



وَأَزَارَةُ الْمَالِ الْبَيْتِ، وَالْاِفْتِصَانِ الْوَطَنِيِّ

Ministry of Finance  
and National Economy



# Bahrain Economic Quarterly

## Q1 2020

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BAHRAIN

## SUMMARY

### RESILIENCE IN THE FACE OF DISRUPTION

There is no doubt that the first quarter of 2020 brought unexpected challenges onto the global stage, with the coronavirus (COVID-19) pandemic and the decrease in oil price threatening to put an end to the longest global expansion on record. Since the full ramifications of the virus and country lockdowns began to be determined, countries, including Bahrain, have focused their efforts on containing the spread of the virus and stabilising the economy through a series of policy initiatives and stimulus packages.

Initial estimates of real economic growth<sup>1</sup> in Bahrain point to a small deceleration in annual growth during Q1 2020, with a larger drop in nominal terms. This is largely reflective of a high degree of continuity, in real terms, in the largest sectors of the economy – Oil and Gas, Financial Corporations and Manufacturing.

- ◆ **Real annual growth registered an estimated decline of 1.1% in Q1.** On the other hand, nominal annual growth declined by 4.9%. This decline was caused by regulatory disruptions associated with COVID-19 in the non-oil economy which posted a 1.7% YoY decline in real terms and 4% decline in nominal terms. The Oil sector, by contrast, expanded by 1.8% YoY in real terms, albeit it registered a drop of 11.5% in nominal terms.
- ◆ **The largest sectors of the non-oil economy displayed a high degree of continuity.** The Financial Corporations sector posted a small 1.6% YoY decline in real terms and a comparable decline of 1.5% in nominal terms, while the Manufacturing sector – reflecting recent capacity additions – expanded by an annual 4.8% in real terms but saw a decline in nominal terms of 9.7%. The largest disruptions to activity were observed in the hospitality and transportation sectors.
- ◆ **The performance of Bahrainis economy largely reflects region-wide trends.** All GCC economies introduced containment measures designed to curb the spread of the virus. This disrupted travel and visitor flows whereas more continuity was observed in the extractive, manufacturing, and financial sectors.
- ◆ **After a sharp correction to the global financial and commodity markets in March, conditions have normalised to a large extent.** This market rebound has been supported by aggressive central bank policy across the world, accompanied by substantial fiscal policy interventions. This unprecedented policy easing is paving the way for a fairly strong global rebound in 2021 after a sharp contraction in 2020.

#### Bahrain Q1 2020 Preliminary Results

	Total	Oil Sector	Non-oil Sector
Real GDP (constant prices)	-1.1%	1.8%	-1.7%
Nominal GDP (current prices)	-4.9%	-11.5%	-4.0%

<sup>1</sup> All references to growth in this report refer to the growth of the real (inflation-adjusted) GDP, unless otherwise stated and all results are preliminary.

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## EXTERNAL CONTEXT

### *Global Prospects*

The COVID-19 pandemic remains the dominant factor on global economic performance even though most countries in Asia, Europe, and North America have started to normalise economic activity following restrictions imposed in response to the pandemic.

The unprecedented and ongoing impact of COVID-19 on the economy prompted economic analysts and organizations to revise their projections for the growth of the global economy. In its June 2020 issue of the World Economic Outlook (WEO) Update, the International Monetary Fund (IMF) forecasted global growth of -4.9%, 1.9% below the April 2020 WEO forecast, with a warning that this economic crisis will be “like no other”.

Globally, policy makers have sought to counter the effects of the crisis through unprecedented stimulus measures. According to the IMF website “announced fiscal measures are now estimated at near USD 11 trillion globally, up from USD 8 trillion estimated in the April 2020 Fiscal Monitor. One-half of these measures (USD 5.4 trillion) are additional spending and forgone revenue, directly affecting government budgets. The remaining half (USD 5.4 trillion) is liquidity support, such as loans, equity injections, and guarantees, including through state-owned banks and enterprises, which help maintain cashflows and limit bankruptcies.”

In terms of the performance of the larger economies, China’s GDP contracted in Q1 2020 by 6.8%, this followed growth of 6% in Q4 2019. To help its ailing economy, China pandemic-relief efforts mounted to USD 500bn, around 4% of China’s annual economic output. The United States economy is estimated to have shrunk by 5% in the first quarter. However, following sharp disruptions to economic activity, analysts believe the first signs of a rebound are beginning to emerge, as the US economy astounded analysts in May and June 2020 by posting positive net gains in employment bringing the official unemployment rate to 11.1%, down from highs of 14.7% in April 2020, supported by the USD 484bn COVID-19 relief package announced in April.

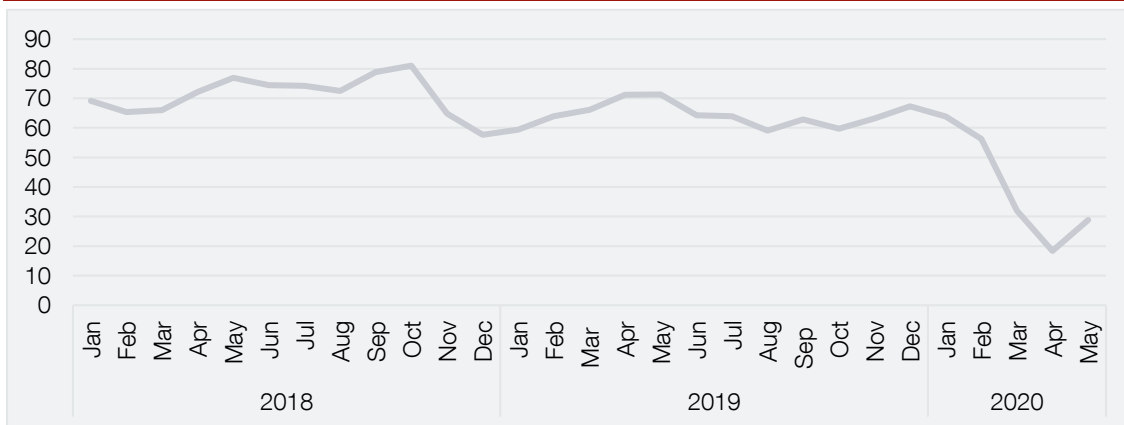
In Europe, the United Kingdom’s Office for National Statistics reported negative economic growth of 1.6% in Q1 2020. The U.K. had announced a GBP 330bn (USD 399bn) rescue package of loan guarantees to help U.K. businesses survive the economic fallout from the pandemic, and a further GBP 20bn in tax cuts, grants and other help. France, Italy and Spain also witnessed declines in their growth estimated at 5.8%, 4.8% and 4.1%, respectively, having been some of the hardest hit countries in the continent.

Global oil markets have begun to see a steady recovery from their April nadir. The US shale industry has responded to the lower price environment by reducing production capacity while on 6 June 2020 OPEC and Russia agreed on keeping their output cuts in place. The Brent benchmark price rebounded to USD 40 per barrel by early June and has hovered around that level since then.

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### Europe Brent Spot Oil Price (USD per barrel)



Source: US Energy Information Administration

### GCC Economic Outlook

Economic activity in the Gulf region has been disrupted by a combination of various lockdown measures in response to COVID-19 along with a bout of unusual volatility in the oil markets. Initial estimates of the scale of disruption during Q1 2020 point to a relatively muted impact. Forward-looking indicators point to a contraction in the non-oil sector and the economy as a whole in 2020. By contrast, regional economies are expected to see a comparable rebound in 2021. These new economic realities have put fiscal consolidation back on the agenda with governments announcing plans to cut spending. Furthermore, liquidity conditions have remained generally benign with several governments tapping the international debt markets.

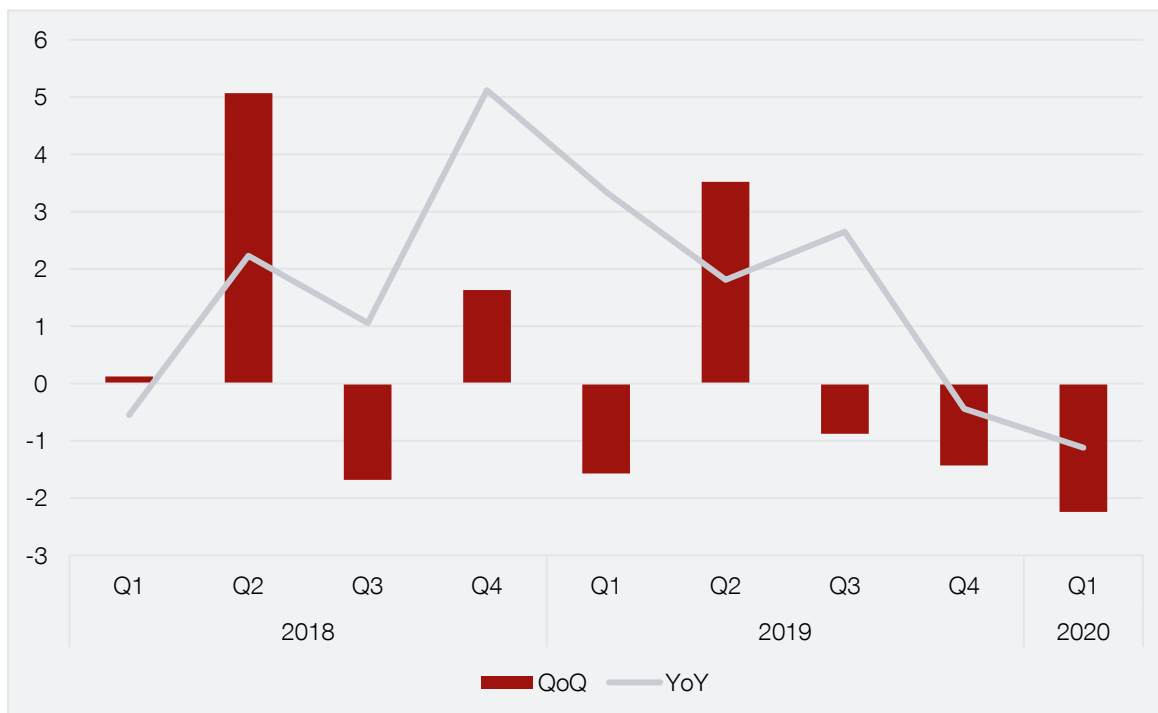
Saudi Arabia posted a 1% YoY real GDP drop during the quarter; with the oil sector contracting by 4.6% while the non-oil economy still saw a 1.6% YoY expansion. UAE's Central Bank released its estimates for economic growth in Q1 2020 which pointed to a 1% decline in real GDP, with the oil sector growing by 3.7% and the non-oil sector declining by 3%. The UAE Central Bank expects real GDP to shrink by 3.6% overall in 2020, with a sharper decline in Q2 2020.

## BAHRAIN

According to preliminary national account statistics for Q1 2020 published by the Information and e-Government Authority, Bahrain is estimated to have posted a 1.1% YoY contraction in real GDP during Q1 2020, and a sharper decline of 4.9% in nominal GDP.

Primarily as a result of regulatory restrictions imposed in connection with the COVID-19 pandemic, the non-oil sector declined by an annual 1.7% in real terms and 4% in nominal terms. The Oil sector posted a small 1.8% real YoY gain, although the oil price correction entailed a 11.5% YoY correction in nominal terms. Overall, a high degree of continuity was observed in the largest sectors of the economy – Oil, Financial Corporations and Manufacturing – which jointly account for 48.8% of the Kingdom's real GDP. These clusters have not been directly affected by early pandemic-related disruptions.

### Real GDP Growth (%)



Source: Information & eGovernment Authority

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## *Non-Oil sector*

Reflecting global and regional trends, the non-oil sector in Bahrain fell into contractionary territory in Q1 2020. The overall annual rate of real growth in the non-oil economy was -1.7%, while the nominal growth rate was -4%. The performance of sectors varied and reflected their sensitivity to policy measures beginning to be introduced during the second half of the quarter.

The Manufacturing sector saw the fastest expansion at 4.8%, partly in reflection of recent expansion projects. Positive gains were led by ALBA where Line 6 is now running at full capacity, delivering a remarkable 42.5% YoY gain in output. Furthermore, Banagas and GPIC saw increases in production of 16.4% and 1.3%, respectively, while the Bapco refinery recorded a 12.8% YoY decline.

The Social and Personal Services sector saw a small 1.3% increase, reflecting the ability of private education providers to transition to digital service delivery. The Construction sector posted a 0.3% YoY gain, a small increase by recent standards. It is worth noting that the rationalisation of government spending will not impact the progress of major projects in the Kingdom, many of which are funded, wholly or partially, through the GCC Development Fund or the private sector.

In reflection of restrictions placed on passenger traffic and other social distancing measures, tourism was the hardest hit sector during the first quarter of 2020. The estimated gross value added in the Hotels and Restaurants sector fell by an annual 36%. March 2020 data on inbound visitors reflected a major inflection point with arrivals through the King Fahd Causeway falling to 9.2% of the tally recorded in March 2019, having recorded a 29.2% YoY increase in January 2020. This resulted in the overall number of visitors during Q1 2020 to fall by 24.2% YoY. Additionally, both Airport and Port arrivals declined by 25.1% and 39.1%, respectively, in Q1 2020. Statistics from the Bahrain Tourism and Exhibition Authority for Q1 2020 point to a sharp 47% decline in the number of tourists, a 49.5% decline in total tourist nights and a 55.4% decline in total tourism expenditure. Occupancy rates in 5\* hotels fell to 43%, down from 53% a year ago, and similarly fell in 4\* hotels to 36% from 46% a year ago. Travel restrictions also impacted the Transport and Communication sector which posted an estimated 6.3% YoY decline.

The Government Services sector, still reflecting downsizing implemented under the Fiscal Balance Program, saw a 2.9% YoY decline. Following COVID-19 related interventions, government departments are now reducing their recurrent spending by 30% this year. The Financial Corporations sector posted a small 1.6% YoY decline, while the Real Estate and Business Activities sector and the Trade sector are estimated to have seen small declines of 0.4% and 0.1%, respectively.

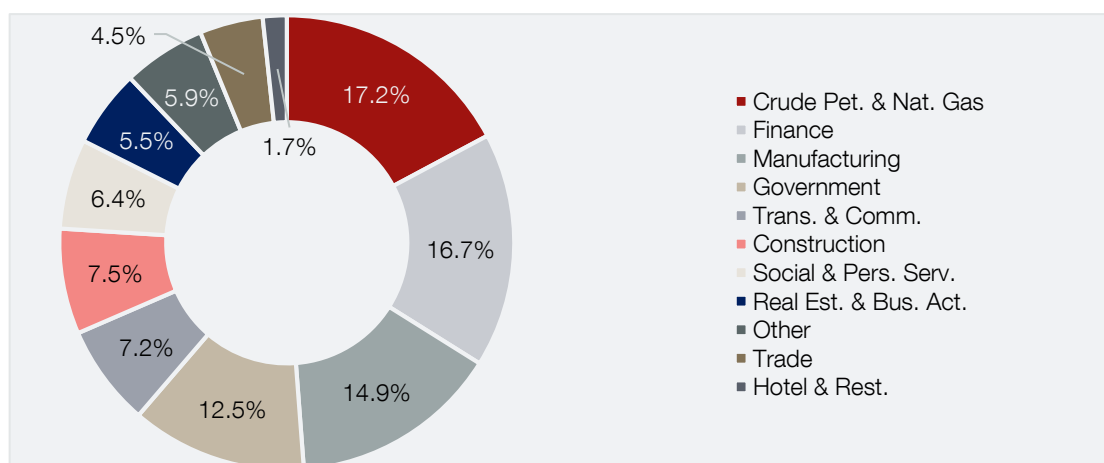
## Sector Real Growth Rates, YoY

	2019					2020
	Annual	Q1	Q2	Q3	Q4	Q1
Crude Pet. & Nat. Gas	2.2%	9.2%	-0.8%	-0.1%	1.7%	1.8%
Manufacturing	1.6%	-3.2%	-0.4%	4.7%	5.2%	4.8%
Construction	2.6%	2.9%	4.0%	1.5%	2.3%	0.3%
Trade	1.1%	1.3%	1.1%	1.8%	0.0%	-0.1%
Hotels & Restaurants	6.8%	10.7%	8.7%	8.3%	-0.1%	-36.0%
Transp. & Comm's	-5.7%	-9.8%	-8.0%	0.4%	-5.4%	-6.3%
Social & Pers. Serv.	2.9%	1.3%	1.7%	4.3%	4.3%	1.3%
Real Est. & Bus. Act.	-2.4%	-1.7%	-1.4%	-3.4%	-2.9%	-0.4%
Finance	-0.3%	0.9%	0.0%	-0.8%	-1.1%	-1.6%
Government	-5.8%	0.6%	-2.1%	-0.5%	-20.3%	-2.9%
Other	54.0%	65.6%	65.3%	46.1%	39.7%	-1.9%
<b>GDP</b>	<b>1.8%</b>	<b>3.3%</b>	<b>1.8%</b>	<b>2.7%</b>	<b>-0.4%</b>	<b>-1.1%</b>
<i>Non-oil GDP</i>	1.7%	2.2%	2.4%	3.3%	-0.9%	-1.7%

Source: Information & eGovernment Authority

In terms of each sector's contribution to GDP during Q1 2020, the Financial Corporations sector remains the largest non-oil sector, contributing 16.7% to the GDP, followed by the Manufacturing sector (14.9%) and the Government Services sector (12.5%).

## Sector Contribution to GDP – Q1 2020



Source: Information & eGovernment Authority

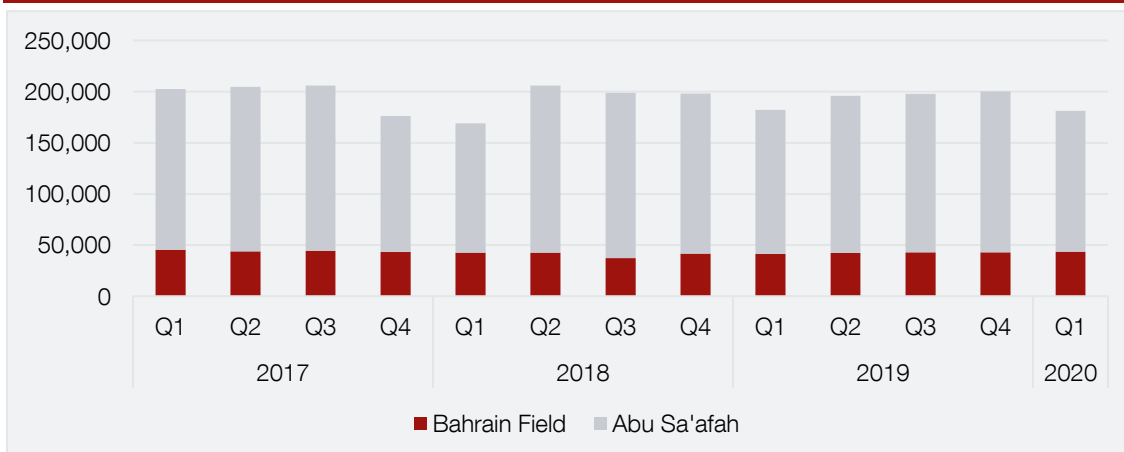
## Oil Sector

The Oil and Gas sector was characterised by continuity in Q1 2020, with the sector recording real growth of 1.8%. While production from the off-shore Abu Sa'afah field was affected by usual seasonal maintenance, onshore extraction from the Bahrain field saw a small increase.

Overall, average daily crude extraction stood at 181,265 barrels. This was almost exactly in line with the 182,310-figure recorded a year earlier. Production from the Abu Sa'afah field temporarily fell below capacity and reached 137,895 barrels per day (b/d), a 2.2% drop in average daily production. The onshore Bahrain field produced 43,475 b/d, which marked a 4.9% YoY gain.

The production of natural and associated gas increased to 215,142 mm cu ft in a YoY increase of 12.5%. Some 34.4% of total production was re-injected within the hydrocarbons sector.

### Crude Oil Production (bpd)



Source: National Oil and Gas Authority

In terms of key hydrocarbons projects:

- ◆ The Bapco Modernization Program (BMP), the largest project the Kingdom has ever seen with a value of USD 6.9bn, reached the 50% completion mark. The project is expected to be completed in 2022.
- ◆ The development of the Khalij Al-Bahrain basin achieved 42% completion. Nogaholding is currently in talks with US-based Chevron regarding exploration wells in the area.
- ◆ Tatweer Petroleum is evaluating in-place volumes in the Pre -Unayzah gas reservoirs as a number of wells are being drilled to provide an update on the size and viability of the reserves. Work is ongoing on the first 2 wells with plans in place for the third and fourth wells as part of the 2020 – 2021 program. The project is now 47% completed.

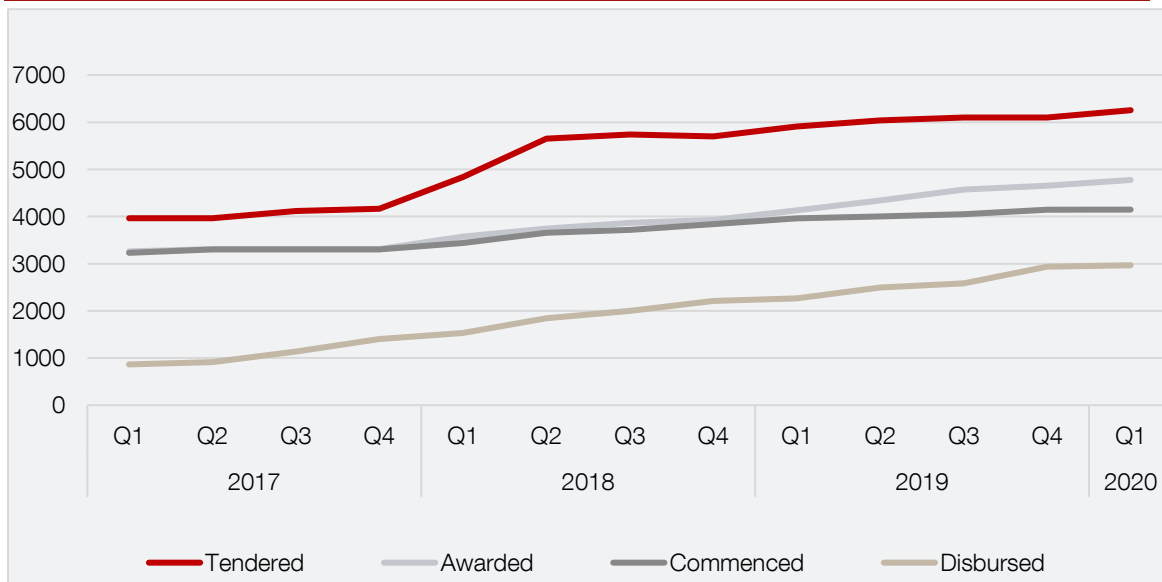


## Infrastructure Projects

Infrastructure projects have provided an important source for growth in Bahrain over the past several years. This pipeline of projects is progressing well in spite of some discontinuities caused by the COVID-19 outbreak. Bahrain was the only regional market in May where project completions were less than new awards – USD 925mn vs. USD 932mn – according to MEED Projects.

Infrastructure projects funded by the GCC Development Fund generally continued to increase. In particular, there has been a renewed increase in new projects tendered and awarded during the first 3 months of the year. The estimated cumulative total of awarded projects reached USD 4.8bn at the end of March 2020, an increase of USD 80mn, or 0.2%, during the quarter. Cumulative cashflow reached USD 3.2bn, a 5.3% increase on Q4 2019.

### GCC Development Fund Activity (USD million, cumulative totals)



Source: Ministry of Finance and National Economy

The flagship infrastructure projects around the Kingdom are continuing to advance:

- ◆ According to the Tender Board, Bahrain awarded 372 tenders worth USD 740mn in Q1 2020. Equipment and materials made up 39% of the awards, with the construction and engineering services sector at 26% and that of the aviation sector at 18%. This was followed by oil and gas at 15%. In 2019, Bahrain awarded 1,730 tenders worth a total of USD 4.9bn. The construction and engineering services sector made up 45% of the total, followed by oil and gas at 24% and aviation at 13%
- ◆ The USD 1.1bn expansion of Bahrain International Airport is due to open for business this year.
- ◆ The Ministry of Housing has received bids from three private companies for the development of the Al Lawzi 132-unit social housing project. The units will be sold commercially under the Mazaya social housing loan program.

- ◆ The Bahrain Tourism & Exhibition Authority has solicited bids for two contracts for the construction and operation of a hotel and serviced apartments complex as well as a shopping mall in Sakhir. The development will be adjacent to the new planned conferences and exhibition center. The contract to build the new exhibition centre was awarded in January, with the 308,000 sq m facility expected to be completed in 2022.
- ◆ Plans to develop tourism assets on Hawar Islands are making progress and a contract to deliver submarine cables was awarded in May 2020.

## International Trade

Bahrain's non-oil merchandise trade posted steady growth in Q1 2020 with the overall value of exports rising by an annual 3.0% to USD 2.14bn. Exports of domestic origin saw a small 1.3% YoY decline. By contrast, re-export posted brisk 15.7% YoY growth to just over USD 600mn. The value of imports expanded by an annual 5.7% to a total of just over USD 3.3bn. Consequently, the trade deficit increased by 16.9%.

The impact of COVID-19 began to emerge in April 2020 following three consecutive months of robust export growth. Exports contracted by an annual 17.2% in April 2020 to USD 595.3mn whereas the value of imports declined by USD 19.1mn to USD 964mn. May 2020 was marked by continuity compared to the preceding months. Exports were down 16.8% in YoY terms at USD 574.8mn while imports declined by an annual 9.8% to just over USD 1bn.

### Non-oil Trade (BHD million)



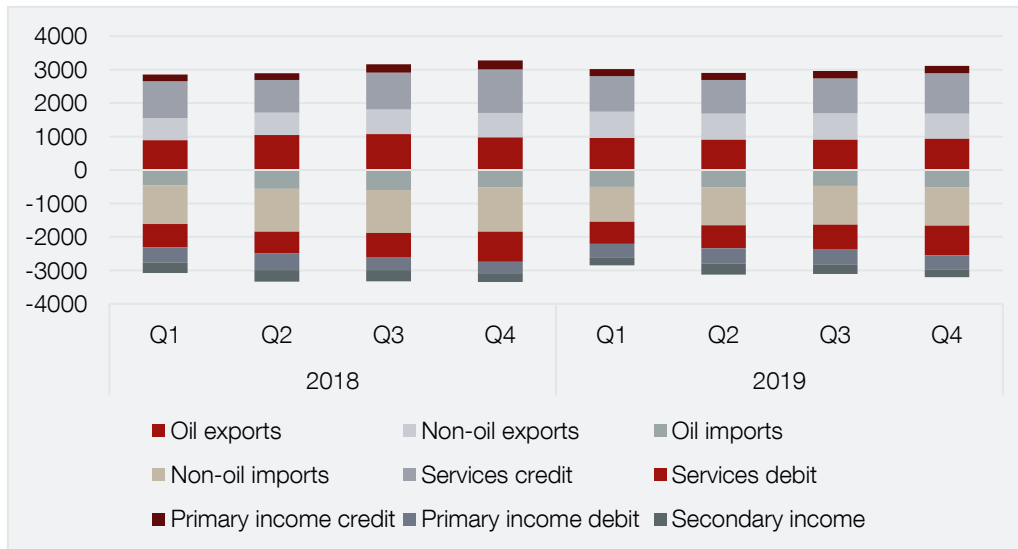
Source: Information & eGovernment Authority

### Main Non-oil Trading Partners to the Kingdom of Bahrain – Q1 2020

Imports		Exports	
Country	Share of Total (%)	Country	Share of Total (%)
China	12.6%	Kingdom of Saudi Arabia	28.2%
Brazil	7.8%	United Arab Emirates	11.0%
Kingdom of Saudi Arabia	7.6%	United States	9.8%
Australia	7.1%	Netherland	8.0%
United States	6.8%	Oman	7.5%

According to 2019 Balance of Payments data released by the CBB, overall merchandise exports recorded a small 0.4% YoY increase in 2019 to a total of BHD 6.8bn. Oil exports saw a 6.6% annual decline in their value to BHD 3.7bn whereas non-oil merchandise exports posted a robust 10.4% gain to just under BHD 3.1bn.

### Balance of Payments (BHD million)



Source: Central Bank of Bahrain

### Foreign Direct Investments (FDI)

According to the World Investment Report of the UN Conference of Trade and Development (UNCTAD), Bahrain attracted USD 942mn of inward foreign direct investment. This marks the third consecutive years of inward FDI inflows in the order of USD 1bn, with FDIs totaling USD 942mn. Bahrain's FDI accounted for 2.4% of nominal GDP in 2019, the 3rd highest in the GCC, and well above the average global performance.

The Kingdom saw the launch of the first Amazon Web Services data centre in the region in 2019. FDI also benefited from economic reforms resulting in the Kingdom's recognition as the fourth most improved economy in the world in the World Bank's Doing Business report.

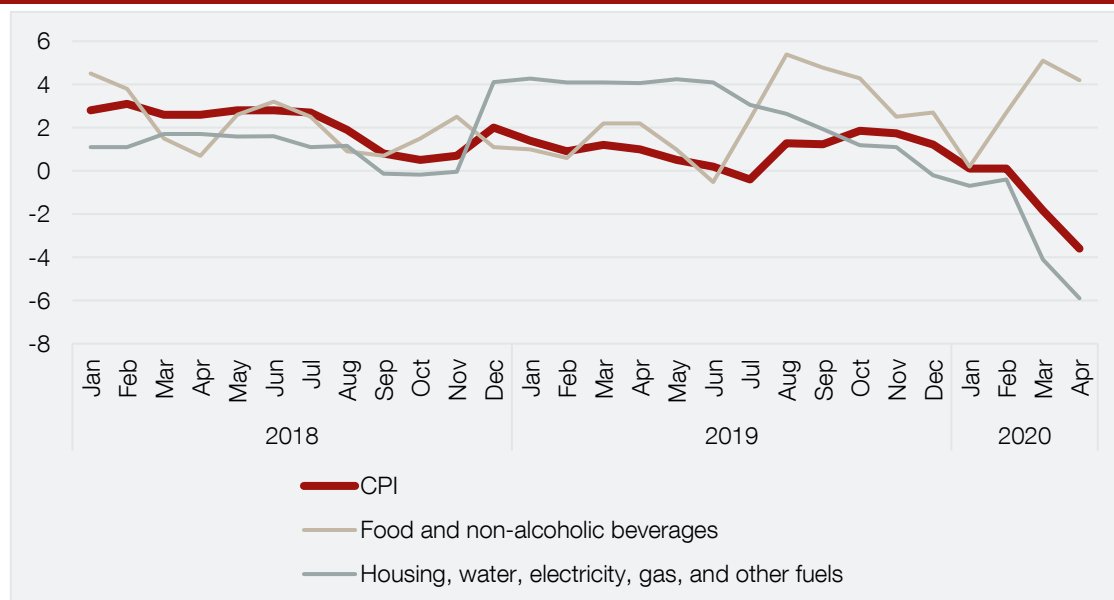
## Inflation

The onset of COVID-19-related disruption has contributed to a further decline in the already minimal inflationary pressures. During Q1 2020, the annual pace of inflation decelerated from a positive 0.1% YoY in January to -1.8% in March.

Inflationary pressures in the economy have become increasingly divergent. “Transportation” costs rose by an annual 3.5% in Q1 2020, the largest among the consumption groups, mostly due to rising vehicle costs. Food prices also increased on average during the quarter by 2.2% compared with Q1 2019.

By contrast, areas affected by regulatory restrictions on operations during the pandemic saw declines. The “recreation and culture” index saw an annual 28.8% decline in March 2020, while the “hotels and restaurants” index recorded a 2.2% YoY drop in the same month.

### Consumer Price Inflation (%) YoY



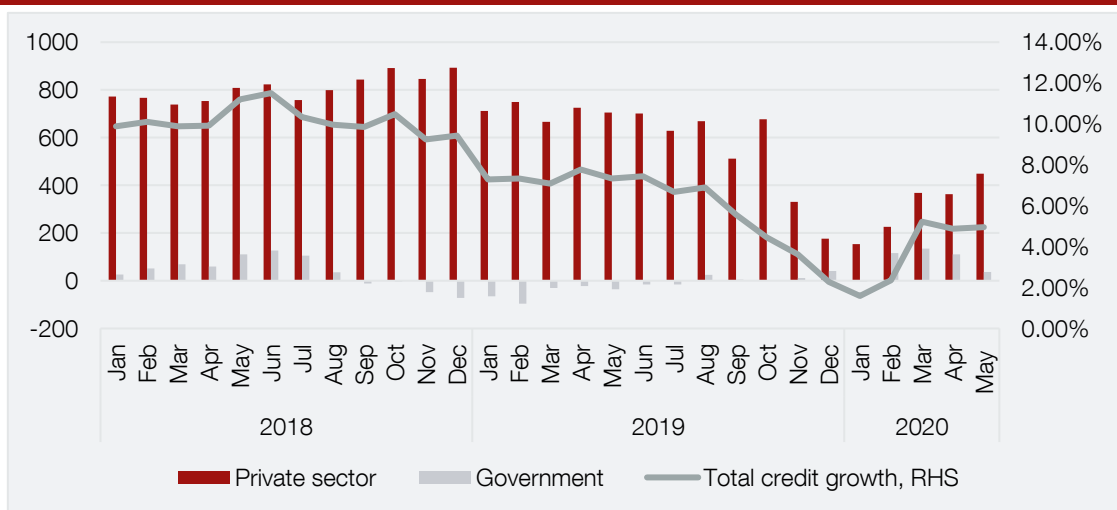
Source: Information & eGovernment Authority

## Bank Credit and Deposits

The annual pace of credit growth for retail banks based in Bahrain witnessed a clear rebound from its January low point when it had moderated to an annual 1.6%, with credit growth growing by 2.4% and 5.2%, in February and March 2020, respectively.

The total portfolio of outstanding credits passed the BHD 10bn mark in March. The rebound was driven by a clear increase in business sector credit which rose by an annual 3.6% in March to a total of BHD 5.2bn. Lending to the government steadily increased with the total portfolio reaching BHD 441.4mn, which represented a 43.5% YoY increase.

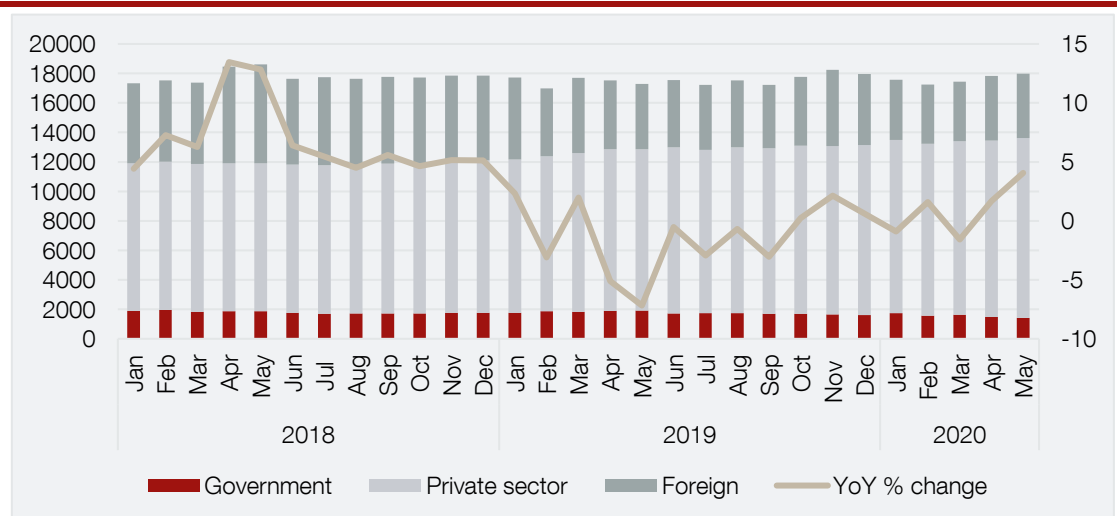
### YoY Growth in Credit Issued by Retail Banks (BHD million)



Source: Central Bank of Bahrain

Deposit growth at Bahraini retail banks has seen some volatility in recent months. Total deposits dropped 1.6% YoY at the end of Q1 2020, mostly as a result in the fall of foreign currency deposits which fell 21%. Contrary to this, local currency deposits rose 6.3%.

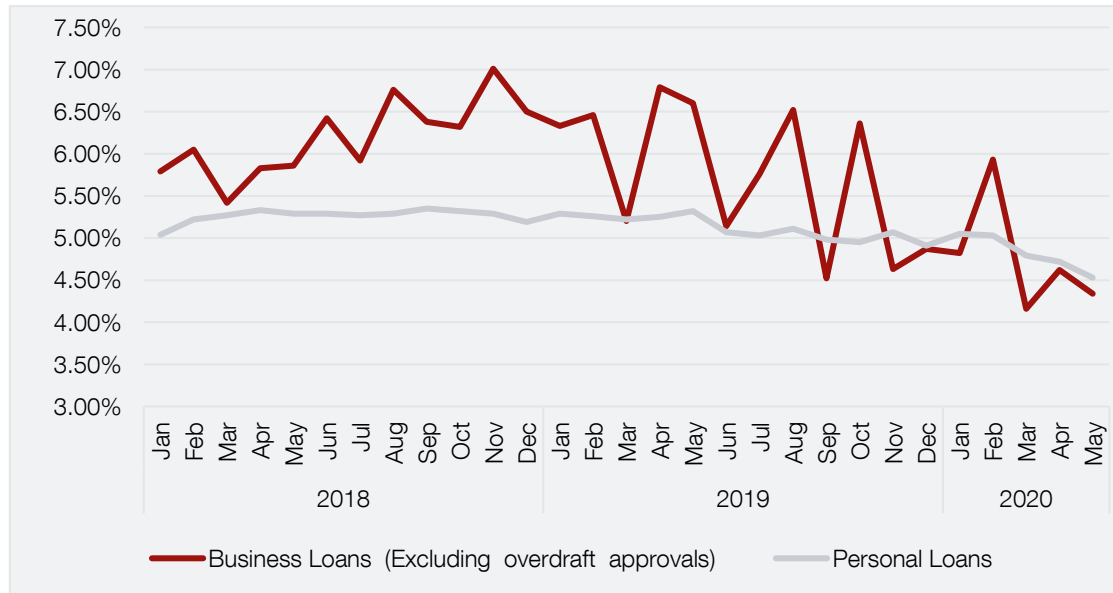
### Deposit Liabilities to Non-banks (BHD million)



Source: Central Bank of Bahrain

The cost of borrowing has shown some month-to-month volatility around a gradually declining trend. The average cost of business loans issued by conventional retail banks reached 4.2% in March 2020, which marks the lowest readings since 2015, down from 5.9% in February 2020. The cost of personal credit has been more continuous and reached 4.8% in March 2020.

### Average Rate of Interest on Credit Facilities - Conventional Retail Banks

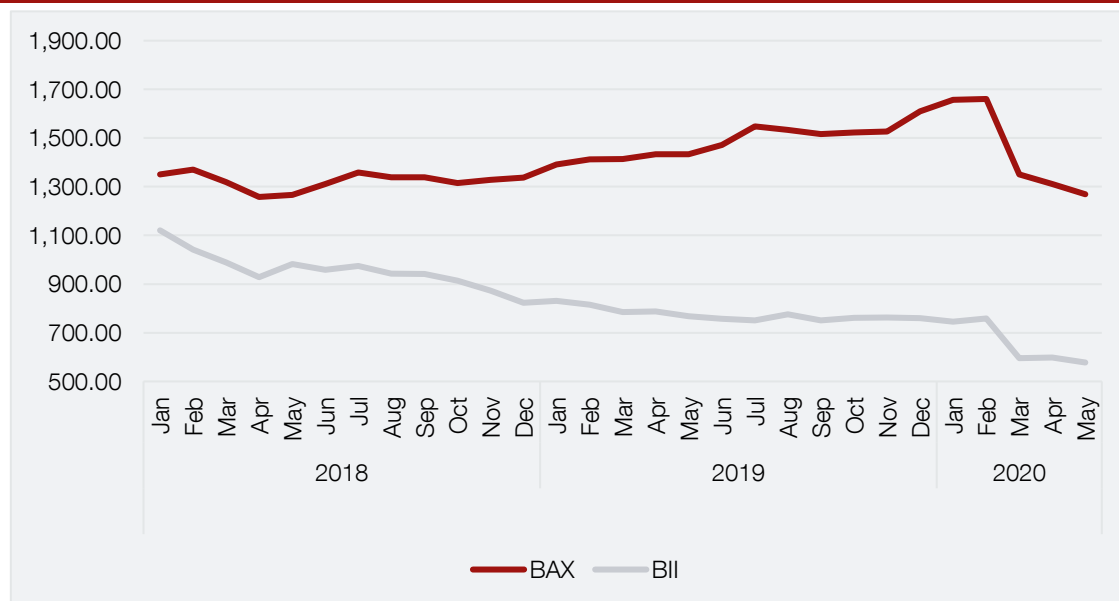


Source: Central Bank of Bahrain

## Financial Markets

The dynamics of trading at Bahrain Bourse has reflected broader regional trends which is turn has been influenced by a period of lower oil prices. The Bahrain All Share Index saw a 16.1% year-to-date decline during the first three months of the year, while the Bahrain Islamic Index declined by 21.7%. Market capitalization also fell by 16.1% to BD8.5mn at the end of Q1 2020.

### Bahrain All Share Index and Bahrain Islamic Index



Source: Bahrain Bourse

Other achievements included:

- ◆ The CBB and Bahrain Bourse in June 2020 launched a new murabaha sukuk service as a shariah-compliant liquidity and financing tool. The service uses an electronic platform provided by the Bourse. Under the facility, the lending party purchases the sukuk from the CBB and offers it to the borrower as a deferred sale transaction.
- ◆ In the fixed income space, the Government of Bahrain tapped the international markets with a USD 2bn offering in May. The offering was composed of a USD 1bn, 4.5-year sukuk with a 6.25% coupon and a 10-year bond with a coupon rate of 7.375%. The issue was arranged by Bank ABC, Gulf International Bank, HSBC, JP Morgan, National Bank of Bahrain, and Standard Chartered Bank.
- ◆ A BHD 300mn three-year Government Development Bond (No. 20), part of a regular issuance program, was placed in late April and attracted oversubscriptions of 181%. The expected profit rate is 6%.
- ◆ The telecommunications company Batelco in May paid the remaining USD 473mn of an original USD 650mn bond. The company also secured a USD 450mn loan.



The Central Bank of Bahrain continued with its regular issuance of short-term papers.

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

Issue date	Issue	Value, BHD million	Maturity Days	Average Interest/ Profit Rate (%)	Avg Price (%)	Over-subscription (%)
01-Jan-20	Treasury Bills No. 1789	70	91	2.58	99.352	101
08-Jan-20	Treasury Bills No. 1790	70	91	2.61	99.344	120
09-Jan-20	Sukuk Al Ijarah No. 173	26	182	2.57	-	188
15-Jan-20	Sukuk Al Salam No. 225	43	91	2.61	-	190
22-Jan-20	Treasury Bills No. 1791	70	91	2.57	99.354	184
23-Jan-20	Treasury Bills No. 65	100	365	2.6	97.436	196
29-Jan-20	Treasury Bills No. 1792	70	91	2.55	99.36	217
02-Feb-20	Treasury Bills No. 1793	35	182	2.52	98.74	308
05-Feb-20	Treasury Bills No. 1794	70	91	2.56	99.358	128
06-Feb-20	Sukuk Al Ijarah No. 174	26	182	2.52	-	557
12-Feb-20	Treasury Bills No. 1795	70	91	2.5	99.373	183
19-Feb-20	Sukuk Al Salam No. 226	43	91	2.52	-	354
26-Feb-20	Treasury Bills No. 1796	70	91	2.49	99.374	100
27-Feb-20	Treasury Bills No. 66	100	365	2.56	97.476	169
01-Mar-20	Treasury Bills No. 1797	35	182	2.47	98.766	237
04-Mar-20	Treasury Bills No. 1798	70	91	2.45	99.385	100
11-Mar-20	Treasury Bills No. 1799	70	91	2.06	99.482	121
12-Mar-20	Sukuk Al Ijarah No. 175	26	182	2.1	-	427
18-Mar-20	Sukuk Al Salam No. 227	43	91	2.06	-	295
25-Mar-20	Treasury Bills No. 1800	70	91	2.06	99.482	100
26-Mar-20	Treasury Bills No. 67	100	365	2.87	97.181	100
29-Mar-20	Treasury Bills No. 1801	35	182	2.68	98.665	100

Source: Central Bank of Bahrain

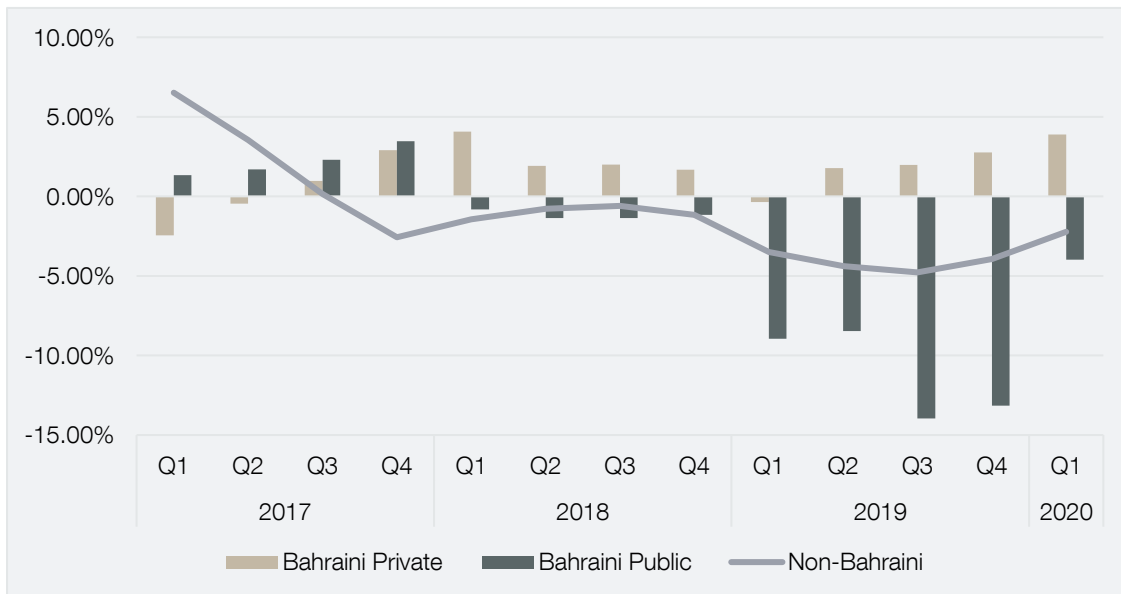
## Labour Markets

The labour market saw relative continuity in Q1 with a small 0.2% increase in the number of jobs from a relatively strong Q4 of last year. The total number of SIO contributors in Q1 2020 stood at 619,765. This included 144,471 Bahraini citizens of whom 97,277 were employed in the private sector and 47,194 in the public sector.

In line with recent trends, Bahraini private sector employment remained the only segment of the market that saw an annual increase in numbers. However, the YoY contraction in government employment grew smaller as a result of base effects as the impact of the voluntary retirement program is becoming less pronounced more than a year after the first phase. The number of Bahrainis working in the private sector rose by an annual 3.9%. By contrast, 4% fewer Bahrainis were employed by the government compared to a year earlier.

The average salary of Bahrainis working in the private sector increased by 0.4% to BHD 761, while the average salaries of Bahrainis working in the public sector decreased 2% to BHD 829. On the other hand, the average salary of non-Bahrainis in the private sector rose by 2.4% to BHD 251.

### YoY Changes in Employment by Labour Market Segment (%)



Source: Social Insurance Organization

In response to disruptions caused by the COVID-19 pandemic, the Labour Market Regulatory Authority in June launched a new jobs portal, [talentportal.bh](http://talentportal.bh). The portal is designed to increase market efficiency, especially at a time when it is difficult to bring in new workers from other countries.

## *International Rankings*

Bahrain's position has significantly improved in the Environmental Performance Index 2020 published by the Yale Center for Environmental Law & Policy at Yale University. Bahrain currently ranks 56th globally among 180 countries, up 40 positions on the previously published index. The index is based on two policy objectives: environmental health and ecosystem vitality. It has been noted that Bahrain was among the countries that made considerable improvements in climate change mitigation, and is one of the EPI 2020 leaders in the MENA region, rising eight spots regionally to 5th position, and 3rd in the GCC. Bahrain is the highest performing country globally in the Ecosystem Services sub-indicator, and highest regionally in several sub-indicators including Wastewater Treatment.

Bahrain ranks 8th globally in Energy Transition Index 2020's "Human Capital & Consumer Participation" indicator published by the World Economic Forum. This category evaluates jobs and quality of education in the renewable energy sector, as well as consumer awareness and the adoption of new technologies. In the "Economic Growth & Development" indicator, Bahrain's ranking improved twenty-five spots to 63rd globally. Bahrain was the top country in terms of electrification rate, access to clean cooking fuels, diversification of import counterparts, share of electricity from coal generation, and for access to regulatory indicators for sustainable energy.

Bahrain ranks 25th among 200 countries in the COVID-19 Regional Safety Assessment published by Deep Knowledge Group. The assessment analyses economic, social, and health stability and the conditions and risks triggered by COVID-19. Bahrain ranks 5th in the MENA region. Bahrain ranks 3rd in the Tier 2 category which consists of 20 countries that scored exceptionally well in terms of regional safety and stability. Bahrain has also ranked well in a number of other indicators: 14th out of 100 in "COVID-19 Emergency Preparedness" sub-indicator, 32nd out of 100 in "COVID-19 Healthcare Readiness," and 36th out of 100 countries in "COVID-19 Ranking of Quarantine Efficiency."

## 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.

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

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