

## Introduction

Bahrain is an archipelago of thirty-three islands in the Persian Gulf in the Middle East. It is located off the coast of Saudi Arabia and Qatar. Bahrain has a strategic location in the Persian Gulf, through which much of the Western world's petroleum must transit to reach open ocean. The geography of Bahrain is mostly low desert plains. The government system is a constitutional monarchy; the chief of state is the king, and the head of government is the prime minister. Bahrain is a member of the League of Arab States (Arab League) and the Gulf Cooperation Council (GCC).



**Location:** Western Asia

**Capital City:** Manama (+3 GMT)

**Chief of State:** King Hamad bin Isa Al Khalifa

**Head of Govt.:** Prime Minister Khalifa bin Salman Al Khalifa

**Currency:** Bahraini dinar (BHD)

**Major Languages:** <p>Arabic (official), English, Farsi, Urdu</p>

**Primary Religions:** <p>Muslim 70.3%, Christian 14.5%, Hindu 9.8%, Buddhist 2.5%, Jewish 0.6%, folk religion &lt;.1, unaffiliated 1.9%, other 0.2%</p>

**Calling Code:** 973

**Voltage:** 230

## Key Websites

Main Government Page: [bahrain.bh](http://bahrain.bh)

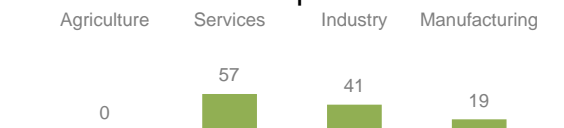
Commerce Ministry: [moic.gov.bh](http://moic.gov.bh)

Investment Promotion Agency: [bahrainedb.com](http://bahrainedb.com)

## Key Economic Facts

|  |                            |
|--|----------------------------|
| Income Level (by per capita GNI):                                    | High Income                |
| Level of Development:  | Developing                 |
| GDP, PPP (current international \$):                                 | \$70.94 billion (2017)     |
| GDP growth (annual %):   | 3.88% (2017)               |
| GDP per capita, PPP (current international \$):                      | \$47,526.90 (2017)         |
| External debt stocks, total (DOD, current US\$):                     | \$10,729,125,000.00 (2011) |
| Manufacturing, value added (% of GDP):                               | 18.59% (2017)              |
| Current account balance (BoP, current US\$):                         | -\$1.60 billion (2017)     |
| Inflation, consumer prices (annual %):                               | 2.80% (2016)               |
| Labor force, total:  | 865,078 (2017)             |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 1.31% (2017)               |
| Imports of goods and services (current US\$):                        | \$21.09 billion (2016)     |
| Exports of goods and services (current US\$):                        | \$23.78 billion (2016)     |

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

| Index   | Rank      |
|---|-----------|
| Corruption Perceptions Index                    | 103 / 178 |
| Global Competitiveness Index                    | 43 / 137  |
| Global Enabling Trade Index                     | 42 / 136  |
| Index of Economic Freedom                       | 49 / 180  |
| International Logistics Performance Index (LPI) | 44 / 160  |
| Inward FDI Potential Index                      | 30 / 139  |
| KOF Index of Globalization                      | 43 / 185  |
| Networked Readiness Index (NRI)                 | 28 / 139  |

## Risk Assessment (Provided by Coface)

**Country rating: C** - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating: A4** - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

### Strengths

- Relatively diversified and open economy (oil, gas, aluminium, petrochemicals, financial services, tourism)
- Presence of the main US naval base in the region (5th Fleet of the US Navy)

### Weaknesses

- Diminishing hydrocarbon reserves and exposed to fluctuations in hydrocarbon prices
- Acute socio-political tensions between the ruling Sunni minority and the majority
- Uncertain regional geopolitical environment Shiite population, fueled by tense regional context between Iran and the embargo on Qatar.
- Dependence on foreign labor
- Very high public debt

## U.S. Embassy

PSC 451, Bos 660  
 FPO AE 09834-5100  
 Manama, Kingdom of Bahrain  
 Tel: (973)1724-2700

<https://bh.usembassy.gov>