted slightly by 1.9% YoY.

Real GDP Growth (%)



Source: Information & eGovernment Authority

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Non-Oil sector

The non-oil sector continued to see growth in Q3 2022, registering a 4.9% real increase compared to the same quarter last year, as a result of the positive growth seen in majority of economic activities. In terms of nominal growth, non-oil GDP increased by 6.4% YoY during the same period.

The Hotels and Restaurants sector continued to record the highest growth amongst non-oil sectors, increasing by 14.7% YoY in real terms. The growth was led by an annual increase in the number of passengers traveling through King Fahd Causeway to Bahrain by 158.6% YoY in Q3 2022, while the number of passengers traveling through Bahrain International Airport increased by 101.9% YoY, in addition to a jump by 7% in hotel occupancy of 4 and 5 stars hotels. Furthermore, according to the results of the Tourism Survey conducted by the Bahrain Tourism and Exhibition Authority and the Information & eGovernment Authority, tourism revenues totaled BHD 456Mn during Q3 2022, an increase of 74.0% compared to the same period last year, as did the number of tourism nights booked, by a margin of 38.0% YoY.

The Transportation and Communication sector witnessed the second highest growth of all the non-oil sectors during the third quarter of 2022, with an annual growth of 8.0% in real terms. It was followed by the Real Estate and Business Activities sector, which grew by a notable 6.8% during Q3 2022 YoY in real terms, supported by a jump of 7.5% YoY in the value of real estate transactions.

The Trade sector continued its strong performance during the year, growing by 5.9% in real terms during Q3 2022 on an annual basis. Within the sector, growth was led by an increase in the value of point of sale and e-commerce transactions by 15.1% YoY, as well as a 39.5% increase in newly issued corporate commercial registrations. The number of inwards and outwards trucks through the King Fahd Causeway also increased by an annual 3.1%.

The Manufacturing sector grew by a sound 5.0% in real terms during the third quarter of 2022, largely due to the increase in production of the main companies in the sector, including Gulf Petrochemical Industries Company (GPIC), Aluminum Bahrain (ALBA), and Bahrain National Gas Company (Banagas), by 3.8%, 3.0%, and 1.6% respectively. On the other hand, Government Services sector grew by 4.6% YoY during Q3 2022 in real terms.

The Financial Corporations sector, the largest non-oil sector contributor to real GDP, grew by 1.1% YoY in real terms. According to the monthly statistical bulletin of the Central Bank of Bahrain, total value of non-bank deposits increased by 8.9%, total value of outstanding loans by retail banks increased by 7.6%, the balance sheet of the banking system increased by 4.1%, the broad measure of money supply (M3) increased by 3.7%, and finally, the number of Electronic Fund Transfer System (EFTS) (Fawri/Fawri+/Fawateer) rose by an annual rate of 21.4%.

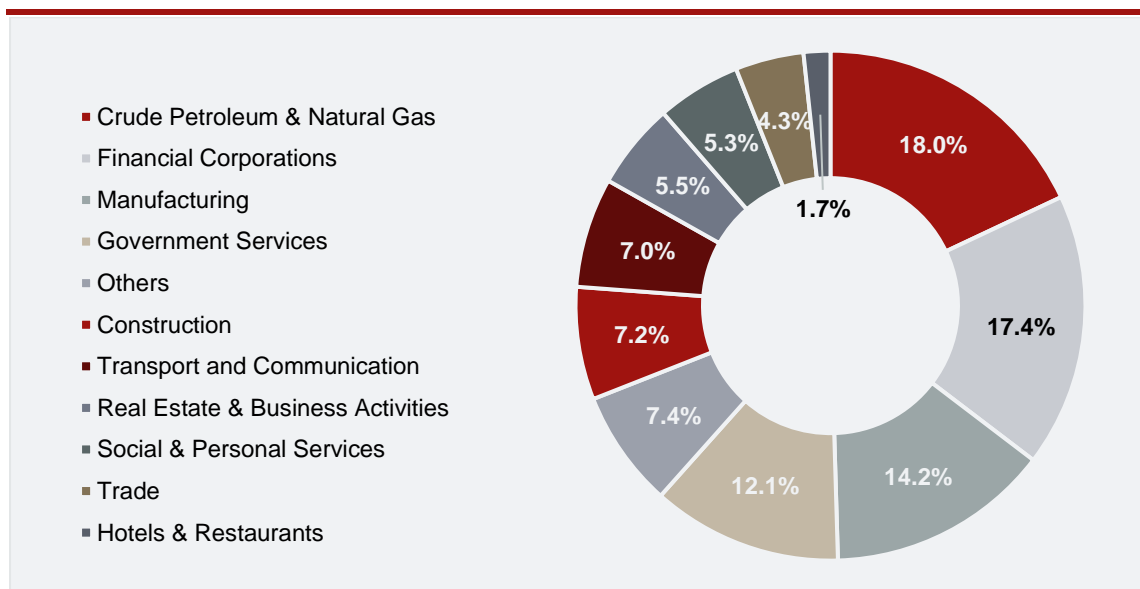
Real GDP Growth by Sector (YoY)

Year Sector	2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Crude Pet. & Nat. Gas	2.1%	-2.3%	-4.6%	4.7%	-4.7%	-2.2%	1.2%
Manufacturing	-1.9%	2.3%	-0.3%	1.8%	5.3%	7.6%	5.0%
Electricity & Water	-4.9%	2.8%	4.4%	9.6%	3.1%	0.0%	-0.7%
Construction	-0.9%	0.2%	0.7%	3.1%	3.0%	2.6%	0.0%
Trade	-6.2%	4.2%	4.5%	2.9%	1.6%	7.5%	5.9%
Hotels & Restaurants	-20.4%	45.2%	-5.6%	31.7%	26.6%	18.1%	14.7%
Transp. & Comm's	-26.8%	36.0%	25.8%	11.5%	15.8%	15.1%	8.0%
Social & Pers. Serv.	-13.3%	3.2%	4.0%	2.9%	-1.9%	-0.4%	0.5%
Real Est. & Bus. Act.	-1.0%	4.7%	4.7%	4.8%	4.7%	4.5%	6.8%
Financial Corporations	10.7%	12.4%	-2.7%	5.2%	3.1%	3.6%	1.1%
Government Services	1.8%	1.2%	1.9%	3.1%	6.4%	7.1%	4.6%
Other	-16.3%	14.3%	31.8%	-3.8%	46.7%	58.7%	22.4%
GDP	-2.8%	5.5%	2.1%	4.3%	5.4%	6.9%	4.2%
Non-oil GDP	-3.8%	7.4%	3.8%	4.2%	7.7%	9.0%	4.9%

Source: Information & eGovernment Authority

As for sector contributions to GDP in Q3 2022, the non-oil sectors contributed by 82.0%, with the Financial Corporations sector remaining the largest contributor of the non-oil sectors at 17.4% of total GDP. The Manufacturing and Government Services sectors were the second and third largest contributors to GDP at 14.2% and 12.1% respectively, followed by the Construction sector at 7.2% and Transport and Communication at 7.0%.

Sector Contribution to Real GDP – Q3 2022



Source: Information & eGovernment Authority

Oil Sector

The oil sector grew by 1.2% in real terms during Q3 2022, with the sector accounting for 18.0% of total GDP. In nominal terms, the oil sector performed admirably, increasing by 34.4% YoY largely due to the increase in global oil prices, which averaged USD 100.71 during the third quarter of 2022, compared to USD 73.47 during the third quarter of 2021.

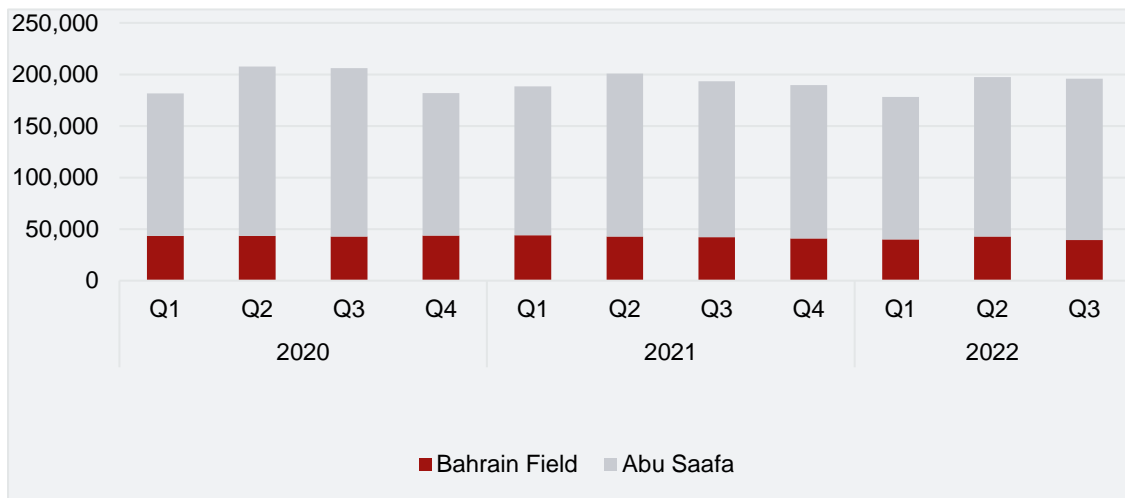
Average oil production at the Abu Sa'afah field reached around 156,430b/d, an increase of 3.6% YoY and 1.1% QoQ, whereas the production at the onshore Bahrain field averaged 39,511 b/d, a gain of 0.3% QoQ but a loss of 6.7% YoY. Production of natural and associated gas amounted to 249.9Bn cubic feet, recording a minor decrease of 0.8% YoY but a 4.4% QoQ increase. Meanwhile, approximately 32.6% of the total gas produced was reinjected into the oil sector.

As for local gasoline consumption for Q3 2022, there was an increase of 9.5% compared to the same period last year.

In terms of the latest developments in the Oil and Gas sector, especially in terms of notable projects:

- ◆ The Bapco Modernization Program (BMP) reached a completion rate of approximately 87.4%. The project aims to increase the 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 barrels per day, is expected to be completed during Q4 2023.
- ◆ Furthermore, there were two unconventional gas reservoirs discoveries in the Al-Jawf and Al-Juba layers, which are located under the gas producing Al-Khuf and Al-Onaiza reservoirs.
- ◆ Tatweer Petroleum has issued a tender to supply a pipeline for the first phase of the LNG project. Which aims to lay pipelines between several terminals, which will be used from the Bahrain LNG terminal to the field for sales as well as for injection purposes.

Average Crude Oil Production (bpd)



Source: Ministry of Oil & Environment

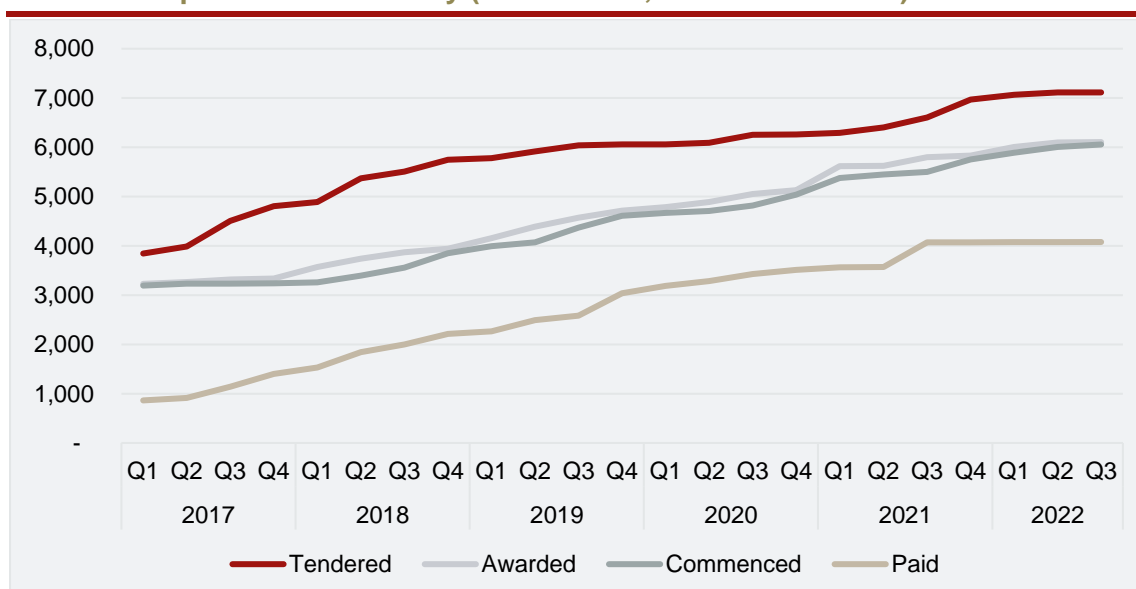
Developmental Projects

Infrastructure projects in the Kingdom of Bahrain continued to progress during Q3 of 2022, which is in line with Bahrain Economic Vision 2030 and the Sustainable Development Goals (SDGs).

The infrastructure projects financed by the GCC development fund showed progress during Q3 2022 in terms of awarding projects worth USD 9Mn reaching a cumulative value of USD 6.1Bn, equivalent to an increase of 5.2% when compared to the cumulative value as of Q3 2021.

The contracts that were awarded during Q3 2022 included developing a water transmission station in the Southern Governorate and Eastern Hidd, water and electricity substations for Al Ramli housing project (Phase 1), and an infrastructure project for Madinat Salman road. . Additionally, the Bahrain Southern Ring Road project (Phase 1) was completed during Q3 of 2022.

GCC Development Fund Activity (USD million, cumulative totals)



Source: Ministry of Finance and National Economy

The Saudi sovereign wealth fund (Public Investment Fund) announced its plan to set up regional investment companies in five countries, one of which is Bahrain. It is expected for the company to invest in sectors including infrastructure, real estate, healthcare, financial services, food and agriculture, manufacturing, telecommunications, tech, and others.

As part of the Economic Recovery Plan, which includes launching major strategic projects worth over USD 30bn, the following projects have been completed; the first phase of Bilaj AlJazayer, first phase of the US Trade Zone, Vida Marassi Al-Bahrain Hotel, and the Address Beach Resort Bahrain & Address Residences.

To achieve a comprehensive public-private collaboration, a guide to regulate the partnership between the public and private sectors was issued. This will enable the implementation and operation of the projects efficiently and effectively, and to benefit from the private sector's capabilities and expertise, in addition to reducing financial burdens on the state budget and enhancing transparency and integrity in partnership procedures with the private sector.

Other significant developments include:

- ◆ Prequalification Questionnaire (PQQ) has been conducted to firms for the purpose of establishing a Residual Waste Treatment Plant Project with incineration in the Kingdom of Bahrain. The plant is aimed to operate with a maximum design input capacity of 1,306,510 tons per annum.
- ◆ The financial feasibility studies for the USD 3.5Bn King Hamad Causeway project is completed; the project will be executed through partnership between the public and private sectors.
- ◆ Aluminium Bahrain B.S.C (Alba) awarded International Bechtel Co. Ltd (Bechtel) to conduct line 7 Project's feasibility study. It is expected that Line 7 would add more "environmentally friendly" capacity to the current production capacity of 1.561Mn metric tons and replace the old production lines 1-3 with line 7 that were operating since 1970s.

International Trade

Based on the monthly foreign trade data issued by the Information and eGovernment Authority, trade balance of non-oil goods improved on a quarterly basis in Q3 2022, as the deficit was reduced by 14.5% from BHD 63.4Mn in Q2 2022 to BHD 54.2Mn in Q3 2022.

The total value of Bahraini non-oil exports grew to approximately BHD 1.4Bn in Q3 2022, a YoY increase of 5.1%. The growth was led by a 5.6% YoY increase in the value of national origins exports, totaling approximately BHD 1.2Bn, while the value of re-exports did not exceed BHD 0.2Bn, recording a growth rate of 1.4%YoY. On the other hand, the total value of non-oil imports during Q3 2022 totaled approximately BHD 1.5Bn, an increase of 9.0% YoY.











In relation to the non-oil commodities, base metals and articles of base metals was the top national origin exported commodity during Q3 2022, totaling roughly BHD 740Mn, followed by mineral products, with an exported value of BHD 232Mn. As for imports, mechanical and electrical equipment was the top imported commodity during Q3, with an imported value of BHD 295Mn, closely followed by mineral products with an imported value of BHD 261Mn.

Non-oil Trade (BHD million)



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

The following are the Kingdom's key trading partners in Q3 2022:

National Origin Exports			Imports		
Country		% of Total Exports	Country		% of Total Imports
Kingdom of Saudi Arabia		21.0%	China		14.5%
United States of America		13.8%	Brazil		12.8%
United Arab Emirates		11.2%	Australia		8.4%
Netherlands		7.3%	United Arab Emirates		8.1%
Mexico		6.4%	United States of America		7.0%

Balance of Payments

According to the balance of payments data issued by the Central Bank of Bahrain, the current account balance recorded a surplus of BHD 597.5Mn in Q3 2022, an increase of 25.1% YoY. The surplus was fueled by the increase in Bahraini exports which increased in value from BHD 2,344.5Mn in Q3 2021 to BHD 2,796.8Mn in Q3 2022, recording an acceleration of 19.3% YoY. The total oil exports expanded by 38.6% YoY, which is equivalent to an increase from BHD 995.8Mn in Q3 2021 to BHD 1,379.9Mn for the same quarter of 2022. Total non-oil exports reached BHD 1,416.9Mn in Q3 2022, recording a growth rate of 5.1% YoY.

On the other hand, total imports experienced an acceleration in Q3 2022 by 20.9% YoY to reach BHD 2,046.7Mn, compared to BHD 1,693.0Mn during the same quarter in 2021. Total Oil exports reached BHD 722.7Mn, accelerating by 51.0% YoY, while total non-oil imports totaled BHD 1324.0Mn, recording an increase of 9.0% YoY.

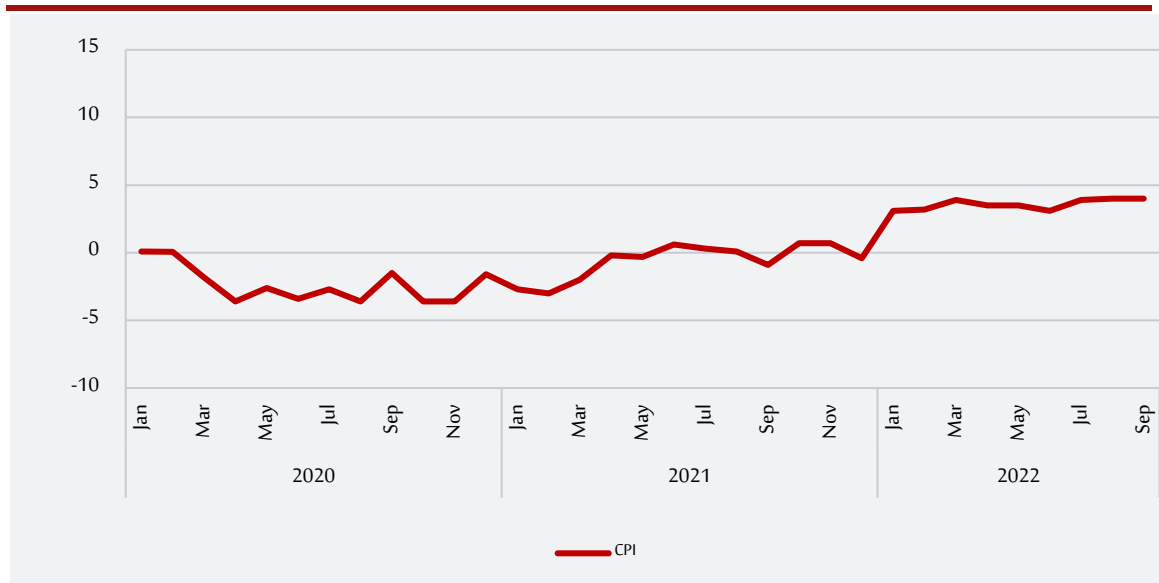
Consumer Price Index

Bahrain's Consumer Price Index remained stable and relatively low during the current year compared to global levels. This was largely driven by the strength of the Bahraini dinar due to its peg to the US dollar which saw an appreciation in value, vis-à-vis other major currencies, leading to an increase in the purchasing power of the Bahraini dinar internationally, thus offsetting the increased prices of imported goods.

In the third quarter of the year, the headline Consumer Price Index increased by an average of 4.0% YoY, with July witnessed a 3.9% YoY increase, while both August and September saw an increase of 4.0% YoY.

The "Housing, Water, Electricity, Gas and Other Fuels" group, which is the highest weighted group, saw a slight 0.9% decline YoY. Conversely, the "Restaurants and Hotels" group recorded the highest annual increase of 14.3% in Q3 2022. The "Food and Non-alcoholic Beverages" group recorded an annual growth of 9.9%, followed by "Transport" which witnessed an inflationary pressure of 7.2%. As for the "Furnishings, Household Equipment and Routine Household Maintenance" group, it increased by 5.0% YoY. Both "Communications" and "Recreation and Culture" groups witnessed similar inflationary pressures by 2.9% and 2.8%, YoY respectively. The "Education" group recorded an increase of 1.9% YoY. On the other hand, the "Clothing and Footwear" group saw a decline of 8.4%.

Consumer Price Index (%) YoY



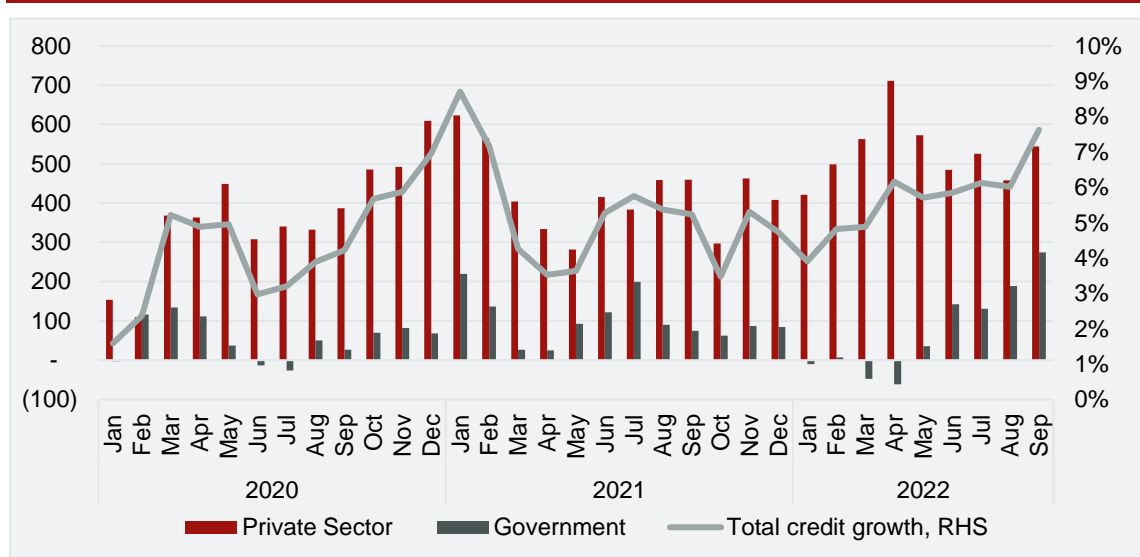
Source: Information & eGovernment Authority

Bank Credit and Deposits

According to the Central Bank of Bahrain data, the total portfolio of outstanding loans issued by local retail banks to residents increased to BHD11.5Bn in Q3 2022, an increase of 7.6% YoY and 1.8% QoQ.

Furthermore, outstanding loans in the business sector, which accounted for 45.2% of the total retail bank loan portfolio, declined by 3.5% YoY amounting to roughly BHD 5.2Bn. Conversely, personal loans, which accounted for 49.2% of total bank lending in Q3 2022, grew by 14.8% YoY to BHD 5.7Bn. Finally, government sector credit, which accounted for 5.6% of the total bank credits, grew by 73.9% YoY to BHD 0.6Bn.

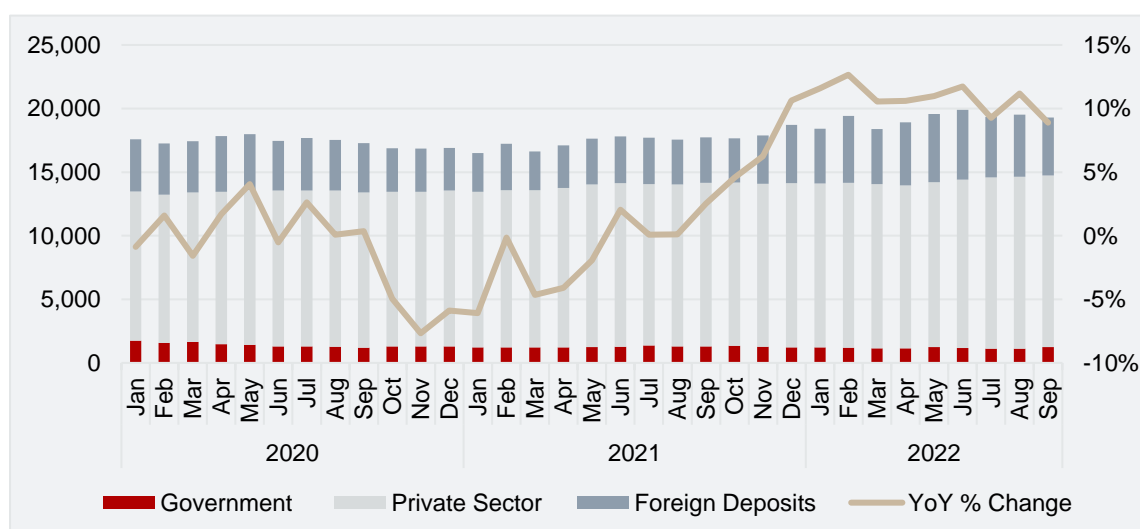
YoY Growth in Credit Issued by Retail Banks (BHD million)



Source: Central Bank of Bahrain

Bank deposits by non-bank entities continued to show sustained growth with a YoY increase of 8.9% in Q3 amounting to BHD 19.3Bn while the deposits in Bahraini dinars accounted for approximately 58.4% of total deposits, recording an acceleration of 1.3% compared to September 2021.

Deposit Liabilities to Non-banks (BHD million)

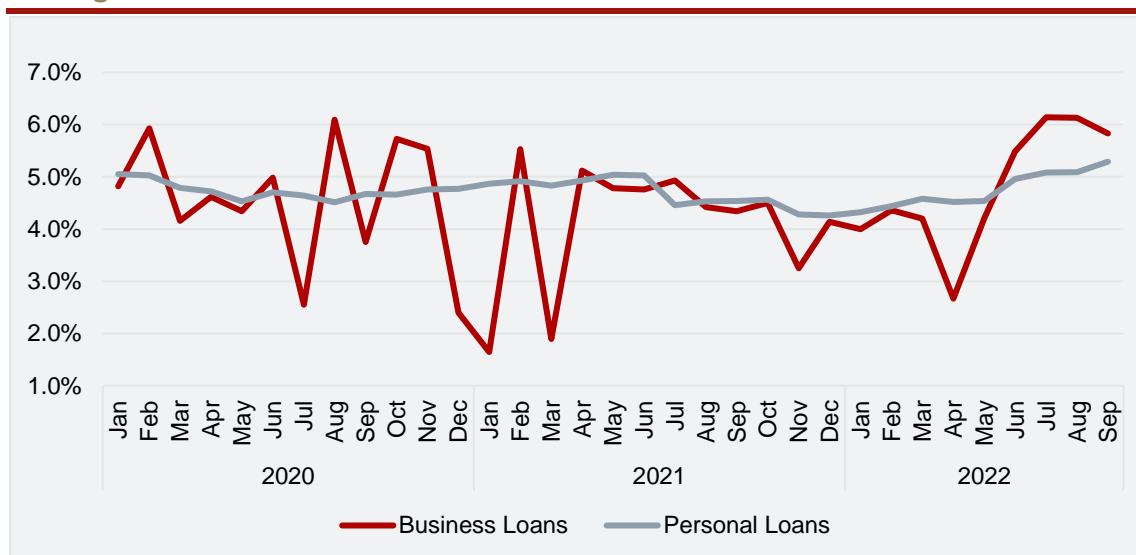


Source: Central Bank of Bahrain

The cost of borrowing has been generally edging up in recent months in reflection of higher policy rates. Nonetheless, the current rate environment is not significantly different from levels seen in mid-2021 or early 2020, which reflects a benign liquidity situation in the banking system.

The average interest rate on commercial loans was 5.8% at the end of September 2022, which showed an increase of 150 basis points compared to September 2021. Meanwhile, the average interest rate on personal loans has increased by 1.5%, excluding credit cards, in which it recorded a jump by 80 basis points to reach 5.3% in September 2022.

Average Rate of Interest on Credit Facilities - Conventional Retail Banks

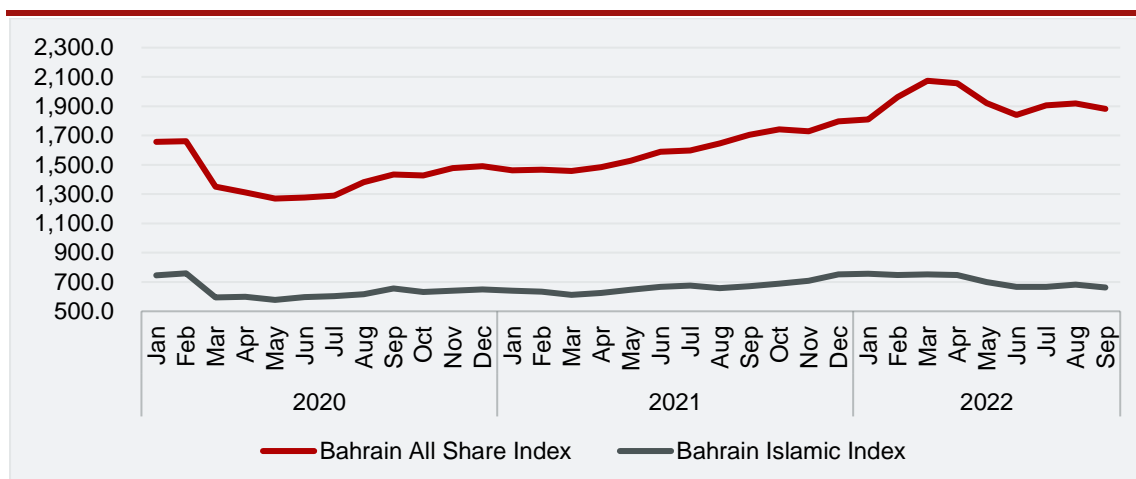


Source: Central Bank of Bahrain

Financial Markets

Bahrain Bourse continued to perform strongly since the end of 2021, with Bahrain All Share Index closing at a record high of 1,881.99 points by the end of Q3 2022, recording a YoY increase of 10.3%. Total market capitalization reached approximately BHD 11.33Bn compared to BHD 10.26Bn in Q3 2021, recording a YoY increase of 10.4%. Most of the trading activity was concentrated in the Financial sector with a value of BHD 17.5Mn that captured 48.1% of the total value of shares traded during Q3 2022, which in turn comprised of 74.6% of the total volume of shares traded in the market.

Bahrain All Share Index and Bahrain Islamic Index



Source: Bahrain Bourse

The CBB increased its policy interest rates by 75 basis points twice during Q3, mirroring the rate hikes imposed by the US Federal Reserve. The first increase, which was effective from July 27th moved the one-week deposit rate – the CBB’s key policy rate – from 2.5% to 3.25%. The second hike taking place on September 21st further increased the one-week deposit facility from 3.25% to 4.00%.

As a result of the two rounds of rate increases, the overnight deposit rate rose from 2.25% to 3.75%, the four-week deposit rate from 3.25% to 4.75%, and the lending rate from 3.75% to 5.25%.

Fixed income issuance by the CBB continued with its regular schedule. Coupon rates reflected the higher policy rates with the rate on the 91-day Treasury bills increasing from 3.96% on to 4.33% on September 28th.

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

Issue date	Issue	Value, BHD Mn	Maturity Days	Average Interest/ Profit Rate (%)	Avg Price (%)	Over-subscription (%)
6-Jul-22	Treasury Bills No. 1920	70	91	3.96	99.008	100
7-Jul-22	Sukuk Al Ijarah No. 203	26	182	4.05	-	248
13-Jul-22	Sukuk Al Salam No. 255	43	91	3.96	-	330
17-Jul-22	Development Bond No. 30	200	1,825	6.20		298
20-Jul-22	Treasury Bills No. 1921	70	91	4.06	98.983	264
21-Jul-22	Treasury Bills No. 94	100	364	4.90	95.277	181
27-Jul-22	Treasury Bills No. 1922	70	91	3.99	99.001	424
31-Jul-22	Treasury Bills No. 1923	35	182	3.98	98.025	378
3-Aug-22	Treasury Bills No. 1924	70	91	3.88	99.028	381
4-Aug-22	Sukuk Al Ijarah No. 204	26	182	3.95	-	271
10-Aug-22	Treasury Bills No. 1925	70	91	3.83	99.042	158
17-Aug-22	Sukuk Al Salam No. 256	43	91	3.80	-	152
24-Aug-22	Treasury Bills No. 1926	70	91	3.79	99.052	344
25-Aug-22	Treasury Bills No. 95	100	364	4.88	95.295	196
28-Aug-22	Treasury Bills No. 1927	35	182	4.02	98.007	203
31-Aug-22	Treasury Bills No. 1928	70	91	3.79	99.050	218
7-Sep-22	Treasury Bills No. 1929	70	91	3.79	99.051	248
8-Sep-22	Sukuk Al Ijarah No. 205	26	182	3.95	-	151
14-Sep-22	Sukuk Al Salam No. 257	43	91	3.79	-	100
21-Sep-22	Treasury Bills No. 1930	70	91	4.08	98.980	216
22-Sep-22	Treasury Bills No. 96	100	364	5.38	94.836	222
25-Sep-22	Treasury Bills No. 1931	35	182	4.68	97.690	195
28-Sep-22	Treasury Bills No. 1932	70	91	4.33	98.917	171

Source: Central Bank of Bahrain

The insurance sector saw a strong performance during the first half of 2022, with the gross premiums generated in the domestic market amounting to BHD146.86Mn compared to BHD 143.62Mn in the same period of the last year, up 2.3%. General insurance (including medical) generated 84% of the total gross premiums written. Motor insurance total gross premiums rose by an annual 5% to BHD 36.06Mn. The total gross contributions of Takaful companies reached BHD 41.30Mn during the first half of 2022, as compared to BHD 43.67Mn for the same period of last year. The Takaful segment represented around 28% of the Bahraini insurance sector. The domestic insurance market was made up by 21 locally incorporated firms and 10 branches of foreign insurers. The locally incorporated companies were made up of 12 conventional insurers, five Takaful firms, two reinsurers, one re-Takaful firm, and one captive insurer. The foreign companies included nine conventional insurers and one reinsurer. Also, the insurance market includes multiple brokerage firms and third-party administrators.

International Rankings

- ◆ Bahrain ranked 32nd out of 63 countries in the World Digital Competitiveness Ranking 2022 published by the International Institute for Management Development (IMD). The report assesses the extent to which countries adopt and explore digital technologies. Bahrain was ranked in the top 15 across 14 indicators including 3rd globally in Women with Degrees, 7th in International Experience, and 13th in Digital/Skilled Labor.
- ◆ Bahrain was categorized as a country with a very high level of eGovernment Development in the eGovernment Survey 2022 issued by UNDESA. The survey measures the level of eGovernment development in 193 UN member states through the eGovernment Development Index (EGDI). The survey ranked Bahrain 2nd out of 21 Small Island Developing States.
- ◆ The Global Talent Competitiveness Index 2022 published by INSEAD and other institutions, measures how 133 countries grow, attract, and retain talent. The index placed Bahrain as 49th out of 133 countries. Bahrain also ranked in the global top 10 across 5 indicators including 6th in Digital skills. Additionally, Bahrain significantly improved its performance in the Grow and Global Knowledge Skills pillars by 16 and 14 spots respectively.
- ◆ Bahrain improved its classification in the GovTech Maturity Index 2022 issued by the World Bank Group from a Group B country with a high significant focus on GovTech to a Group A country, earning the Kingdom the title of GovTech leader. The index measures the GovTech maturity of 198 countries across four focus areas, and Bahrain scored above the regional and global averages across all areas.
- ◆ In the 2022 Basel AML Index published by the Basel Institute on Governance, Bahrain maintained its rank as 1st in the Arab World. The Basel AML Index is an annual ranking that assesses the risk of money laundering and terrorist financing (ML/TF) in 128 countries across five domains. Bahrain also ranked 1st in the GCC in the AML/CFT Framework and Public Transparency Domains.
- ◆ The 2022 World Energy Trilemma Index issued by the World Energy Council & Oliver Wyman saw Bahrain improve its rank by 10 spots to 32nd out of 91 countries. The Index assesses country performance across three energy dimensions: Energy Security, Energy Equity, and Environmental Sustainability. Bahrain performed best in the Energy Equity dimension ranking 7th globally. Additionally, Bahrain led the GCC countries in the Energy Security Dimension.

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	The total value of goods and services produced within a country, i.e. total production less raw materials and other goods and services that were used as intermediate consumption during the production process over a specified period, usually annual (and/or) quarterly GDP.
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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