

## 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 Crown Prince Salman bin Hamad Al-Khalifa

**Currency:** Bahraini dinar (BHD)

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

**Primary Religions:** <p>Muslim 74.2%, other (includes Christian, Jewish, Hindu, Baha&#39;i) 25.8% (2020 est.)</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)

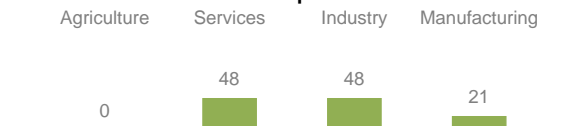
Investment Promotion [bahrainedb.com](http://bahrainedb.com)

Agency:

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$90.14 billion (2022)
GDP growth (annual %):	4.86% (2022)
GDP per capita, PPP (current international \$):	\$61,227.90 (2022)
External debt stocks, total (DOD, current US\$):	\$10,729,125,000.00 (2011)
Manufacturing, value added (% of GDP):	21.44% (2022)
Current account balance (BoP, current US\$):	-\$2.43 billion (2018)
Inflation, consumer prices (annual %):	3.63% (2022)
Labor force, total:	842,278 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	1.40% (2022)
Imports of goods and services (current US\$):	\$27.58 billion (2021)
Exports of goods and services (current US\$):	\$35.23 billion (2021)

## 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	77 / 178
Global Competitiveness Index	45 / 141
Global Enabling Trade Index	42 / 136
Index of Economic Freedom	68 / 176
International Logistics Performance Index (LPI)	59 / 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: D** - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very 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

- One of the most diversified economies in the region with a higher share of services and manufacturing sectors in GDP
- Presence of a strong aluminum sector, a key contributor to national output
- Low level of inflation and interest rate environment encouraging business operating conditions

### Weaknesses

- Very high external debt-to-GDP ratio (both public and private)
- High budget deficit despite a progressive narrowing from 2021 onwards
- Fiscal revenues still dependent on oil despite a relatively diversified economy

## U.S. Embassy

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