



وَأَزَارَةُ الْمَالِ الْبَيْتِ، وَالْاِقْتِصَادِ الْوَطَنِيِّ

Ministry of Finance
and National Economy



Bahrain Economic Quarterly

Q2 2020

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2030
البحرين
BAHRAIN

SUMMARY

ECONOMIC GROWTH IMPACTED BY PANDEMIC

The Bahrain Economic Quarterly report for Q2 2020 sheds light on key developments in the local economy and vital economic indicators, which are reflective of the economic situation brought on by the peak of the global spread of the coronavirus (COVID-19) throughout the second quarter of 2020.

As was the case in most other countries, Bahrain's real GDP growth¹ declined by 8.9%² YoY. The financial and economic stimulus package launched in March 2020 under the leadership of His Majesty King Hamad bin Isa Al Khalifa, to support the Kingdom's citizens and the private sector through the provision of various initiatives that exceeded in value BHD4.5bn, contributed to supporting economic diversification efforts and to mitigating the economic impact of the global spread of COVID-19.

- ◆ **Bahrain's real GDP contracted by an estimated 8.9% in Q2 2020 YoY**, and 19.5% in nominal terms, as a result of COVID-19 market disruptions. The Oil sector posted a 3.2% real YoY increase in Q2 2020, but declined by 47.9% in nominal terms, as global oil prices dropped to their lowest level in more than two decades in April 2020. The non-oil economy saw a 11.5% contraction in real terms and 14.7% in nominal terms.
- ◆ **The performance of certain economic sectors has reflected the impact of the pandemic.** The most affected sectors were Hotels & Restaurants and Transport & Communications; while resilience was seen in the Oil and Government Services sectors.
- ◆ **The global economy saw a sharp contraction in Q2 2020 but economic activity is indicating a rebound is underway.** The introduction of economic stimulus packages, and the gradual and controlled lifting of COVID-19 restrictions on economic activities, resulted in renewed growth in many economies after a period of decline. Concerns around a resurgence in COVID-19 cases are being primarily addressed through targeted measures.
- ◆ **The Kingdom of Bahrain's key economic indicators point to a recovery in many economic sectors in Q3 2020**, with expectations of a smaller YoY decline in GDP during Q3 2020. Currently, real GDP is forecasted to decline by around 5.8% in 2020 and to rebound in 2021.

Bahrain Economic Outlook

	2018	2019	2020f	2021f
Real GDP growth (%)	1.8%	1.8%	-5.8%	5.0%
Non-hydrocarbons sector	2.5%	1.7%	-7.1%	6.2%
Hydrocarbons sector	-1.3%	2.2%	0.1%	0.0%
Nominal GDP growth (%)	6.1%	2.4%	-12.5%	9.7%
Inflation (CPI %)	2.1%	1.0%	-2.6%	2.5%
Current account (% of GDP)	-6.5%	-2.1%	-9.5%	-5.7%
Crude Oil Brent (USD)	71.3	64.4	41.9	49.1

¹ All references to growth in this report refer to the growth of the real (inflation-adjusted) GDP, unless otherwise stated.

² 2019 results are preliminary.

Contents

SUMMARY 2

EXTERNAL
CONTEXT 3

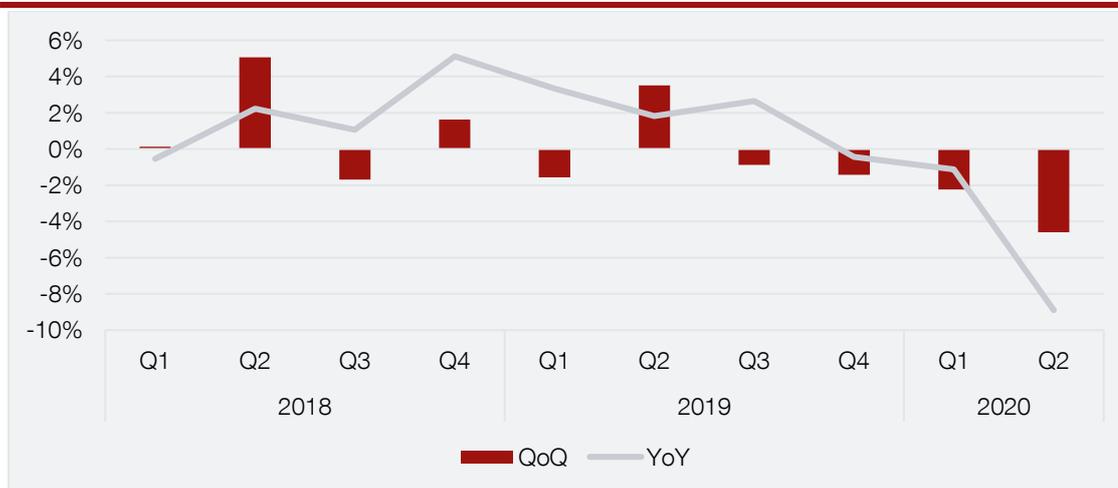
BAHRAIN 4

BAHRAIN

The Kingdom of Bahrain's real GDP contracted by 8.9% YoY in Q2 2020, according to the latest Quarterly National Accounts Bulletin published by the Information and eGovernment Authority.

Economic activity was supported by a 3.2% real growth in the Oil sector, which registered a decline in growth in nominal terms of 47.9%, due to the fall in global oil prices during the quarter. The non-oil sector witnessed a decline of 11.5% YoY in real terms and 14.7% in nominal terms.

Real GDP Growth (%)



Source: Information & eGovernment Authority

Non-Oil sector

The performance of the non-oil sector during Q2 2020 largely reflected the impact of the COVID-19 pandemic. All sectors of the non-oil private sector saw at least some YoY declines in activity.

Two sectors witnessed YoY growth in their GDP during Q2 2020; the Electricity and Water sector which grew by 34.9%, and the Government Services sector, the Kingdom's third largest non-oil sector in terms of the percentage of contribution to the GDP, which registered slight growth of 0.1%.

As was the case in Q1 2020, the Hotels & Restaurants sector was the most affected by the pandemic, with a decline in growth of 61.3%. The restrictions in regional and international travel reflected in the number of visitors which declined by 99.1% through the King Fahd Causeway, 95.9% through the Bahrain International Airport and 77.6% through the ports. Furthermore, the average occupancy rate at five-star hotels declined by 69% while the average occupancy rate in four-star hotels declined by 74%.

Contents

SUMMARY	2
EXTERNAL CONTEXT	3
BAHRAIN	4

Travel restrictions also impacted the Transport & Communications sector which posted an estimated 47.4% YoY contraction in Q2 2020. The impact rested disproportionately on the travel and tourism agencies, taxi companies and freight, as demonstrated by the 33.9% decline in the number of trucks travelling through the King Fahd Causeway. However, as travel restrictions are slowly being lifted, the performance of the sector is expected to improve in Q3 2020.

The Manufacturing sector posted a mixed second quarter. On the one hand, Aluminium Bahrain (Alba) saw a 23.8% YoY increase in its output to 378,558 metric tons, while a number of companies decreased their output during Q2 2020 including Bapco whose production fell by 14.9%, Banagas with a drop of 4.3% and GPIC with a drop of 0.9%.

The Financial Corporations sector, the Kingdom's largest sector in terms of the percentage of contribution to the GDP, registered a 5.8% decrease in GDP growth. Despite the decline in activity during the quarter, the sector registered positive results in its key indicators with the money supply (M3) growing by 4.7% at the end of Q2 2020 compared to Q2 2019, the balance sheet of the banking sector increasing in value by 3.6% during the same period and the value of non-bank deposits and outstanding loans increasing by 4.4% and 3%, respectively.

The remaining non-oil sectors experienced varying rates of growth decline in Q2 2020 compared to Q2 2019, with the Social and Personal Services declining by 15.4%, Trade by 9%, Real Estate and Business Activities by 7.9% and the smallest rate of reduction was recorded by the Construction sector at 2.1%

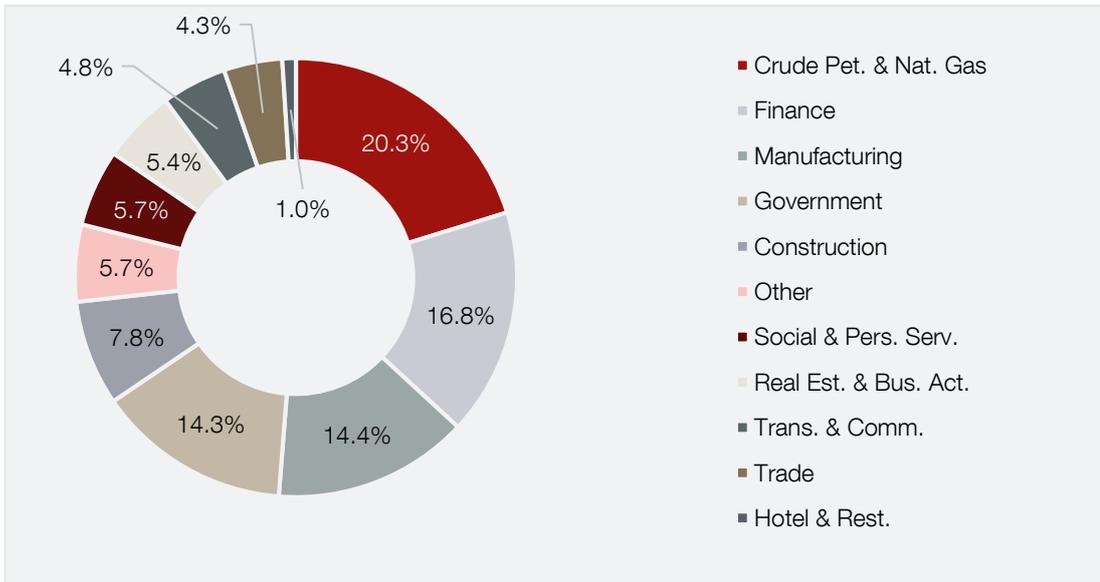
Sector Real Growth Rates, % YoY

Year Sector	2019					2020	
	Annual	Q1	Q2	Q3	Q4	Q1	Q2
Crude Pet. & Nat. Gas	2.2%	9.2%	-0.8%	-0.1%	1.7%	1.8%	3.2%
Manufacturing	1.6%	-3.2%	-0.4%	4.7%	5.2%	4.8%	-6.1%
Electricity & Water	13.6%	17.8%	10.0%	12.1%	15.0%	21.1%	34.9%
Construction	2.6%	2.9%	4.0%	1.5%	2.3%	0.3%	-2.1%
Trade	1.1%	1.3%	1.1%	1.8%	0.0%	-0.1%	-9.0%
Hotels & Restaurants	6.8%	10.7%	8.7%	8.3%	-0.1%	-36.0%	-61.3%
Transp. & Comm's	-5.7%	-9.8%	-8.0%	0.4%	-5.4%	-6.3%	-47.4%
Social & Pers. Serv.	2.9%	1.3%	1.7%	4.3%	4.3%	1.3%	-15.4%
Real Est. & Bus. Act.	-2.4%	-1.7%	-1.4%	-3.4%	-2.9%	-0.4%	-7.9%
Finance	-0.3%	0.9%	0.0%	-0.8%	-1.1%	-1.6%	-5.8%
Government	-5.8%	0.6%	-2.1%	-0.5%	-20.3%	-2.9%	0.1%
Other	54.0%	65.6%	65.3%	46.1%	39.7%	-1.9%	-23.4%
GDP	1.8%	3.3%	1.8%	2.7%	-0.4%	-1.1%	-8.9%
<i>Non-oil GDP</i>	1.7%	2.2%	2.4%	3.3%	-0.9%	-1.7%	-11.5%

Source: Information & eGovernment Authority

The gap in the percentage of contribution to GDP between the Oil and non-oil sectors widened during the quarter. 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 – Q2 2020



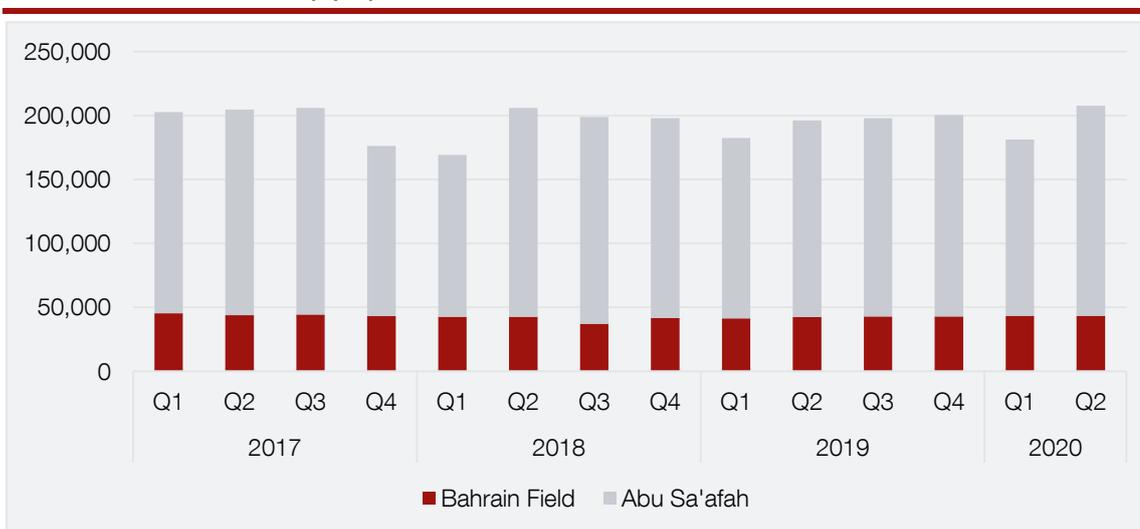
Source: Information & eGovernment Authority

Oil Sector

Bahrain's Oil sector registered real GDP growth of 3.2% in Q2 2020 compared to Q2 2019, due to the increase in oil production, while in nominal terms the sector growth declined by 47.9%, reflecting the sharp fall in global oil prices.

Overall oil production levels rose during the quarter by 5.9% compared to Q1 2020, reaching an average of 207,646 barrels per day (b/d). The increase in extraction was concentrated in the offshore Abu Sa'afah field with average daily production in Q2 2020 reaching 164,165 barrels, above the standard capacity output of 150,000 b/d. Extraction from the onshore Bahrain field has been holding more or less steady in recent quarters and averaged 43,481 b/d in Q2 2020.

Crude Oil Production (bpd)



Source: National Oil and Gas Authority

In terms of key hydrocarbons projects:

- ◆ Bapco announced in May 2020 that its refinery Modernisation Project was 50% complete. The USD6.9bn project is the largest investment in the sector in the Kingdom's history.
- ◆ The US company Advanced Refining Technologies has submitted a USD261mn bid for Bapco's hydrocracker services contract. A two-train, 65,000 b/d residual hydrocracker unit is a key element of the modernisation projects. Fewer than a dozen such units exist globally and Bapco's will be one of the largest.
- ◆ The liquefied natural gas jetty has been completed and launched. Plans are underway to connect Bahrain to a regional gas grid.
- ◆ Tatweer Petroleum and Italy's Eni in September signed an agreement to undertake a joint study of Bahrain's offshore Block 2, a total area of 2,230 sq km.

A financial and Economic Stimulus Package worth more than BHD4.5bn

Under the leadership of His Majesty King Hamad bin Isa Al Khalifa, the Government of Bahrain announced an unprecedented package of policy measures to directly support citizens, residents and businesses in the Kingdom. To date, the package is worth over **BHD 4.5 billion** and encompasses the following:

Initiatives Announced in March 2020

	Paid full salaries of insured Bahrainis employed in the private sector for 3 months		Paid all Electricity and Water Authority utility bills for all accounts for 3 months		Exemption from municipal fees for all accounts for 3 months
	Doubled the Liquidity Support Fund to BHD 200 million		Issued directives to increase banks' lending ability including deferral of loans for 6 months		Exempted all businesses from government industrial land rental fees for 3 months
	Redirected Tamkeen's programs to support affected companies		Supported taxi drivers and driving instructors (BHD300 monthly for 3 months)		Supported KG and nursery teachers (paid full salaries) for 3 months
	Exempted all tourism-related industries from tourism levies for 3 months		Postponed mortgage installments collected by Eskan Bank for 6 months		Suspended rent collection from the shops owned by Eskan Bank for 3 months
	Exemption of some of the fees levied by LMRA for 3 months		Suspended rent collection from municipal properties for 3 months		Suspended rent collection from properties owned by the SCE for 3 months

Initiatives Announced in June 2020

	Paid 50% of salaries of insured Bahrainis (adversely affected sectors) for 3 months		Paid Electricity and Water Authority utility bills for Bahrainis first home for 3 months		Exemption for Bahrainis in their first home from municipal fees for 3 months
	Extended industrial land rent exemption for those exporting > 30% for 3 months		Reduction of labor fees and exempted adversely affected sectors for 3 months		Extended exemption of all tourism-related industries from tourism levies for 3 months
	Extended support to most adversely affected sectors for 3 months		Extended support to taxi drivers and driving instructors (BHD150 monthly) for 3 months		Extended support to KG and nursery teachers (50% salaries) for 3 months
			Waived the 2020 CR renewal fees and commercial activity fees		

Initiatives Announced in September 2020

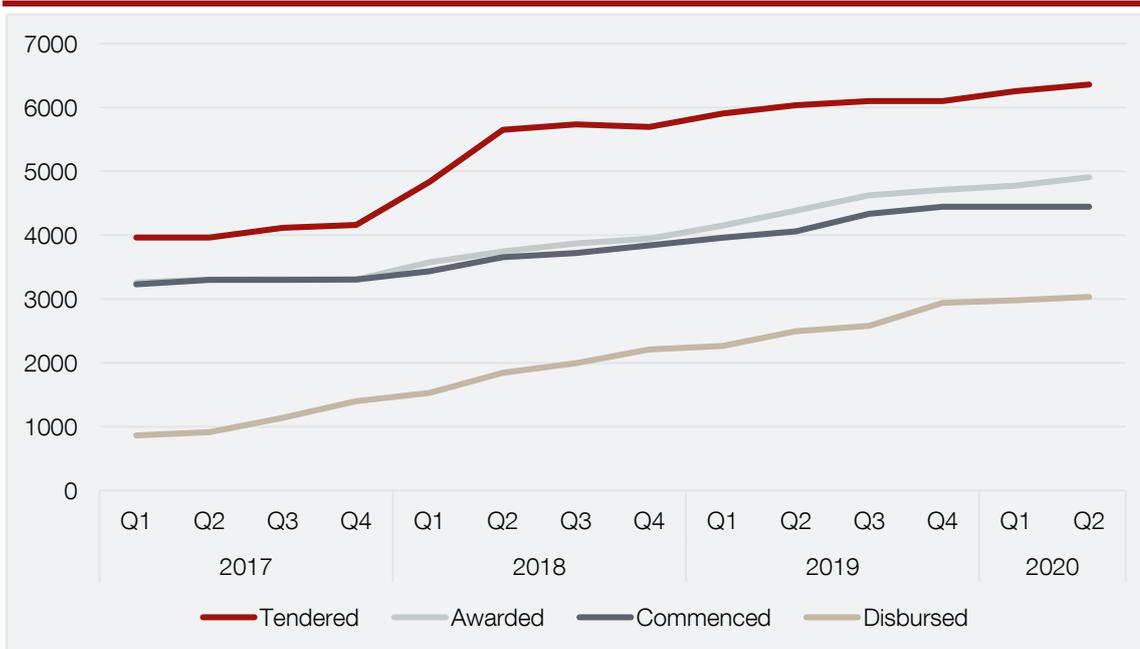
	Paid 50% of salaries of Bahrainis (most adversely affected sectors) for 3 months		Paid Electricity and Water Authority utility bills for Bahrainis first home for 3 months		Exemption for Bahrainis in their first home from municipal fees for 3 months
	Extended exemption of all tourism-related industries from tourism levies for 3 months		Extended support to taxi drivers and driving instructors for 3 months		Extended support to KG and nursery teachers for 3 months
			Extended option for deferral of loans for 3 months		

Infrastructure Projects

Infrastructure spending is continuing at a brisk pace in the Kingdom despite the challenges of the pandemic. According to the Tender Board, a total of 769 tenders were awarded during the first six months of 2020, with an aggregate value of USD1.7bn. Construction and engineering awards totaled USD588.3mn, followed by USD416.3mn worth of oil and gas projects. 47 tenders worth a total of USD21.8mn were awarded to small and medium-sized enterprises in line with government guidelines and initiatives to support the sector and enhance it to be the main driver of economic growth.

The GCC Development Fund has seen a steady expansion in the projects it funds in spite of the COVID-19 pandemic, with a project portfolio worth USD7.4bn in committed funds. The cumulative value of tendered projects increased by USD97mn to USD4.9bn by the end of Q2 2020 compared to Q1 2020, an increase of 2%. Payments of USD130mn were made during Q2 2020, bringing the total value of payments made to USD3.3bn by the end of Q2 2020.

GCC Development Fund Activity (USD million, cumulative totals)



Source: Ministry of Finance and National Economy

International Trade

Bahrain's trade dynamics showed signs of a rebound with the relaxation of COVID-19 related restrictions on activity. Nonetheless, both import and export volumes remain below the levels of last year.

Total value non-oil imports of national origin during Q2 2020 was recorded at BHD1,167.7mn, a decline of 7.8%. Total non-oil exports during Q2 2020 declined by an annual 11.9%, within that the value of goods of national origin exported during the quarter totaled USD 539.8mn, a decline of 9.3%. Despite this, the trade gap decreased during Q2 2020 by 1.4% to BHD485mn, down from BHD492mn a year earlier.

Non-oil Trade (USD million)



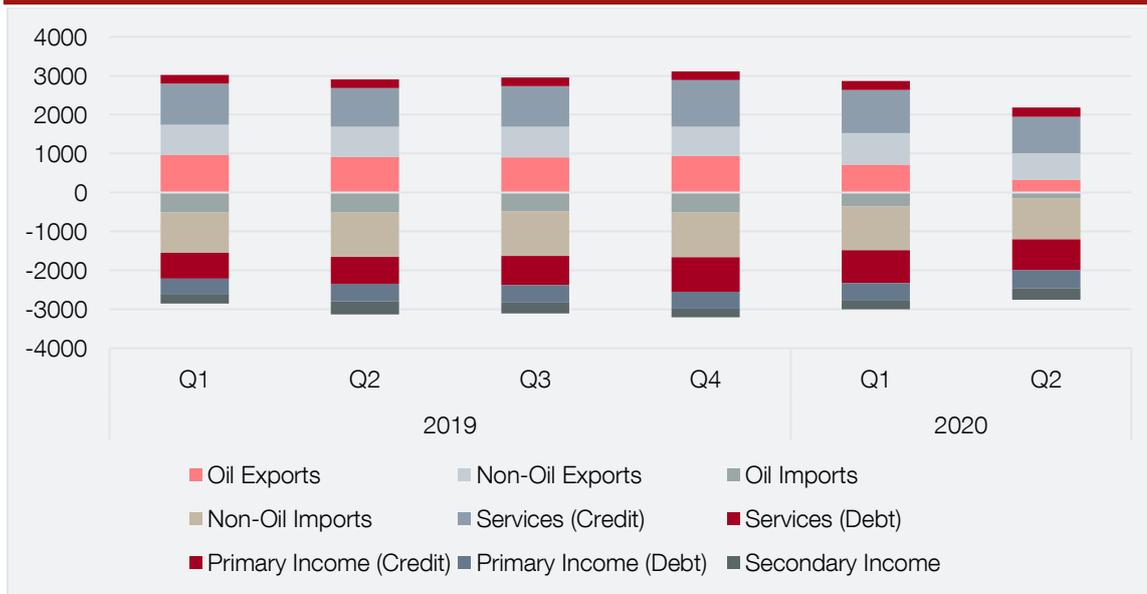
Source: Information & eGovernment Authority

Main Non-oil Trading Partners to the Kingdom of Bahrain – Q2 2020

Imports			Exports		
Country	Share of Total (%)		Country	Share of Total (%)	
 China	16.7%		 Kingdom of Saudi Arabia	24.9%	
 Kingdom of Saudi Arabia	6.8%		 United Arab Emirates	11.0%	
 Brazil	6.8%		 United States	8.6%	
 Japan	6.4%		 Netherland	6.0%	
 Australia	6.2%		 Egypt	5.4%	

According to the Q2 2020 Balance of Payment statistics published by the CBB, total exports increased by 37.7% YoY in Q2 2020, totaling around BHD1bn. The increase was led by a 2.7% YoY increase in non-oil exports, which totaled BHD0.7bn. On the other hand, oil and gas exports decreased 63.6% YoY, with a total value of BHD0.3bn. Direct investments grew by 43.8% to reach BHD137.5mn, while the financial account registered a large increase of 94% to reach BHD695.7mn.

Balance of Payment (BHD million)

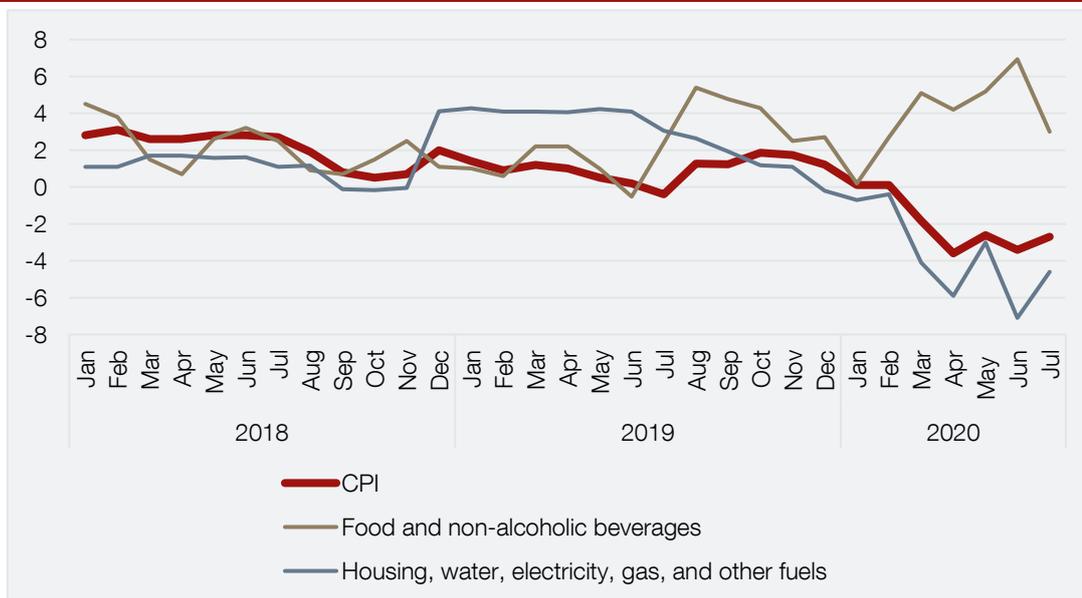


Inflation

Price pressures in the Kingdom have been generally subdued during the COVID-19 pandemic in line with international and regional trends, with an average inflation during Q2 2020 of -3.2%. Inflation during the months of April, May and June 2020 turned negative at 3.6%, 2.6% and 3.4%, respectively. However, a clear divergence among inflation drivers has been evident.

The CPI for food was the highest during Q2 2020 with inflation of 5.2%. On the other hand, the entertainment sector CPI registered the lowest levels with an average of -38% during Q2 2020, followed by hotels and restaurants at -7.4%, with June 2020 registering the lowest inflation rate of 10.4% YoY.

Consumer Price Inflation (%) YoY



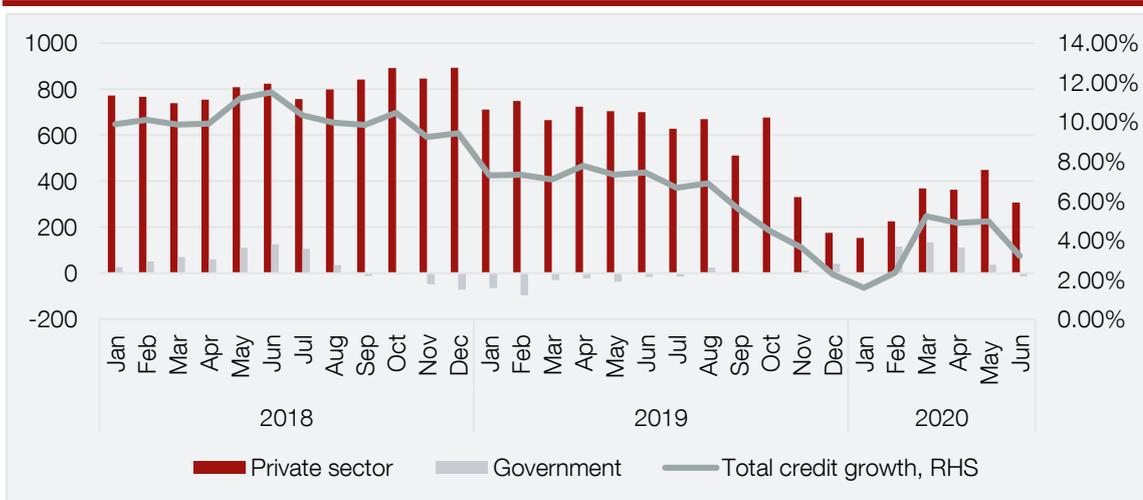
Source: Information & eGovernment Authority

Bank Credit and Deposits

The value of retail banks' credit in the Kingdom at the end of June 2020 totaled BHD1.2bn, an annual increase of 3%, with annual increases also witnessed in April (4.9%) and May 2020 (5%).

Lending to the private sector, which represents 53% of total lending, increased on an annual basis by 2.8% to BHD5.4bn, as did lending to individuals which increased by 3.8% to BHD4.5bn. Lending to the government decreased by 3.9% at the end of June 2020 compared to the same month in June 2019.

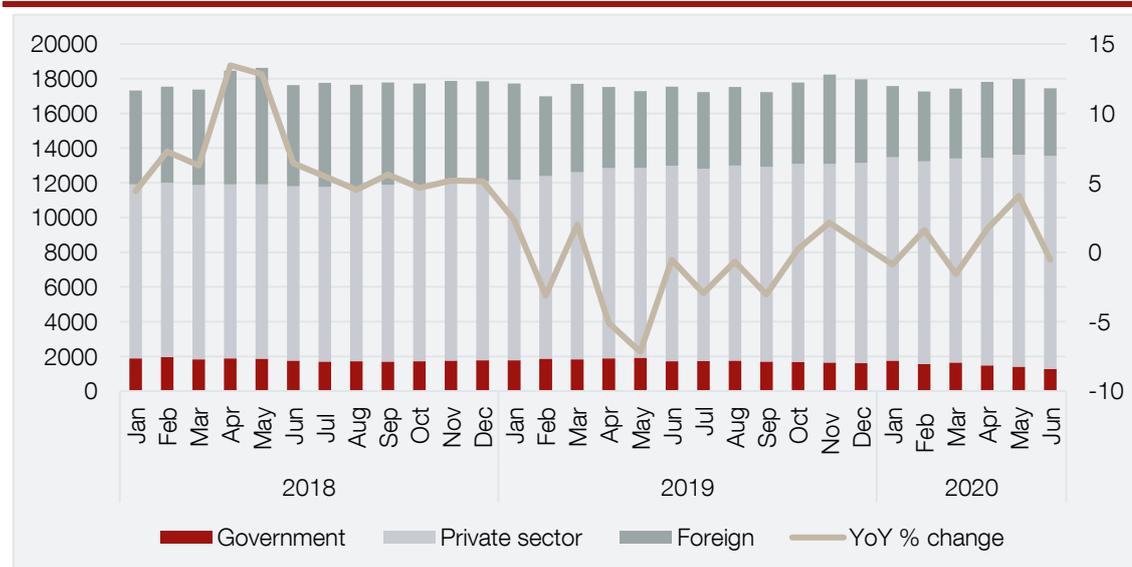
YoY Growth in Credit Issued by Retail Banks (BHD million)



Source: Central Bank of Bahrain

Deposit growth turned mildly negative in June with a -0.5% YoY change, following increases in April and May 2020, mainly due to a fall in foreign currency deposits. The changes remain within the range of regular month-to-month variation.

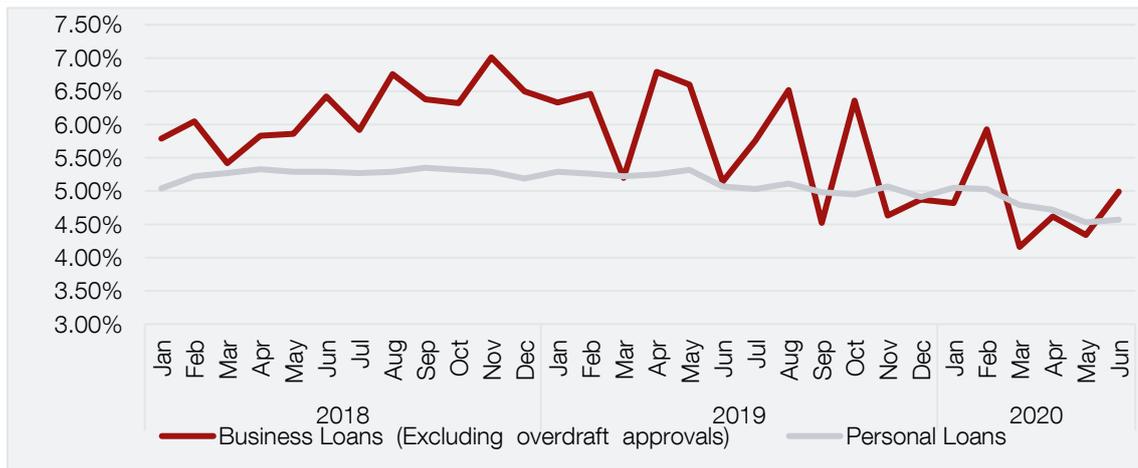
Deposit Liabilities to Non-banks (BHD million)



Source: Central Bank of Bahrain

The cost of borrowing continued to trend down in reflection of the loose monetary policy pursued by the Central Bank of Bahrain. The decline was particularly pronounced in personal loans which averaged 4.6% in June, a decline from 5.1% a year earlier. Business loans have shown increased volatility over the past year and rose to 5.0% in June 2020. The monthly average during the first half of the year was 4.8% as compared to 6.1% a year earlier.

Average Rate of Interest on Credit Facilities - Conventional Retail Banks

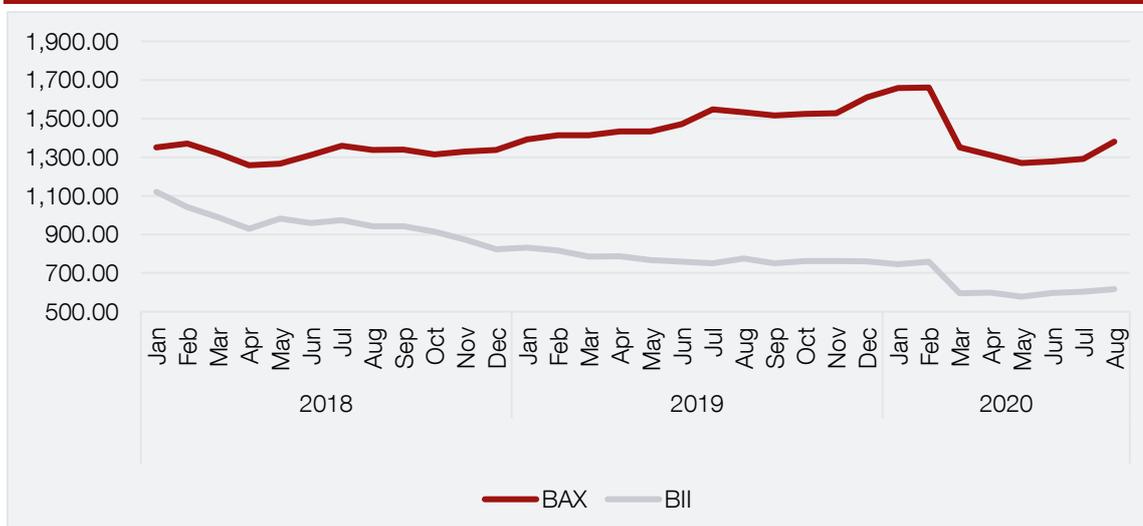


Source: Central Bank of Bahrain

Financial Markets

The Bahraini stock markets have generally mirrored the regional recovery. The Bahrain All Share Index reached 1,277.61 points at the end of June 2020, a drop of 20.7% from earlier in the year, and 13.2% compared to the same period in 2019. The insurance sector index demonstrated the best performance with an increase of 3.7% compared to earlier in the year. The total market capitalisation reached BHD7.9bn at the end of Q2 2020, an annual decline of 14%.

Bahrain All Share Index and Bahrain Islamic Index



Source: Bahrain Bourse

Other achievements in the sector included:

- ◆ In August 2020, Fitch Ratings downgraded the Kingdom's credit rating to B+, down from BB-, with a stable outlook. The downgrade reflects the combined impact of lower oil prices and the COVID-19 pandemic.
- ◆ In the fixed income space, the Central Bank of Bahrain on 15 July announced a new issue (No. 26) of a long-term Sukuk al ijarah with a six-year tenor. The BHD125mn offering was oversubscribed by 199%. The expected return on the issue is 4.5%.
- ◆ CBB issued BHD150mn worth of Government Development Bonds. The 21st issue has a five-year tenor starting on 30 July. The expected rate of interest is 4.5%. The offering was oversubscribed 2.27 times.

The Central Bank of Bahrain continued with its regular issuance of short-term paper. The interest/profit rates remained at a historically low level and there were recurrent instances of oversubscriptions.

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 (%)
1-Apr-20	Treasury Bills No. 1802	70	91	2.21	99.445	100
8-Apr-20	Treasury Bills No. 1803	70	91	2.29	99.425	100
9-Apr-20	Sukuk Al Ijarah No. 176	26	182	2.70	-	184
15-Apr-20	Sukuk Al Salam No. 228	43	91	2.30	-	233
22-Apr-20	Treasury Bills No. 1804	70	91	2.27	99.429	103
23-Apr-20	Treasury Bills No. 68	100	365	2.87	97.184	101
29-Apr-20	Treasury Bills No. 1805	70	91	2.32	99.417	100
6-May-20	Treasury Bills No. 1806	70	91	2.39	98.401	100
7-May-20	Sukuk Al Ijarah No. 177	26	182	2.70	-	392
10-May-20	Treasury Bills No. 1807	35	182	2.67	99.669	171
13-May-20	Treasury Bills No. 1808	70	91	2.40	99.397	140
20-May-20	Sukuk Al Salam No. 229	43	91	2.40	-	153
27-May-20	Treasury Bills No. 1809	70	91	2.28	99.427	127
28-May-20	Treasury Bills No. 69	100	365	2.74	97.306	100
31-May-20	Treasury Bills No. 1810	35	182	2.62	98.695	119
3-Jun-20	Treasury Bills No. 1811	70	91	2.29	99.425	100
10-Jun-20	Treasury Bills No. 1812	70	91	2.32	99.417	100
17-Jun-20	Sukuk Al Salam No. 230	43	91	2.32	-	246
24-Jun-20	Treasury Bills No. 1813	70	91	2.32	99.146	100
25-Jun-20	Treasury Bills No. 70	100	365	2.79	97.253	104
28-Jun-20	Treasury Bills No. 1814	35	182	2.58	98.711	137

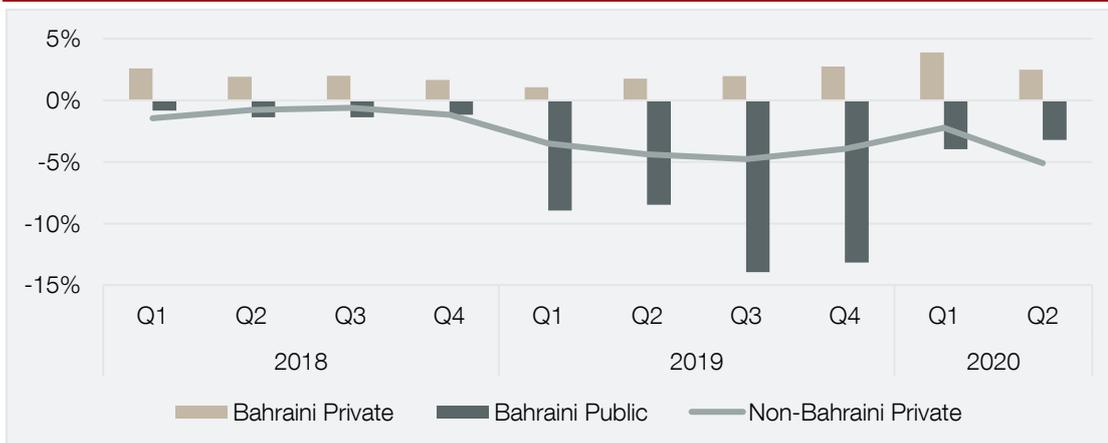
Source: Central Bank of Bahrain

Labour Markets

According to the latest report published by the Social Insurance Organization, the number of Bahraini workers in the private sector increased by 2.5% YoY to reach 96,967 workers as at the end of Q2 2020, an expected outcome of the financial and economic stimulus package introduced, which included the payment of salaries to all Bahrainis working in the private sector for the months of April, May and June. Furthermore, the average salary of Bahrainis in the private sector increased by 0.9% YoY to BHD763. On the other hand, the number of non-Bahrainis working in the private sector decreased by 5.1% YoY, with their average salary increasing by 2%.

The number of Bahrainis working in the public sector continued its annual decline, with a drop of 3.2% in Q2 2020 compared to the same quarter in 2019. Average salaries also declined by 2.1% to BHD830.

YoY Changes in Employment by Labour Market Segment (%)



Source: Social Insurance Organization

International Rankings

- ◆ Bahrain made a notable improvement in a number of sub-indices within The Global Innovation Index 2020 published by The World Intellectual Property Organization (WIPO), INSEAD and other partners. The index provides a detailed matrix of the innovation performance of 131 economies. Bahrain improved 24 places in the “Trade, Competition, and Market Scale” pillar, as well as improving 15 spots in “General Infrastructure” pillar to rank 12th globally. The “General Infrastructure” pillar consists of 3 sub-indicators of which “Electricity Output” ranked Bahrain 3rd globally. Within the “Education” pillar, the Kingdom improved by 18 spots in the “School Life Expectancy” sub-indicator to rank 28th globally estimating 16.3 years of schooling that a child of a certain age can expect to receive in the future for both genders. Overall, Bahrain ranks 79th globally and 12th among North Africa & Western Asia countries.
- ◆ Bahrain ranks 2nd in the Arab world and 1st among GCC countries in the “Economic Freedom of The World Index” published by Fraser Institute. The index measures the degree to which policies and institutions are supportive of economic freedom in 162 countries. Bahrain received a perfect score (10/10) in 10 different components and sub-components of the index including Government Investment, Financial Openness, and Freedom to Own Foreign Currency Bank Accounts. Further, Bahrain received the highest score in the “Sound Money” pillar among GCC countries (9.18/10). This area looks at policies that lead to low and stable inflation rates and the ability to use alternative currencies. Bahrain has also scored the highest in GCC in the “Regulation” pillar (7.69/10), which assesses the existence of regulatory restrictions that limit the freedom of credit market, labour, and business. Overall, Bahrain ranked 70th among 162 countries.
- ◆ Bahrain’s score in the E-Government Development Index (EGDI), the main index in the E-Government Survey 2020, improved by 1.2% to 0.8213 points. The index, published by United Nations Department of Economic and Social Affairs, measures the readiness and capacity of national institutions to use ICT to deliver public services. Bahrain ranks 38th globally out of 193 countries and 2nd in GCC and the Arab world. Bahrain’s rank placed it within the “Very high EGDI” rating class with an overall score of more than 0.75. Bahrain also improved by 6.8% in the “Human Capital Index” which refers to the ability of human resources to promote and use ICT. The report highlights Bahrain’s national suggestion and complaint system “Tawasul” as a successful case study and presents it as an effective global model. The report mentioned that more than 94% of cases received through the Tawasul system have been responded to, among thousands of cases received every year.
- ◆ Manama was named the most financially attractive city in the world out of 150 cities according to AIRINC’s Global 150 Cities Index 2020 published by AIRNIC. The index combines local salary levels, tax rates, living costs, and living conditions to assess how appealing each location is to live in. The data is collected by AIRINC’s own in-house survey team, who measures the costs and living conditions of many cities around the world. Bahrain ranks 47th globally out of 150 cities in the overall attractiveness rankings.

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.
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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