



وَدَارَةُ الْمَلِكِ الْيَسْرَ وَالْاِقْتِصَادَ الْوَطَنِيَّ

Ministry of Finance
and National Economy

Bahrain Economic Quarterly

Q1 2021

Issued in June 2021



SUMMARY

NOMINAL GROWTH DRIVEN BY OIL SECTOR

The Bahrain Economic Quarterly Report for Q1 2021 summarizes the economic growth results for the Kingdom of Bahrain, as well as the performance of key economic indicators and major developments in relation to infrastructure projects and competitiveness during the first quarter of 2021.

- ◆ **The Kingdom's Q1 2021 nominal GDP grew by 1.5% on a quarterly basis and by 0.3% on an annual basis.** This was driven by a boom in the Oil sector which grew by 29.3% in comparison with Q4 2020 and by 16% in comparison with Q1 2020, which in turn was the result of the increase of total production of both the Abu Sa'afa and Bahrain fields as well as the rebound of international oil prices over the past year. On the other hand, Non-oil sector growth declined by 1.9% QoQ and 1.8% YoY.
- ◆ **Real QoQ GDP growth was stable with a 0.1% decrease, while GDP declined by 2.1% YoY.** While the Oil sector enjoyed growth of 2.4% QoQ and 2.0% YoY, the Non-oil sectors showed deflated economic results, declining by 0.6% QoQ and 3.0% YoY, as a result of the impact of the ongoing COVID-19 pandemic.
- ◆ **Sector performance in Q1 2021 reflected signs of recovery with the ongoing efforts to counter the effects of the pandemic,** especially with the extension of various support initiatives under the Stimulus Package and the successful vaccination campaign run by the Kingdom. The Transport and Communications sector led the way in terms of QoQ growth, with a 6.5% nominal growth and 8.2% real growth. By contrast, the Hotels and Restaurants sector is still hampered by the effects of the pandemic registering the biggest YoY decline.
- ◆ **Vaccine rollouts point to strong recovery on a global scale.** Comprehensive vaccine rollouts across the globe have led to strong opening recoveries at the start of the year. The International Monetary Fund global growth projections of 6% and 4.4% for 2021 and 2022, respectively, supported by additional fiscal support in a few large economies, give hope of steady recovery, however, the IMF report also referred to uncertainty around the global outlook due to the ongoing pandemic.

Bahrain Economic Outlook

	2019	2020 <i>Prelim</i>	2021 <i>Forecast</i>	2022 <i>Forecast</i>
Real GDP growth (%)	2.1%	-5.1%	3.1%	3.1%
Non-hydrocarbons sector	2.1%	-6.2%	3.8%	3.7%
Hydrocarbons sector	2.2%	-0.1%	0.0%	0.0%
Nominal GDP growth (%)	2.3%	-10.2%	12.0%	4.2%
Inflation (CPI %)	1.0%	-2.3%	1.5%	2.0%
Current account (% of GDP)	-2.1%	-9.3%	-2.4%	-4.0%
Crude Oil Brent (USD)	64.0	41.7	65.2	60.5

Contents

SUMMARY 2

EXTERNAL
CONTEXT 3

BAHRAIN 5

EXTERNAL CONTEXT

Global Prospects

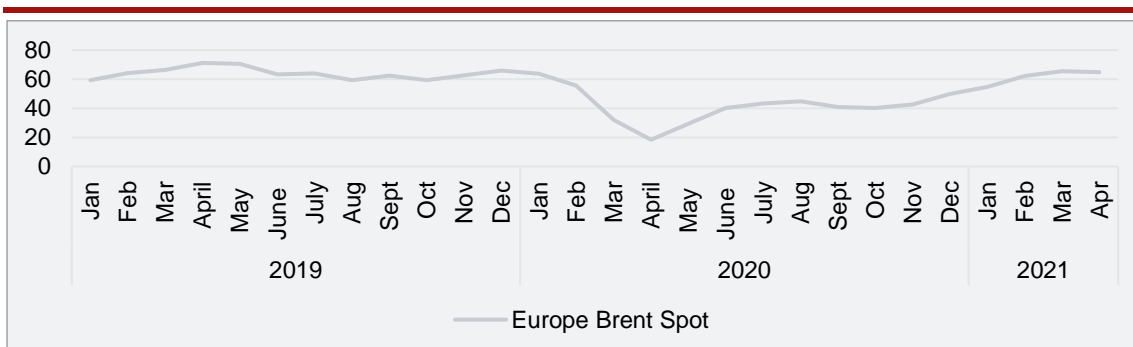
With vaccine roll-outs gathering momentum, there is growing optimism about the global economic recovery. However, flare-ups in different countries and the emergence of new variants underscore the continued importance of a swift global solution to the crisis. Based on its latest “World Economic Outlook” report published in April 2021, the IMF now projects a robust rebound with 6% global growth in 2021 followed by 4.4% in 2022. The IMF stresses that the rebound is dependent on the global efforts in containing the spread of the COVID-19 virus. As for the Arab region, the Arab Monetary Fund predicts a gradual recovery with growth of 2.8% in 2021 and 3.6% in 2022, supported by improved external global demand, anticipated rise in commodity prices and the positive impact of the economic stimulus efforts.

The global recovery is supported by exceptionally permissive monetary conditions along with unprecedented fiscal stimulus measures. This helped the United States real GDP bounce back at an annual rate of 6.4% in Q1 2021, after the US announced its USD1.9 trillion relief package back in March 2021. A clear recovery is underway also in Europe after initial delays in scaling up vaccination programs. Following a renewed 0.6% QoQ decline in GDP, the European Central Bank projects growth of 4.6% in the Eurozone during the year 2021 as a whole.

China's economy grew at a record 18.3% year on year rate in Q1 2021. China was among the few major economies to achieve growth last year and has been able to benefit from good progress in controlling the pandemic. It is also a key beneficiary of the recovery in trade flows and activity normalizing around the world.

The first quarter of 2021 saw a marked improvement in global oil prices, with OPEC raising its forecast of 5.95 million barrels of oil demand growth in 2021 by 6.6%. Furthermore, oil prices continued growing, reaching a one-year high of USD69.95 in March 2021. The gains reflect improving oil demand due to progress in COVID-19 vaccination as well as recovering global economic activity. Continuity of recovery could prompt OPEC+ countries to ease further the unprecedented oil production cuts they adopted last year.

Europe Brent Spot Oil Price (USD per barrel)



Source: US Energy Information Administration

Contents

SUMMARY	2
EXTERNAL CONTEXT	3
BAHRAIN	5

GCC Economic Outlook

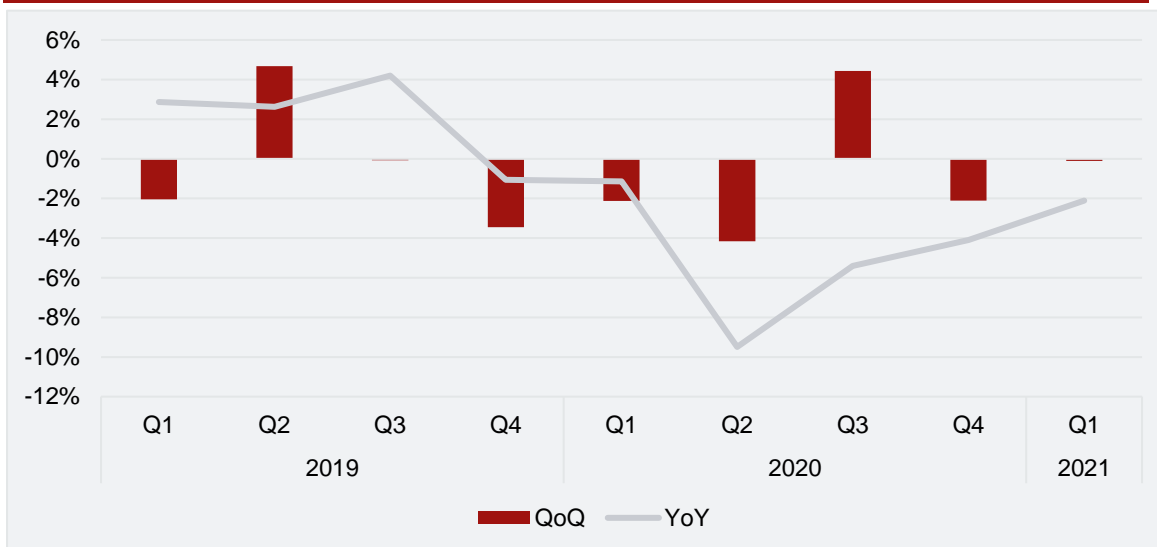
The General Authority for Statistics of the Kingdom of Saudi Arabia reported that the Kingdom's GDP decreased by 3.0% in the first quarter of 2021 on an annual basis, due to the decline in the growth of the oil sector by 11.7%. On the other hand, the non-oil sector witnessed growth of 2.9%, where the private sector grew by 4.4%, while the government sector decreased by 0.4%. Compared to Q4 2020, seasonally adjusted GDP recorded a negative growth of 0.5%, as a result of the decline in the oil sector by 8.7% partially offset by the positive growth of the non-oil sector by 4.9%. Annual growth of the non-oil sector was highest in "Petroleum Refining" activities which grew by 21.2% YoY, followed by "Manufacturing" at 8.9% and "Real estate" at 6.6%. Other GCC countries are yet to publish their economic results in 2021.

BAHRAIN

The Information and eGovernment Authority has published the Kingdom's preliminary National Accounts for Q1 2021, which showed Bahrain's economy witnessed in nominal terms of 0.3% YoY and 1.5% QoQ, while real GDP registered a drop of 2.1% YoY and remained consistent QoQ with a slight drop of 0.1% QoQ. While the Oil sector recorded a noticeable rebound during the first quarter of the year, the performance of Non-oil sectors varied, with some sectors continuing to be affected by the global COVID-19 pandemic.

Nevertheless, a year after the start of the COVID-19 pandemic, the economic results reflect the continuing efforts by the Government of Bahrain to support the economy, the private sector, the individuals and the labour market, as more support is being provided under the financial and economic stimulus package coupled with a successful launch and management of the vaccination campaign.

Real GDP Growth (%)



Source: Information & eGovernment Authority

Contents

SUMMARY 2

EXTERNAL
CONTEXT 4

BAHRAIN 6

Non-Oil sector

The preliminary national accounts report points to a 1.8% YoY decline in nominal GDP growth of Non-oil sectors and a 1.9% QoQ decline. Furthermore, the Non-oil sector real GDP declined by 3.0% and 0.6% on a YoY and QoQ basis, respectively.

As for the performance of the individual sectors, the Financial Corporations sector, the largest in terms of its contribution to GDP, registered the highest YoY GDP growth both in nominal terms at 9.4% and in real terms at 7.6%. This was consistent with the growth witnessed by a number of financial indicators as published in the monthly statistical bulletin released by the Central Bank of Bahrain. According to the bulletin, the total value of loans and credit facilities provided by retail banks grew by 4.3% YoY, as did the money supply (M3) by 1.5% and the total value of non-bank deposits by 1.4% YoY, all indicative of an increase in liquidity in the market, one of the key goals of the stimulus package.

The second largest sector, Manufacturing, also witnessed growth in its nominal GDP which grew by 7.5% YoY, supported by improved global aluminum prices over the past 12 months, although real GDP decreased by 1.9% YoY as the production levels of larger companies fell behind their Q1 2020 levels; with Bapco's production decreasing by 4.3%, while Alba's production decreased by 1.7%, GPIC by 4.9% and Banagas by 9.9%. The Government Services sector also saw YoY growth with its nominal GDP growing by 1.7% and real GDP also increasing by 3.1%, supported by the ongoing implementation of the stimulus package initiatives.

The Transport and Communications sector led the way in terms of QoQ growth in Q1 2021, registering a 6.5% increase in nominal GDP and a 8.2% increase in real GDP in comparison with Q4 2020, mainly as a result of improving financial results of a number of the largest companies within the telecoms sector. Despite that, the sector is one of the most impacted by the COVID-19 pandemic which significantly impacted travel and movements across borders. The movement of trucks across the King Fahd Causeway also decreased YoY with the number of inward trucks decreasing by 9.4% YoY and the number of outward trucks decreasing by 11%.

Other Non-oil sectors witnessed declines in their nominal GDP including the Construction sector whose nominal GDP declined 0.6% QoQ and 10.3% YoY. In addition, the Trade sector nominal GDP also declined by 0.7% QoQ and 6.4% YoY, however, the rate of new company creation has increased with the number of new individual and company CRs created in Q1 2021 exceeding its Q1 2020 level by 8.6%.

The Hotels and Restaurants sector remains the most significantly impacted sector due to the COVID-19 pandemic, as its nominal GDP declined by 2.5% QoQ and by 20.4% YoY. Despite the drop in the number of visitors several economic indicators displayed signs of gradual recovery during the first quarter compared to Q4 2020, including hotel occupancy rates; with the average occupancy rate of four-star hotels growing by 43.5% while the average occupancy rate of five-star hotels increased by 6.9%.

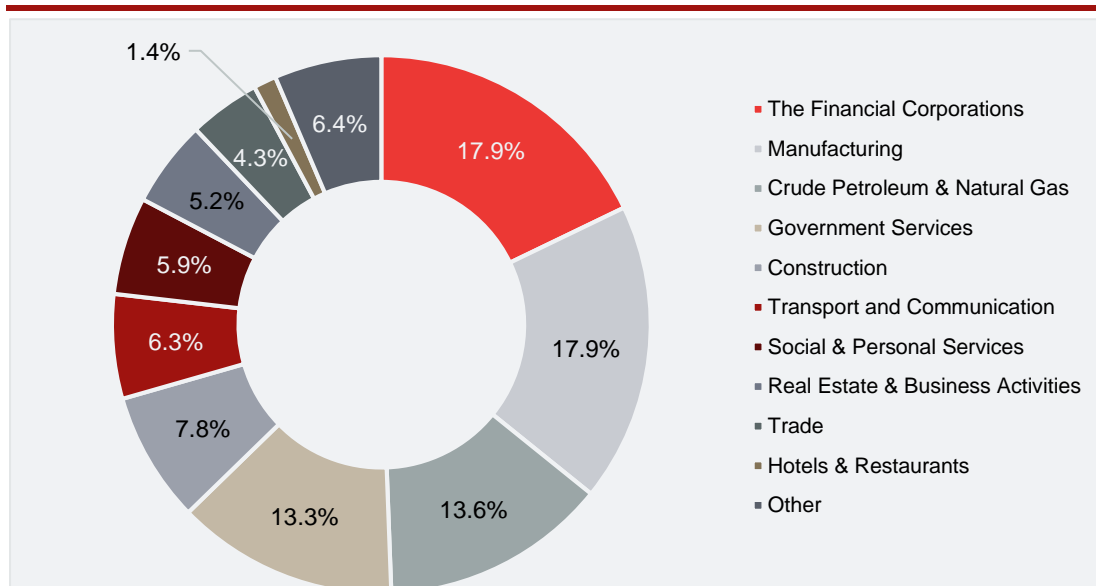
Nominal GDP Growth by Sector (QoQ, %)

Year Sector	2020					2021
	Annual	Q1	Q2	Q3	Q4	Q1
Crude Pet. & Nat. Gas	-28.5%	-22.9%	-30.4%	48.1%	-12.9%	29.3%
Manufacturing	-7.6%	-10.5%	-3.2%	10.5%	5.3%	-4.5%
Electricity & Water	10.8%	5.7%	6.3%	3.0%	-2.6%	-6.4%
Construction	-9.5%	-1.2%	-15.6%	5.5%	1.3%	-0.6%
Trade	-5.8%	-1.8%	-8.3%	0.0%	2.9%	-0.7%
Hotels & Restaurants	-43.2%	-30.4%	-44.1%	64.5%	-13.5%	-2.0%
Transp. & Comm's	-30.2%	-10.0%	-41.2%	21.5%	10.0%	6.5%
Social & Pers. Serv.	-12.8%	-4.9%	-16.7%	0.8%	2.4%	3.8%
Real Est. & Bus. Act.	-6.4%	-4.2%	-3.7%	-0.2%	1.4%	0.7%
Financial Corporations	6.6%	-2.0%	-0.4%	23.4%	-6.6%	-4.7%
Government Services	-0.5%	10.5%	7.2%	-15.0%	13.1%	-1.2%
Other	-8.8%	41.9%	-25.8%	-8.2%	27.6%	-3.3%
GDP	-10.2%	-4.8%	-11.6%	10.2%	1.5%	1.5%
Non-oil GDP	-7.2%	-1.8%	-9.1%	6.4%	3.5%	-1.9%

Source: Information & eGovernment Authority

In terms of their contribution to the overall nominal GDP, the Non-oil sectors contribution reached 86.4% with both the Financial Corporations and the Manufacturing sectors contributing 17.9% each ahead of the Oil sector contribution of 13.6%.

Sector Contribution to Nominal GDP – Q1 2021



Source: Information & eGovernment Authority

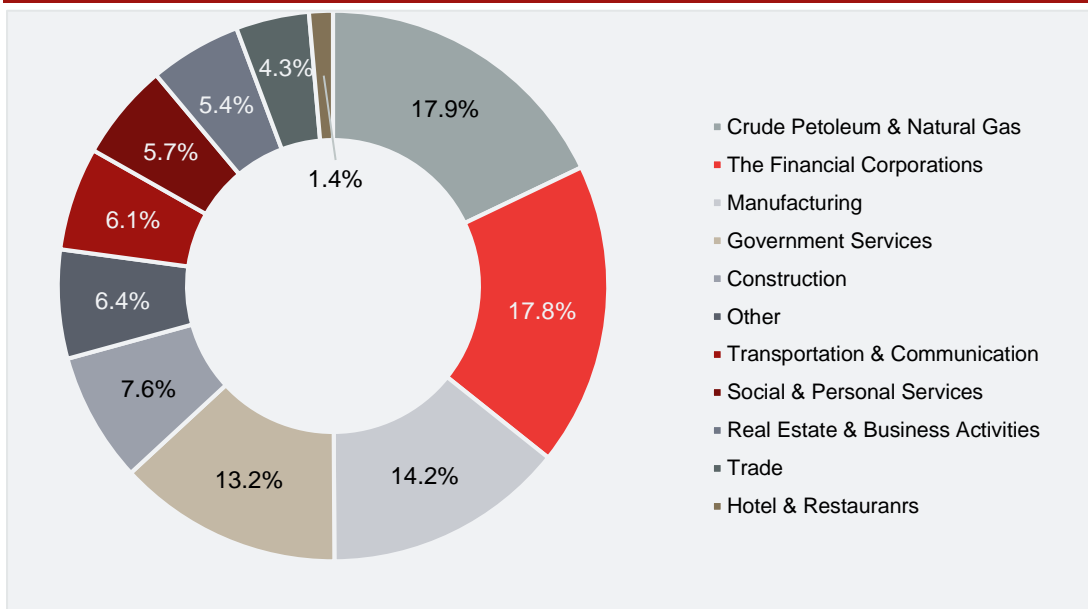
Real GDP Growth by Sector (QoQ, %)

Year Sector	2020					2021
	Annual	Q1	Q2	Q3	Q4	Q1
Crude Pet. & Nat. Gas	-0.1%	-8.3%	12.7%	1.7%	-13.0%	2.4%
Manufacturing	-5.7%	-8.3%	-3.2%	4.2%	-1.8%	-0.9%
Electricity & Water	33.6%	31.7%	5.4%	0.9%	-4.9%	-5.9%
Construction	-0.9%	-1.0%	-0.7%	0.3%	-0.8%	0.3%
Trade	-7.2%	-3.2%	-8.4%	-0.1%	2.0%	0.4%
Hotels & Restaurants	-43.5%	-31.7%	-44.8%	71.1%	-13.6%	-2.5%
Transp. & Comm's	-32.0%	-10.0%	-42.6%	22.4%	9.4%	8.2%
Social & Pers. Serv.	-13.1%	-4.9%	-15.1%	-0.8%	1.7%	1.6%
Real Est. & Bus. Act.	-6.9%	-6.4%	-3.9%	0.4%	1.7%	0.9%
Financial Corporations	6.1%	-2.4%	-1.0%	24.0%	-7.4%	-5.5%
Government Services	0.0%	11.8%	9.3%	-12.4%	5.3%	2.4%
Other	-9.4%	49.2%	-26.5%	-9.7%	30.1%	-3.2%
GDP	-5.1%	-2.1%	-4.2%	-4.4%	-2.1%	-0.1%
Non-oil GDP	-7.0%	-1.6%	-7.6%	1.3%	3.3%	-0.6%

Source: Information & eGovernment Authority

In terms of the contribution to the overall real GDP, Non-oil sectors contributed 82.1%, and the Financial Corporations sector remains the largest Non-oil sector accounting for 17.8% of the total. It is followed by the Manufacturing sector (14.2%) and the Government Services sector (13.2%).

Sector Contribution to Real GDP – Q1 2021



Source: Information & eGovernment Authority

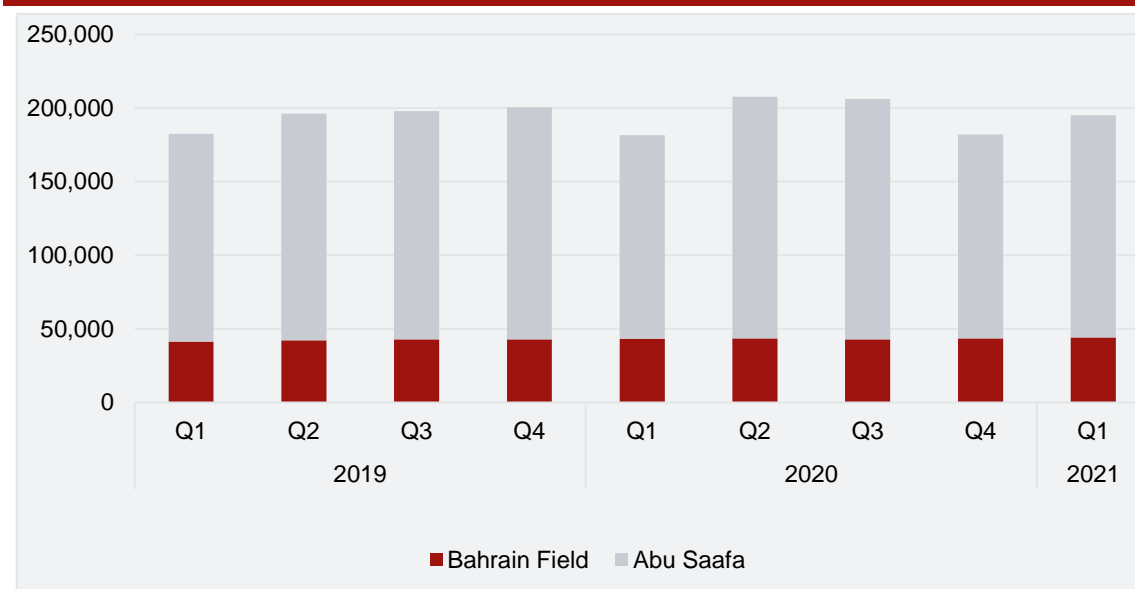
Oil Sector

The Oil sector in the Kingdom witnessed a clear rebound in Q1 of 2021 with its nominal GDP growing by 16% YoY and 29.3% QoQ and its real GDP also increasing by 2.0% YoY and 2.4% QoQ. The results reflected the improvement in global oil prices, where the Brent average increased from USD50.4 in Q1 2020 to USD60.8 in Q1 2021. Furthermore, total average production rose to 188,433 barrels per day, representing an increase of 4% YoY and 3.7% QoQ.

Production from the off-shore Abu Saafah field averaged around 144,238 barrels per day, an increase of 4.6% YoY and 4.4% QoQ. The average onshore production from the Bahrain field was 44,194 barrels per day, a YOY increase of 1.9% and 1.3% QoQ.

The average production of natural gas and associated gas in the first quarter of 2021 reached 210,443 million cubic feet, which marked a 2.2% annual decrease, and a 0.9% reduction from the previous quarter.

Crude Oil Production (bpd)



Source: National Oil and Gas Authority

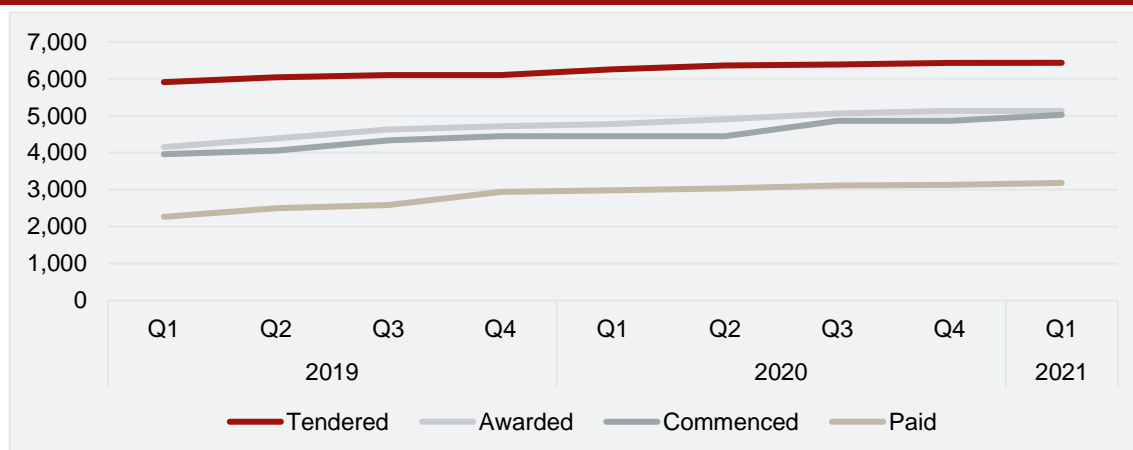
The flagship Bapco refinery modernization program is almost 70% completed, and is on track to be concluded by the fourth quarter of 2022. Bahrain's National Oil & Gas Authority (NOGA) in January signed a memorandum of understanding with Italy's Eni Rewind to collaborate on a range of energy as well as water and soil projects to work toward sustainable development.

Infrastructure Projects

Bahrain's Tender Board statistics for Q1 2021 reflect the awarding of 528 tenders and auctions with a combined value of BD606.9 million, marking a 23% YoY increase. The oil and gas sector saw the highest number of tenders, with an aggregate value of BD 289.2 million, followed by the aviation sector with an estimated value of BD144 million.

Under the GCC Development Fund program, roughly USD0.5 billion worth of projects were awarded during Q1 2021, bringing the cumulative total to date to approximately USD5.6 billion, which marked an increase of 9.6% over the quarter. The contracts awarded includes electricity and water projects under the umbrella of the Saudi Fund for Development, to develop a 220- and 66-Kv electricity transmission network in the Northern City, East Hidd, the Southern Governorate and Al-Lawzi. In addition, a number of housing projects were awarded in Wadi Al-Sail, Qalali, Salman City, and East Hidd, the last two financed by the Kuwait Fund for Arab Economic Development. Additional projects funded by the grant of the United Arab Emirates included for the construction and maintenance of social apartments in Madinat Salman.

GCC Development Fund Activity (USD million, cumulative totals)



Source: Ministry of Finance and National Economy

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

- ◆ Bahrain International Circuit (BIC), in co-ordination with the kingdom's Sustainable Energy Authority (SEA), launched a tender for a major solar plant to be developed. The grid-tied solar photovoltaic (PV) power plant will have a minimum capacity of 3 MWac and will be installed as car park shades at the BIC.
- ◆ A bundle of environmental projects has been announced for Tubli Bay to clean and improve the water circulation in the area and to expand the water channels near Ma'ameer.
- ◆ Land reclamation and preparation of the land works have been completed in East Sitra Housing Project ahead of the commencement of the infrastructure works and the construction of the units.

International Trade

Bahrain saw a clear pick up in its first-quarter 2021 foreign trade volumes. The total value of non-oil merchandise exports amounted to BD869.5 million, which was 7.0% higher than Q1 2020, within that the value of exports of national origin rose markedly by 18.0% year on year, to reach BD684.3 million, partly reflecting the positive dynamic in global commodity prices, including Bahraini staples such aluminium. Indeed, base metals and articles of base metals accounted for nearly half the total national-origin exports and were up 16.4% YoY. Also, re-exports have staged a fairly consistent recovery since last autumn.











The total value of Bahrain's non-oil merchant imports during the quarter amounted to BD1,312 million, up 3.1% YoY and thus mirroring the dynamic on the export side. The mineral products group saw the fastest growth during the period, up a remarkable 63.0% YoY. With that the trade deficit decreased by 3.8% at the end of Q1 2021.

Non-oil Merchandise Trade (USD million)



Source: Information & eGovernment Authority

The following are the Kingdom's key trading partners over Q1 2021:

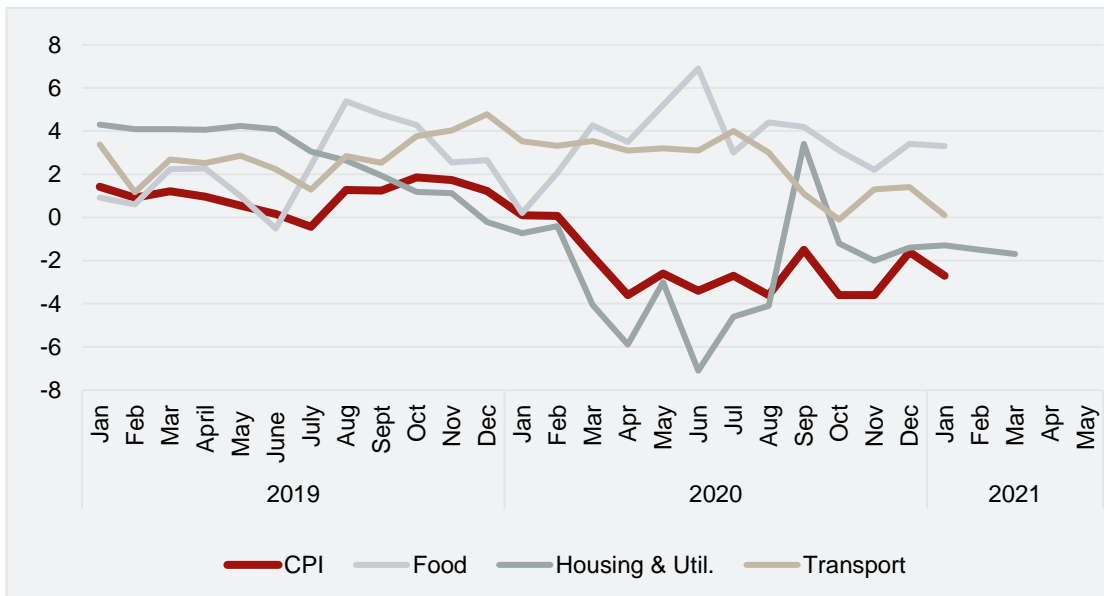
Imports			Exports		
% of Total	Country		% of Total	Country	
12.2%	China		20.5%	Kingdom of Saudi Arabia	
8.8%	Switzerland		12.4%	Malaysia	
7.1%	Australia		8.54%	Sultanate of Oman	
7.1%	Kingdom of Saudi Arabia		7.4%	United States of America	
6.5%	United Arab Emirates		6.0%	United Arab Emirates	

Inflation

The consumer price index continues to show an overall deflationary trend, with prices in Q1 2021 down by 2.6% YoY. The rate of deflation was 2.7% in January, 3% in February and 2% in March. The absence of inflationary pressures reflects the disruption in economic activity caused by the COVID-19 pandemic.

The sharpest depreciation was observed in the entertainment and culture category, which saw a YoY drop of 25.8%. The restaurants and hotels segment saw a 8.4% decline, while the clothes and shoes category declined by 6.5%. Substantial inflationary pressures were seen in the food area, in reflection of global trends and supply chain disruptions. The price pressures were particularly pronounced with respect to meat (3.7%) and seafood (4.3%). Furnishings and household maintenance, along with telecommunication prices also recorded slight increases, while healthcare and education costs held steady as compared to Q4 2020.

Consumer Price Inflation (%) YoY

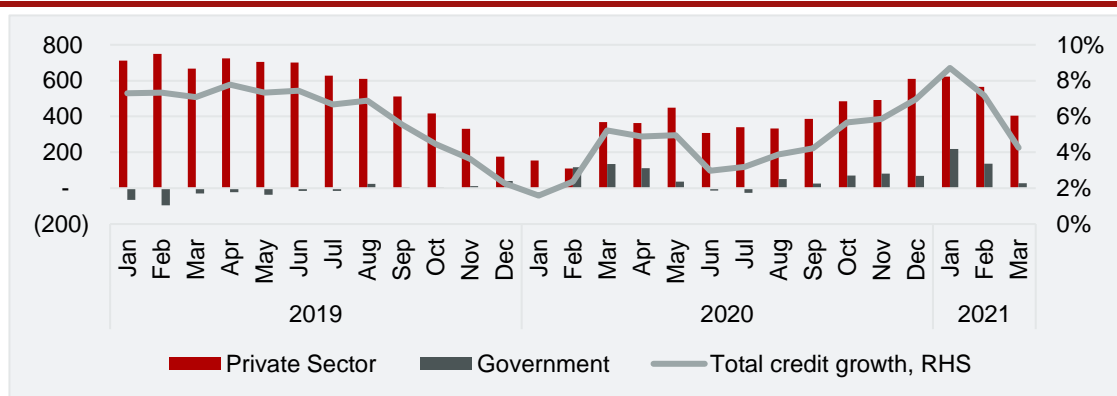


Source: Information & eGovernment Authority

Bank Credit and Deposits

According to data released by the Central Bank of Bahrain, the total value of outstanding loans issued by Bahraini retail banks stood at BD10.6 billion at the end of Q1 of 2021. Bank lending grew by 4.3% YoY and 1.4% QoQ. Credit growth was led by an 8.9% YoY in personal loans. On the other hand, the value of businesses loans reached BD5.3 billion, equivalent to 50% of the total retail bank portfolio. Business loans grew by an annual 0.2% but decreased by 0.8% QoQ. Lending to the public sector witnessed an increase of 6.1% and 26.7% on an annual and quarterly basis, respectively. Reflecting regional trends, mortgages have emerged as an important driver of personal loan growth.

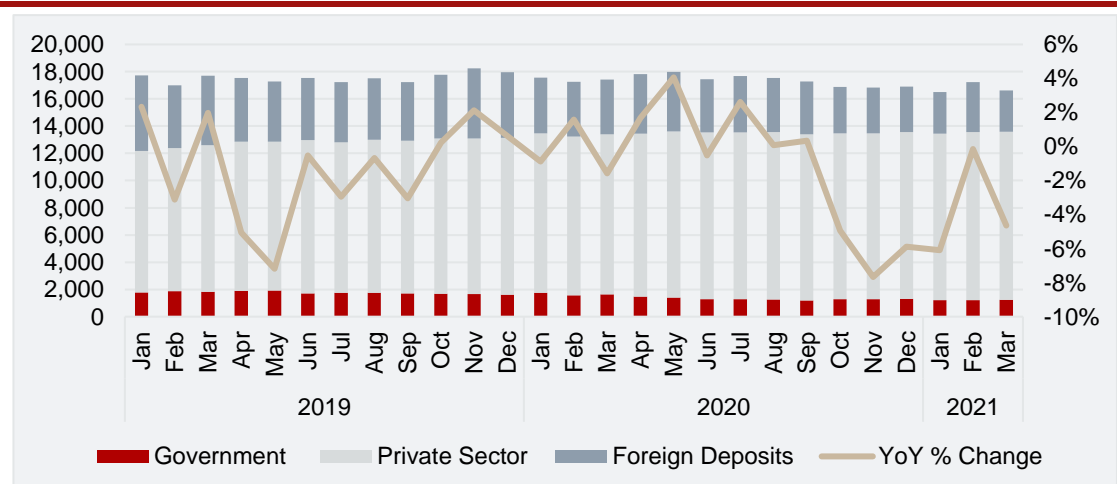
YoY Growth in Credit Issued by Retail Banks (BHD million)



Source: Central Bank of Bahrain

The value of non-bank deposits declined by an annual 4.6% in Q1 to a total of BD16.6 billion. The decline in QoQ terms was 1.7%. Total deposits in Bahraini Dinars increased by an annual rate of 7.9% and a quarterly rate of 1.3%.

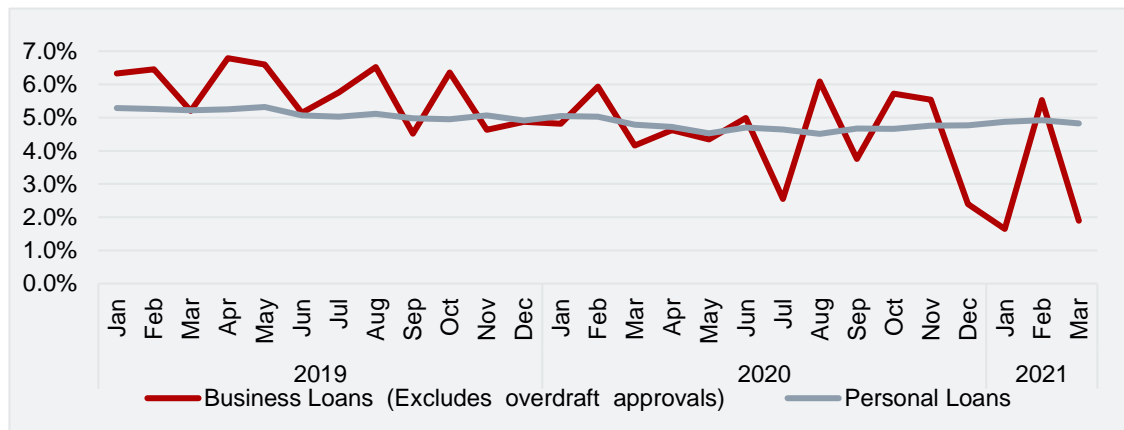
Deposit Liabilities to Non-banks (BHD million)



Source: Central Bank of Bahrain

The average interest rate continued to decline in line with global trends, central bank policy decisions, and the ample liquidity in the banking sector. Following some significant month-to-month volatility, the average interest rate on commercial loans fell to 1.9% in March 2021, which marked a 54.6% decrease on the previous year. By contrast, the rates on personal loans have continued to show relative stability with a slight 0.8% increase to reach 4.8% as of the end of Q1.

Average Rate of Interest on Credit Facilities - Conventional Retail Banks

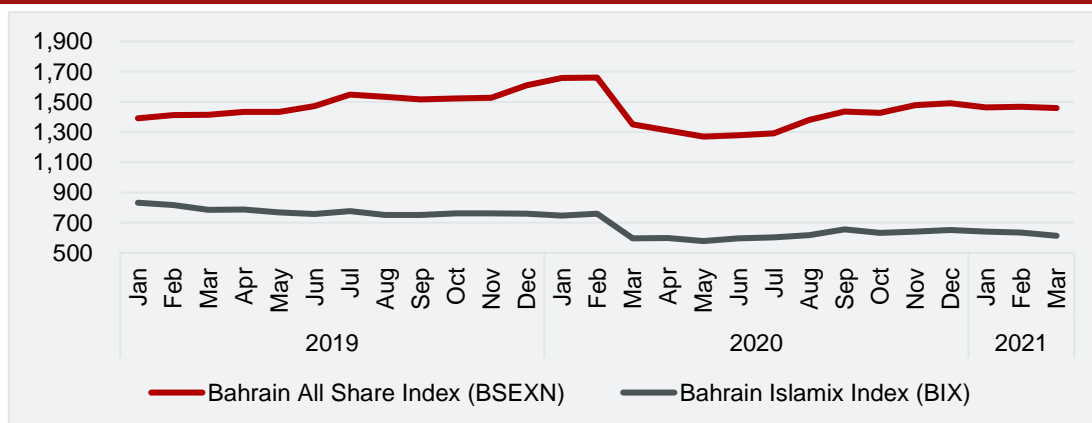


Source: Central Bank of Bahrain

Financial Markets

The Bahrain All Share Index closed at the end of the first quarter of 2021 at 1,458.03 points having been relatively flat throughout Q1. The total market capital reached BD9.08 billion, an increase of 6.8% compared to last year. The value of traded shares also reached BD60.4 million, recording a decrease of 5.1% YoY, while the volume of traded shares reached 323.1 million shares, recording an increase of 11.1%. The number of transactions increased by 6.9%. The gains were concentrated in the services sub sector, which represented 38.1% of the total value of shares traded and 25.0% of the total volume of shares traded in Q1. Bahraini investors accounted for 77.7% of the total value of traded shares, while non-Bahraini investors accounted for 22.3%.

Bahrain All Share Index and Bahrain Islamic Index



Source: Bahrain Bourse

The Central Bank of Bahrain continued its regular issuance with the average interest/profit rate holding more or less steady. Notable oversubscriptions were seen especially in the sukuk segment.

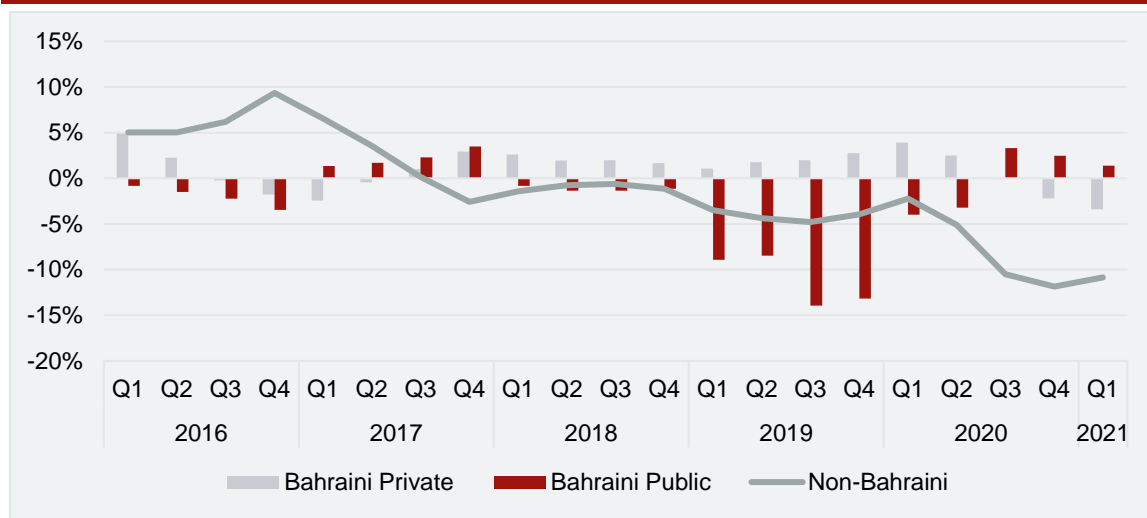
Short-term Bond and Sukuk Issues Arranged by the Central Bank of Bahrain

Issue date	Issue	Value, BHD million	Maturity Days	Average Interest/ Profit Rate (%)	Avg Price (%)	Over-subscription (%)
6-Jan-21	Treasury Bills No. 1842	70	91	2.20	99.446	130
7-Jan-21	Sukuk Al Ijarah No. 185	26	182	2.58	-	477
13-Jan-21	Sukuk Al Salam No. 237	43	91	2.20	-	351
20-Jan-21	Treasury Bills No. 1843	70	91	2.17	99.449	212
27-Jan-21	Treasury Bills No. 1844	70	91	2.12	99.468	262
31-Jan-21	Treasury Bills No. 1845	35	182	2.35	98.824	491
3-Feb-21	Treasury Bills No. 1846	70	91	2.04	99.487	255
4-Feb-21	Sukuk Al Ijarah No. 186	26	182	2.35	-	1065
10-Feb-21	Treasury Bills No. 1847	70	91	1.98	99.503	204
17-Feb-21	Sukuk Al Salam No. 238	43	91	2.00	-	687
24-Feb-21	Treasury Bills No. 1848	70	91	1.80	99.547	287
28-Feb-21	Treasury Bills No. 1849	35	182	1.69	99.152	512
3-Mar-21	Treasury Bills No. 1850	70	91	1.44	99.637	301
10-Mar-21	Treasury Bills No. 1851	70	91	1.30	99.672	193
11-Mar-21	Sukuk Al Ijarah No. 187	26	182	1.69	-	870
17-Mar-21	Sukuk Al Salam No. 238	43	91	1.44	-	686
24-Mar-21	Treasury Bills No. 1852	70	91	1.22	99.694	209
25-Mar-21	Treasury Bills No. 79	100	365	1.55	98.454	457
28-Mar-21	Treasury Bills No. 1853	35	182	1.29	99.352	305
29-Mar-21	Treasury Bills No. 1854	70	91	1.11	99.721	103

Labour Markets

The Q1 2021 data published by the Social Insurance Organization reflects the relative stability of the labour market, one of the key aims of the stimulus package. The number of Bahrainis working in the public sector remained stable QoQ around 48.7 thousand workers, and their salary also remained consistent at BD825 (both figures saw a QoQ change of around 0.1%). While the number of Bahraini workers in the private sector decreased slightly by 0.2%, to around 94 thousand, their average monthly salary increased by 1.7% to BD 771. On the other hand, the number of expatriate employees registered at the SIO increased by 0.6%% QoQ, as did their average monthly wage which increased by 1.6%, to reach BD 262.

YoY Changes in Employment by Labour Market Segment (%)



Source: Social Insurance Organization

International Rankings

Bahrain has been ranked as the happiest country in the Arab world according to the **World Happiness Report 2021**, released by the Sustainable Development Solutions Network. Bahrain's position improved by 18 spots, making it the 22nd happiest country among 149 nations globally. The report measures how happy citizens perceive themselves and is based on the Gallup World Poll. Bahrain has shown improvements across many areas of the report including expectancy of health life and freedom of life choices.

Bahrain scored 0.632 out of 1 in the **Global Gender Gap Report 2021** published by the World Economic Forum, ranking 2nd among GCC countries. The report examines the progress of 156 countries towards gender parity across four main areas: Economic Participation & Opportunity, Educational Attainment, Health & Survival, and Political Empowerment. Bahrain ranked 1st globally in enrolment in secondary and tertiary education achieving full parity in both indicators. Bahrain also ranked 1st amongst GCC countries and 2nd amongst Arab countries in the Economic Participation & Opportunity category.

Bahrain ranked as the 12th best-rated expat destination out of 59 countries, making it the 1st in the MENA region in the **Expatriate Insider Survey 2021** published by InterNations. The survey evaluates the lives of expatriates abroad according to 37 factors grouped into 5 categories. Bahrain ranked 1st in the MENA region in Ease of Settling In, Feeling at Home, Finding Friends, Working Abroad, Work and Leisure, and Personal Finance.

Bahrain was ranked 1st in the MENA and GCC in the **Draper Innovation Index 2021** issued by Draper Hero Institute. The index assesses the conditions and drivers of entrepreneurial activity in 228 countries and territories. The index seeks to provide innovation data from an entrepreneurial and venture capital perspective. Globally, Bahrain ranked 22nd out of 228 countries in the index, receiving a full score in the Venture Capital Momentum metric and scores of 79.9/100 and 78.7/100 in the Social and Regulations metrics.

The Energy Transition Index 2021 released by the World Economic Forum benchmarks 115 countries based on the performance of their energy system, as well as their readiness to transition to a secure, sustainable, affordable and reliable energy future. Bahrain scored 48.3 points on the index, improving by 0.2 points. Bahrain performed above the global average in the Human Capital and Consumer Participation and Infrastructure and Innovative Business Environment categories.

Bahrain's capital Manama led the financial attractiveness index in the **AIRINC Global 150 Cities Index 2021** for the third consecutive year. The index, issued by Associates for International Research, Inc, evaluates salary levels, living costs, tax rates, and living conditions to assess the attractiveness of 150 cities across the globe. In the overall attractiveness index, Bahrain ranked 68th globally.

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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