

MASHREQ GLOBAL DIGEST

Bahrain

August 3 – August 9



This edition of Market Digest highlights key macroeconomic indicators in Bahrain, recent financial developments, and notable deals—providing valuable insights into the country’s current economic trends.

Macroeconomic News

Bahrain Ranks 5th in Arab Nations for FDI in 2024

Bahrain secured the fifth position among Arab countries in attracting foreign direct investment (FDI) in 2024, with a total of \$2.478 billion, accounting for 2% of the Arab region's FDI inflows. The kingdom welcomed 31 foreign projects, initiated by 30 companies, leading to the creation of 4,780 jobs. The report attributes Bahrain's success to its robust economic policies, strategic location, and business-friendly environment. This achievement reflects Bahrain's growing appeal as a stable and attractive destination for international investors.

Reference: [Albilad Press](#)



Bahrain Ranks 4th in Arab Transport Infrastructure

The World Economic Forum's 2024 Travel and Tourism Development Index placed Bahrain fourth in the Arab region for the quality of its land transport and port infrastructure, with a score of 4.15 out of 7. This ranking assesses the efficiency, coverage, safety, and quality of roads and ports. Bahrain's strong position reflects its ongoing efforts to upgrade and expand transport networks and ports, supporting growing trade and investment. The UAE leads the region (score: 5.26), followed by Qatar (score: 4.46) and Saudi Arabia (score: 4.43). Bahrain's infrastructure improvements are crucial for reducing transport costs, improving logistics, and boosting key sectors like tourism and industry.

Reference: [Alwatan News](#)

Bahrain's Real Estate Market Shows Strong Growth

Bahrain's real estate sector is experiencing positive growth, with property transactions in the first half of 2025 reaching BHD 775.2 million across 5,099 deals, up from BHD 745.8 million in the same period last year. This growth reflects increased market attractiveness and investor trust, supported by government initiatives enhancing transparency and digitization in property registration. Significant rises in transactions among non-Bahraini investors (20.75% growth) and broad participation across age groups signal a vibrant, diverse market poised for sustained expansion throughout 2025.

Reference: [Alayam](#)



Bahrain's Housing Market to Reach \$6.12B by 2030

Bahrain's luxury housing market is rapidly expanding, with its value expected to reach \$4.26 billion by 2025 and \$6.12 billion by 2030. Driven by strong demand from wealthy Gulf buyers and foreign investors, villas dominate sales while flats gain popularity. Government policies allowing full foreign ownership and investor residency are attracting international buyers, supported by major developments and infrastructure projects enhancing the market's appeal.

Reference: [News of Bahrain](#)

Bahrain Among Top Arab Countries for Salaries in 2025

According to the CEOWORLD report, Bahrain ranks fifth in the Arab and Gulf region for highest average monthly salaries in 2025, with an average of \$1,835, placing it 42nd globally. The UAE leads the region, while top-paying countries worldwide include Switzerland, Luxembourg and the US. High wages in Bahrain are found in finance, IT, and education sectors, though inflation and economic challenges remain concerns.

Reference: [Akhbar-Alkhaleej](#)



Bahrain's First Solar Plant Underway

Bahrain's Electricity and Water Authority (EWA), in partnership with the private sector, has begun building the kingdom's first solar power plant, with a 150-megawatt capacity near Bilaj Al Jazayer. The project supports Bahrain's goal of achieving net-zero carbon emissions by 2060 and aims to raise renewable energy's share to 20% by 2035. Once operational, the plant will power around 6,300 homes and reduce carbon emissions by over 100,000 tonnes annually. Following market engagement on August 14, a tender will be issued, with operations expected to start by late 2027.

Reference: [Bahrain News Agency](#)

Bahrain Ranks 3rd in Arab World in 2025 UN Human Development Report

Bahrain has been ranked third among Arab countries and 38th globally in the 2025 Human Development Report by the United Nations Development Programme (UNDP), achieving a Human Development Index (HDI) score of 0.899. The HDI evaluates countries based on life expectancy, education, and income levels. The United Arab Emirates leads the Arab region with an HDI score of 0.940, placing 15th globally, followed by Saudi Arabia at 0.900 in 37th place. Other Arab nations' rankings include Qatar (43rd globally, 0.886 HDI), Oman (50th, 0.858), and Kuwait (52nd, 0.852). In North Africa, Algeria ranks 96th with an HDI of 0.763, while Palestine is last among Arab states at 133rd globally with a score of 0.674.

Reference: [News of Bahrain](#)

Rise every day

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Financial News

53,000 Gulf Shareholders in Bahrain Bourse

In 2024, the total number of Gulf shareholders in Bahrain’s stock market reached about 52,931, led by Saudis with 27,275 shareholders. Kuwaitis followed with 13,824 shareholders, and Emiratis came next with 8,241. The market has 41 listed companies with a total value of about 6.49 billion Bahraini dinars. GCC nationals can trade shares worth 6.44 billion dinars, showing Bahrain’s strong appeal to Gulf investors and solid regional economic ties.

Reference: [Alayam](#)



Bahrain's Financial Sector Reaches \$245.6B in Assets

As of May 2025, Bahrain's financial sector has achieved a significant milestone, with total assets amounting to \$245.6 billion, according to the Central Bank of Bahrain. This growth spans over 369 licensed financial institutions, including 83 banks, 15 of which are Islamic banks holding \$62.6 billion in assets. The sector's workforce reached 14,775 in 2024, with Bahrainis comprising approximately 69% of the employees. The financial sector's contribution to the nation's real GDP stood at 17.2% in 2024, reflecting its pivotal role in Bahrain's economic landscape.

Reference: [News of Bahrain](#)



Bahrain Hosts 1,733 Investment Funds by Mid-2025

As of June 2025, Bahrain hosted a total of 1,733 licensed and registered investment funds, including 60 headquartered within the kingdom, underscoring its strong regulatory and investment environment. Of these, 51 are local funds (27 conventional and 24 Islamic) and 9 are private with net assets of approximately \$4.4 billion as of March 2025. Offshore funds registered in Bahrain include 1,673, holding net assets totaling about \$6.9 billion. Overall, the combined net assets of all funds registered in Bahrain reached roughly \$11.3 billion, highlighting Bahrain’s position as a key regional and global financial hub for diverse investment vehicles.

Reference: [Alayam](#)

Deals

Bahrain–South Korea Investment Agreement Now Effective

A new investment protection agreement between Bahrain and South Korea officially took effect on July 31, 2025. Signed in December 2024, the agreement aims to promote and safeguard investments between the two nations. It ensures fair treatment for investors, guarantees the free transfer of capital and profits, and provides mechanisms for dispute resolution. This move is expected to bolster economic ties and open new opportunities for collaboration between the two countries.

Reference: [News of Bahrain](#)

Markets

Market Dashboard

- For the week ending August 8, 2025, U.S. stocks showed solid gains with the Nasdaq rising 3.9%, the S&P 500 up 2.4%, and the Dow climbing 1.3%. The Nasdaq hit record closing highs driven by strong tech performance, led by Apple’s 13.3% weekly surge following a major U.S. investment announcement of an additional \$100 billion. Investor optimism about potential Federal Reserve rate cuts also supported the rally. Despite tariff increases and trade tensions, earnings growth and rate cut expectations kept markets resilient heading into the upcoming inflation report.
- Bitcoin surged for the week, gaining momentum after news that President Donald Trump plans to sign an executive order allowing cryptocurrencies to be included in 401(k) retirement plans. This move is expected to open the door for a new wave of long-term investors, providing sustained demand and further legitimizing digital assets in traditional finance.
- Gold prices hit record levels before easing after the White House announced it would clarify its tariff policy on gold bars. Uncertainty over potential U.S. import tariffs on popular gold bullion bars caused market volatility, with some refineries pausing deliveries to the U.S. due to unclear rules. Spot gold steadied near \$3,399 per ounce, up 1% for the week, while concerns remain about the impact of tariffs on the global gold supply chain, especially for Switzerland, a key refining hub.
- Oil prices steadied on Friday amid reports of a possible US-Russia deal to halt the Ukraine war, though they ended the week about 4.5% lower due to tariff-driven economic concerns. Brent crude settled at \$66.59 per barrel, and US West Texas Intermediate held at \$63.88. OPEC+ plans to raise production in September, while rising US tariffs and trade tensions have weighed on demand. The US oil rig count rose slightly to 411, signaling future supply increases.
- The US dollar firmed slightly on Friday but recorded a weekly loss as weakening economic data fuels expectations of more interest rate cuts this year. Traders are pricing in an 89% chance of a Fed rate cut in September amid slower job growth, soft housing and services data, and President Trump’s nomination of dovish Fed candidates. The dollar index rose 0.21% on Friday to 98.19 but is down about 0.5% for the week.

Indicators	1-Aug-25	8-Aug-25	% Change
S&P 500	6,238.01	6,389.45	2.43%
Bitcoin	113,320.09	116,688.73	2.97%
Gold	3,362.88	3,398.78	1.07%
Crude Oil	69.67	66.59	-4.42%
EUR/USD	1.1424	1.1644	1.93%