



Country Profile

Kingdom of Bahrain

ICDT 2025

www.icdt-cidc.org

icdt@icdt-oic.org





General Data



General info

Capital: Manama
Type of State: Constitutional Monarchy
Location: Middle East
Area: 706 Km2 spread over 33 islands, some of which are uninhabited - Time Zone: GMT + 3

Demography

Population: 1,607,050 - 2024
Natural increase: 3.4% - 2023
Official and business language: Arabic and English

Currency

Bahraini Dinar (BHD)
1 USD = 0.38 BHD – May 2025

Macro economy

GDP: 46.94 MMUSD – 2024 Growth: 2.2% - 2023
GDP per capita: 29,036 USD – 2024
Employment rate of 15 years and over: 52 %

International trade

Imports - 2024: USD 21.3 MM
Exports – 2024: USD 12.4 MM

FDI

FDI stocks in 2023: 43.1 MM USD
Inward FDI flows in 2023: 6.8 MM USD

Strong facts

Diversified economy with access to GCC markets

Important aluminum foundries

Developed Banking system



GDP Growth



In 2024, Bahrain's economy grew by around 3.0%, driven mainly by non-oil sectors like finance, manufacturing, and tourism, despite oil production cuts.

For 2025, growth is projected at 3.2–3.5% as the non-oil sector continues to expand and oil production gradually recovers. Key risks include oil price volatility and regional instability. Sustained growth will depend on structural reforms, investment climate improvements, and economic diversification efforts aimed at reducing reliance on hydrocarbons and strengthening private sector contributions.

The Bahrain economy is the most diversified in the GCC region with particular strengths in the financial services, ICT, manufacturing, logistics, and tourism sectors. Our pro-innovation business policies and laws give businesses of all sizes the opportunity to thrive.

Doing Business in Bahrain



Bahrain offers a business-friendly environment, attracting investors with its liberal economic policies, 100% foreign ownership in most sectors, and low taxation—there is no corporate income tax (except for oil companies) and no personal income tax. Strategically located in the Gulf, Bahrain provides easy access to regional markets, particularly Saudi Arabia.

The country boasts a highly skilled, bilingual workforce, advanced infrastructure, and a supportive regulatory framework streamlined through the Bahrain Economic Development Board (EDB). The financial services sector is particularly strong, contributing significantly to GDP, alongside manufacturing, ICT, logistics, and tourism. Bahrain ranks favorably in ease of doing business due to transparent regulations, fast business setup processes, and investor protection measures.

The government continues to promote economic diversification through Vision 2030, emphasizing private sector growth, digital transformation, and sustainability. However, investors should monitor regional geopolitical dynamics and oil market volatility. Overall, Bahrain presents compelling opportunities for businesses seeking a stable, well-connected hub in the Middle East.

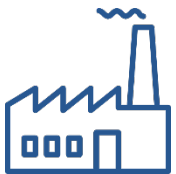


Main sectors of Activity



0.3 %

Share of agriculture in GDP
It employs 0.9% of the population



40.5 %

Share of industry in GDP
It employs 35.3% of the population



59.2 %

Share of services in GDP
They employ 63.8% of the population

Sector Strategies



Bahrain aspires to emerge from an economy based on oil wealth to a productive, globally competitive economy driven by the government and led by a pioneering private sector. In fact, its economy empowers a large middle class of Bahrainis who enjoy a good standard of living through enhancing productivity and high paying jobs.

In the same vein, this strategy recognizes feasible initiatives that will contribute to the achievement of each of these strategic priorities:

- Maintaining a safe and pleasant environment.
- Achieving sustainable quality growth.
- Ensuring excellence in infrastructure.
- Improving the performance and efficiency of government.
- Improving the quality and accessibility of social services
- Ensuring the sustainable development of strategic resources.

In recent years, the Gulf Cooperation Council (GCC) has experienced high rates of economic growth. The GCC has evolved into an attractive center for finance, industry, and tourism. This growth is expected to continue. Hence, Bahrain provides a business-friendly environment to seize business opportunities.



Infrastructure



Maritime

Khalifa Bin Salman Port remains the country's main commercial port, and a major transport hub, serving both Bahrain and the region.



Airport

Bahrain International Airport has recently undergone a US\$1.1 billion expansion that was launched on January 28, 2021, increasing the airport's capacity to 14 million passengers per year.



Railway

Bahrain has a vision to connect with its neighbors through the Gulf Railway project. This regional project consists of the construction of a 1,940 km long single-track railway line along the western coast of the Persian Gulf from Kuwait to Muscat, linking all the capitals and other important cities in the region.



Telecom

The country's connectivity is 210.4% per person, thus having one of the best network coverage in the entire Middle East, with a large number of Internet service providers.

Promising Sectors



01

Finance : Manama is recognized as the financial capital of the GCC and is home to over 367 local, regional and global institutions. The regional market is valued at USD 1.67 trillion

02

Industry: Bahrain offers lower operating costs, a strategic location, a highly skilled workforce and world-class infrastructure, making it the ideal regional destination. Ranging from food and beverage production to fiberglass fabrication, new business ideas are flourishing in Bahrain's diverse and liberal business environment.

03

Logistics: Bahrain provides a wide range of logistics and transportation business opportunities for companies seeking to establish distribution platforms and profitable operations in the region.

04

Tourism: Bahrain Islands are mesmerizing; its cosmopolitan lifestyle is relaxing in addition to its rich history, and exciting events.

05

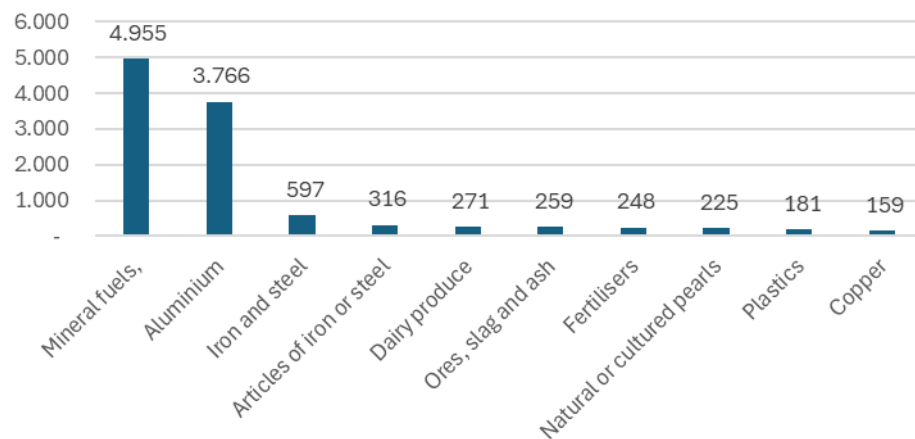
IT: talent availability, cost competitiveness, strategic location. Bahrain is ranked first in the training plan of digital skills and women's education.



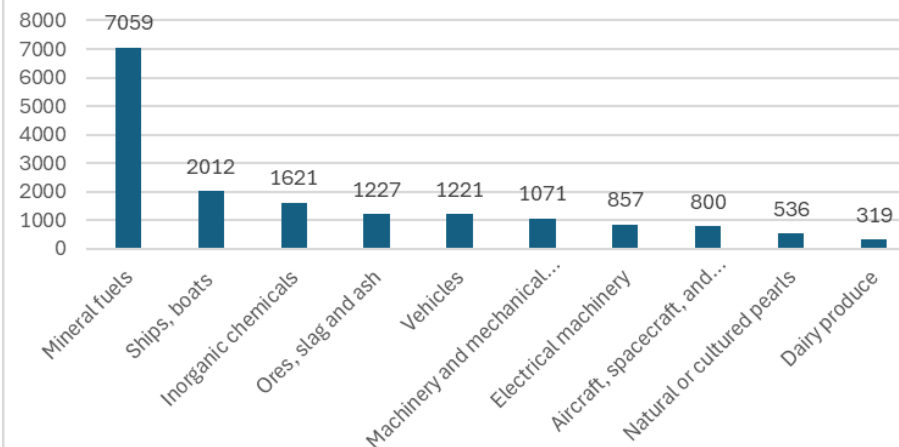
International trade



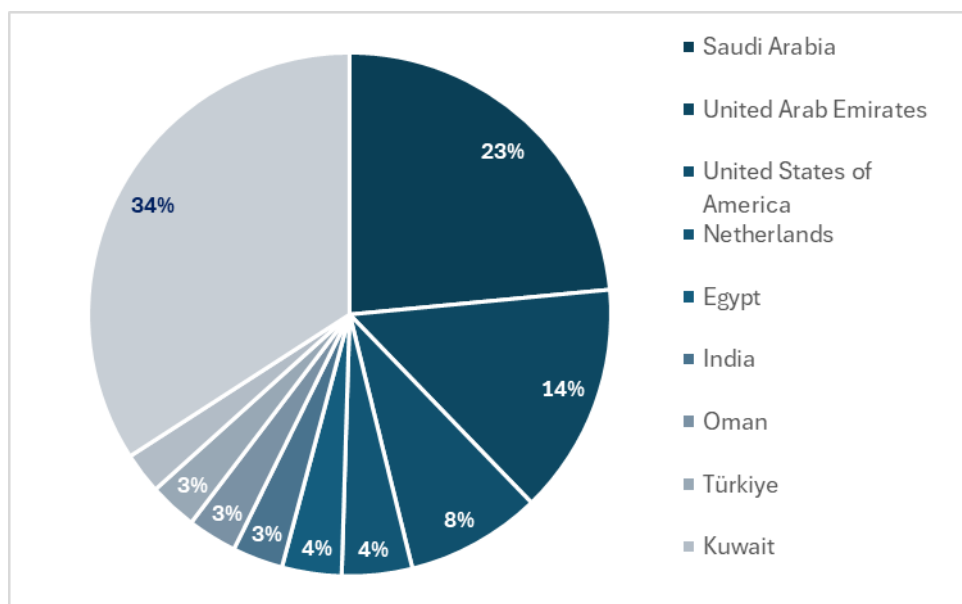
Main Products Exported by Bahrain in 2024 -MUSD



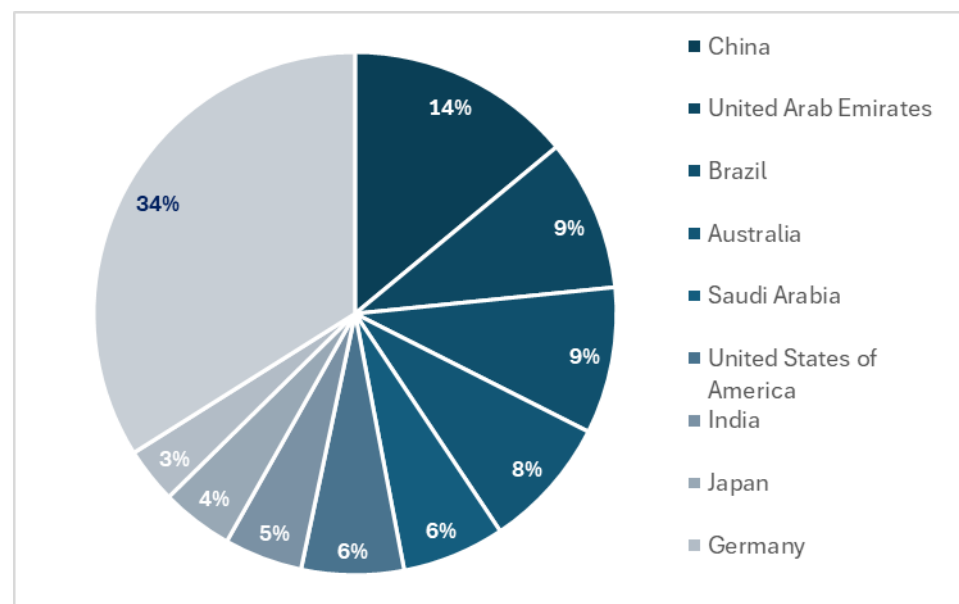
Main Products Imported by Bahrain in 2024 -MUSD



Bahrain's Top Customers in 2023



Bahrain's Top Suppliers in 2023

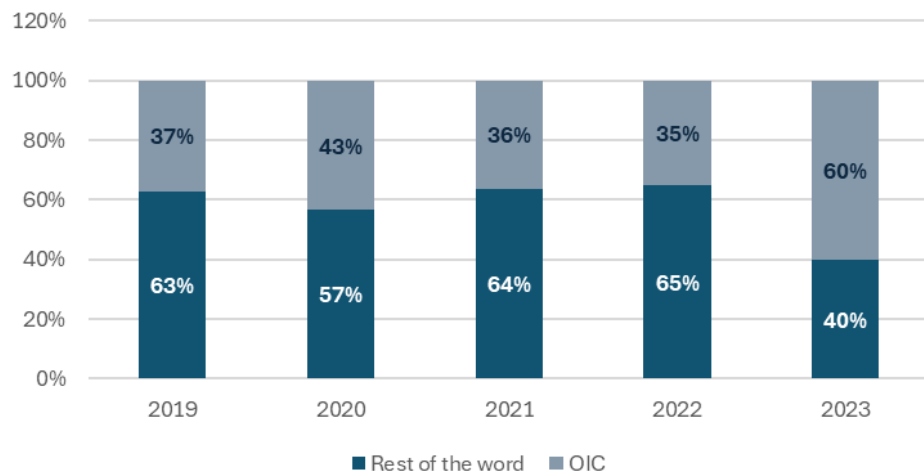




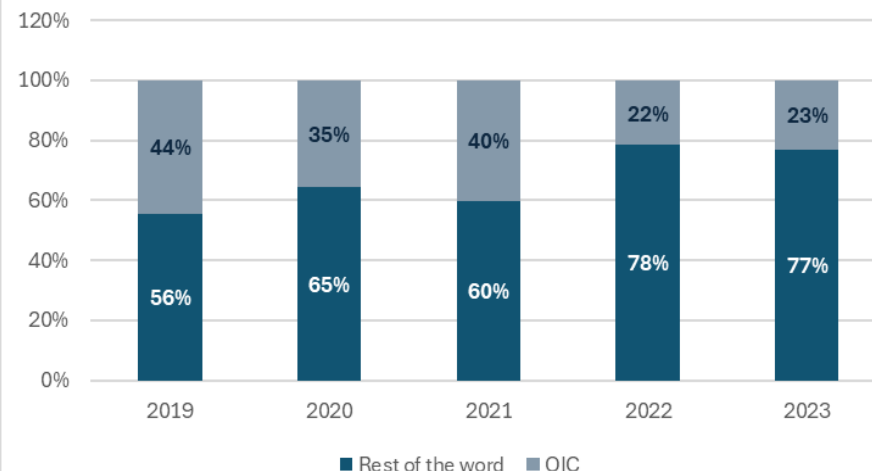
Intra-OIC Trade



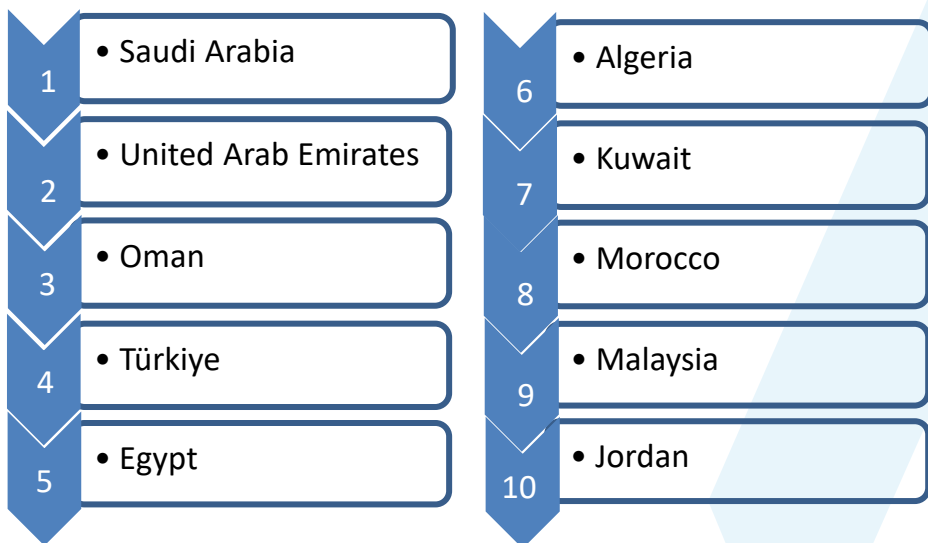
Share of OIC in Bahraini Exports



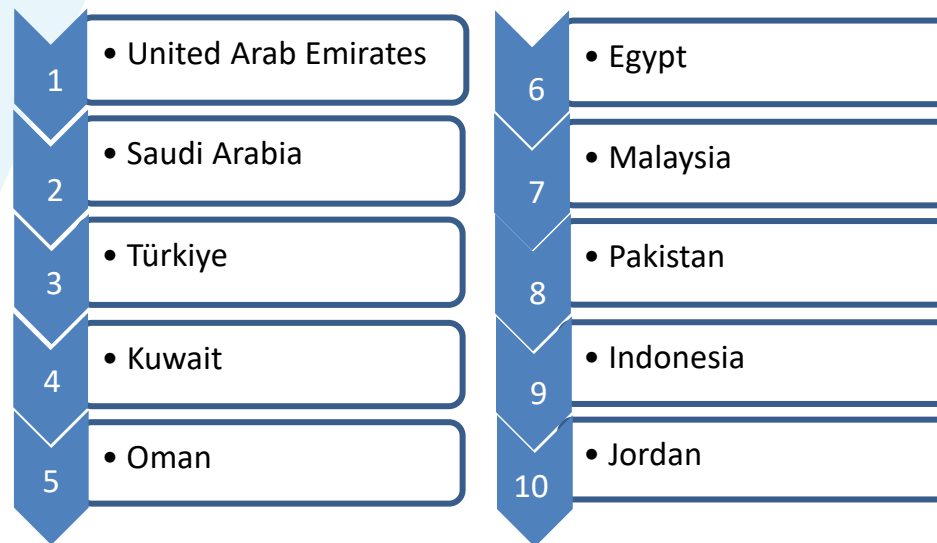
Share of OIC in Bahraini Imports



Top 10 Customers, OIC Members in 2023

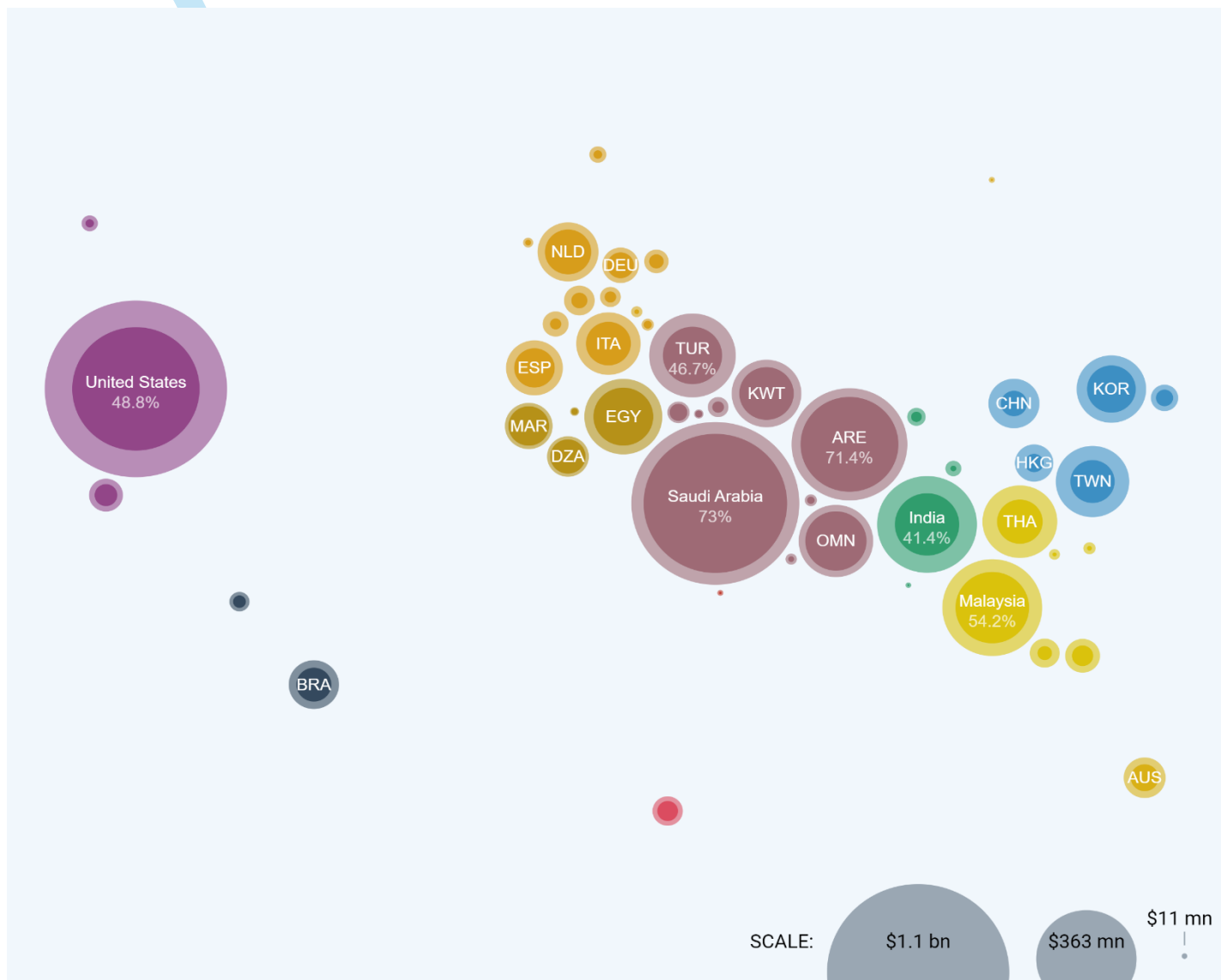


Top 10 Suppliers, OIC Members in 2023





Export potential of Bahrain by country of destination



Markets with potential for Bahrain's exports

Legend

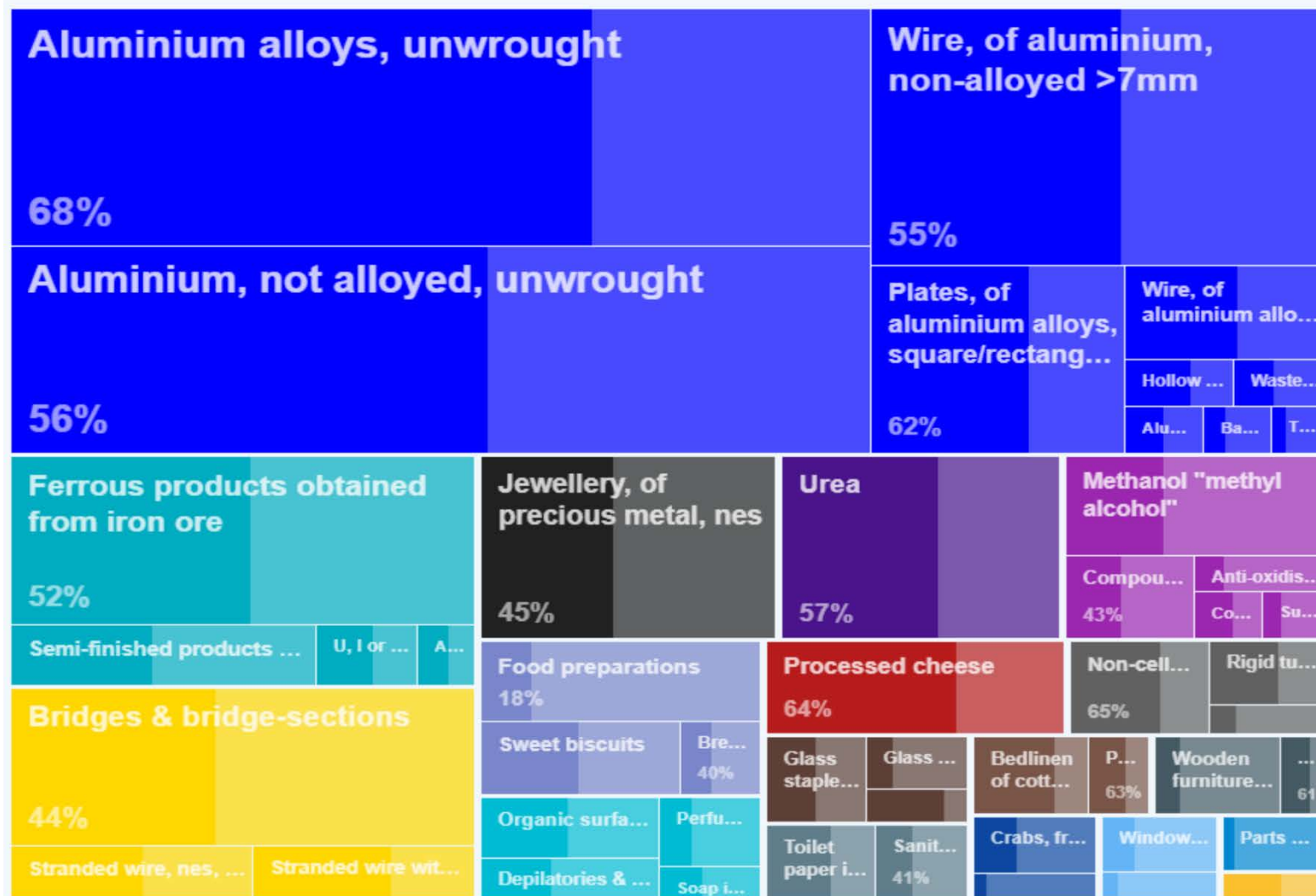
- Export potential
- Tapped potential

- Middle East
- North America
- EU & West Europe
- Southeast Asia
- East Asia
- Northern Africa
- South Asia
- South & Central America
- Pacific
- Southern Africa
- East Europe & Central Asia
- Eastern Africa

Within the OIC region, the markets with the highest export potential are located in the Middle East, South East Asia and North Africa.



Bahrain Export Potential by Product



Bahrain's products with potential

Legend

- Export potential
- Tapped potential

- Metals (except ferrous & precious)
- Ferrous metals
- Metal products
- Jewellery & precious metal articles
- Fertilizers
- Chemicals
- Food products n.e.s. (processed or preserved)
- Beauty products & perfumes
- Dairy products
- Plastics & rubber
- Glass articles
- Paper products
- Home textiles
- Wood products
- Fish & shellfish
- Machinery, electricity
- Motor vehicles & parts
- Cotton (fabric)

The products with the greatest export potential are ferrous and non-ferrous metals; jewelry, fertilizers and chemicals.

Source: International Trade Center



Market Access



Customs Duties and Taxes

Average rate: 34.9%

Average rate of agricultural products: 39.4%

Average rate of non-agricultural products: 33.8%

Non-Tariff Measures

Traders wishing to import goods into Bahrain for sale or consumption must obtain a general license from the Directorate of Customs and Ports of the Ministry of Finance and National Economy.

For more information consult the website of customs affairs: <https://www.bahraincustoms.gov.bh/en>

Trade agreements

Member of the World Trade Organization.

Member of the Gulf Cooperation Council (GCC)

Member of Gulf Cooperation Council (GCC) - Singapore

Member of Pan Arab Free Trade Area (PAFTA)

US -Bahrain

Fairs and Exhibitions

For more information, visit the website:

https://www.eventseye.com/fairs/c0_salons_bahrain.html

Investing in Bahrain



Why Bahrain

- Largely English-speaking, educated and skilled population,
- Tradition of cultural openness based on trade exchanges,
- Strategic geographical location,
- Operating costs among the most competitive in the region,
- The most attractive tax regime in the Gulf,
- Strong reputation in financial services regulation;
- an excellent quality of life.

Implemented Measures

Bahrain's regulations facilitate investment projects in all sectors.

No restrictions on the repatriation of capital, profits or dividends.

No corporate tax, except for oil companies

No withholding tax (interest, dividends, royalties) is imposed.

Public markets

Bahrain's Tenderboard Portal can be accessed at

<https://www.tenderboard.gov.bh/>



Contacts



Ministry of Industry, Trade, and Tourism



Bahrain Investors Center
Front de mer- Porte du port financier-
Boîte postale 60667- Manama – Bahreïn



(+973) 17568000 / (+973) 17574777



www.moic.gov.bh

Bahrain Economic Development Board



3rd Floor, Arcapita - P.O. Box 11299 -
Bahrain Bay - Kingdom of Bahrain



www.bahrainedb.com



+97317589999

Bahrain Chamber of Commerce & Industry



Building: Bahrain Chamber of
Commerce and Industry Building 549, B
lock 410 - Street: Street 1010 - Area:
Al Sanabes Area - P.O. Box: 248 - Manama



www.bahrainchamber.bh



bcci@bcci.bh



+973 1738 0000

Export Bahrain Harbour Gate (5th Floor) Bahrain Financial Harbour, Manama Kingdom of Bahrain



+973 17383 999



Email: info@export.bh



www.export.bh

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