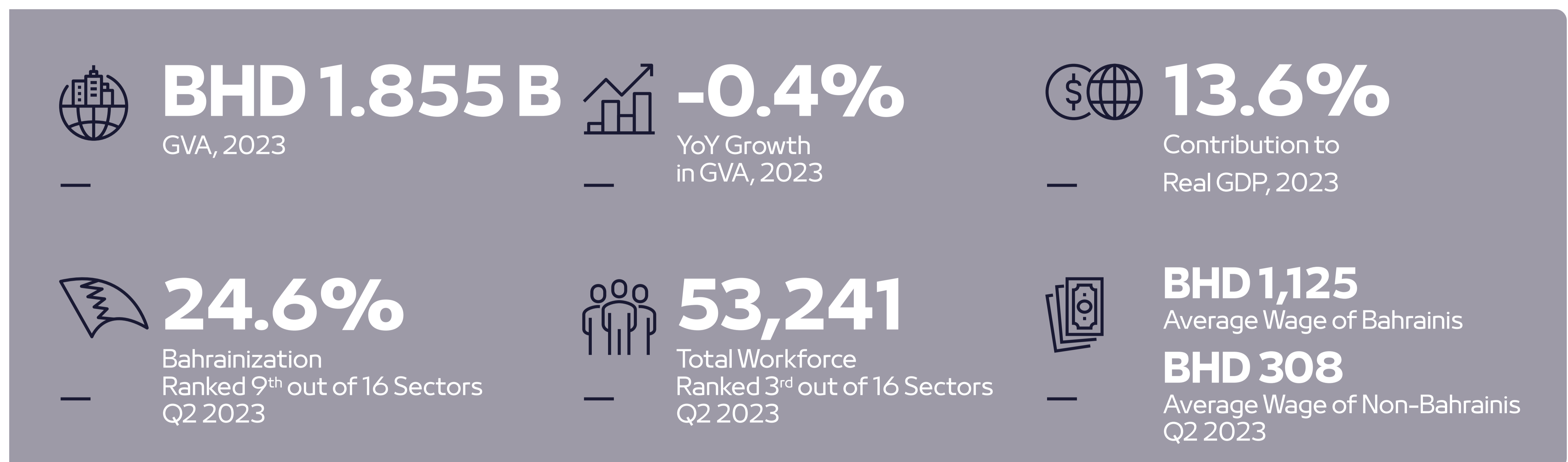


Last Updated: March 2024

The Manufacturing sector represents a key strategic focus, targeted by Bahrain's Economic Recovery Plan, to bolster economic development and non-oil GDP growth. Among the non-oil sectors, manufacturing is the second-highest contributor to the economy after the financial and insurance sector. In 2023, the sector benefitted from several developments driven by both public and private initiatives that placed it on a steady trajectory towards the attainment of the Industrial Sector Strategy. Additionally, the private sector saw wide expansions of facilities, the introduction of new FDIs and the implementation of digitization and environmental sustainability initiatives.



## Sector Opportunities & Trends

### 01. Sustainability focus

Sustainability concerns are growing in the manufacturing sector. Many manufacturing facilities are shifting to more sustainable practices, including green manufacturing, with initiatives for water usage efficiency, waste generation reduction and transition to renewable energy.

### 02. Smart Factories

Smart factories are a growing trend globally, as manufacturing facilities embrace emerging technologies for fully integrated systems that connect devices, machinery, and production systems. These enable businesses to provide enhanced analytics and management. The increasing adoption of technology, coupled with decreasing costs, is reducing the labor intensity of many manufacturing activities and allowing for streamlined processes and improved efficiency.

### 03. Artificial Intelligence

Artificial Intelligence (AI) advancements are being increasingly integrated into the manufacturing sector, not only in smart production but also in other areas of product design, business operations and supply chain management. The aim is to reduce costs and improve efficiency. By harnessing data, AI allows for in-depth analysis of various areas, such as customer demand or preferences, enabling manufacturers to make effective data-driven decisions and manage their operations more efficiently, resulting in reduced expenses.

### 04. Supply chain shifts

In response to Covid-19 pandemic disruptions and geopolitical tensions, manufacturing companies are reshoring and regionalizing their supply chains as they aim for closer operations to target markets and flexible production management. Moreover, the broader manufacturing revival in the GCC presents a major opportunity for Bahraini businesses to tap into regional value chains, fostering stronger economic ties within the region.

### 05. 3D printing

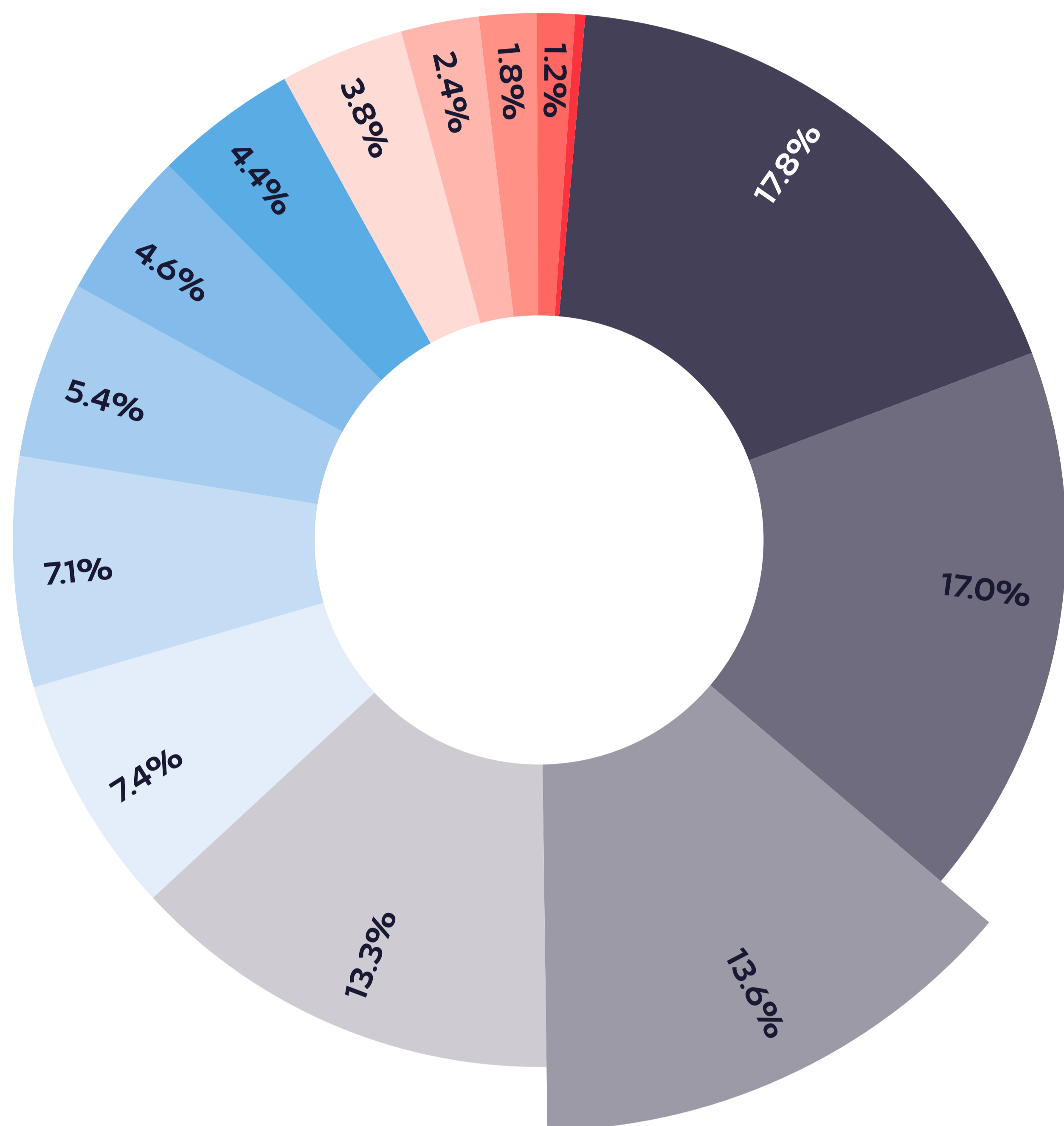
3D printing is revolutionizing manufacturing by offering speedy production, personalized products and sustainable manufacturing methods. It enables rapid prototyping and on-demand printing, reducing inventory needs and providing significant opportunities for manufacturing companies. It also enables cost-effective just-in-time manufacturing, optimizing supply chains and driving greater efficiency.

# Manufacturing Sector Economic Indicators

## iGA-National Accounts, 2023

### Manufacturing Sector Contribution to Real GDP

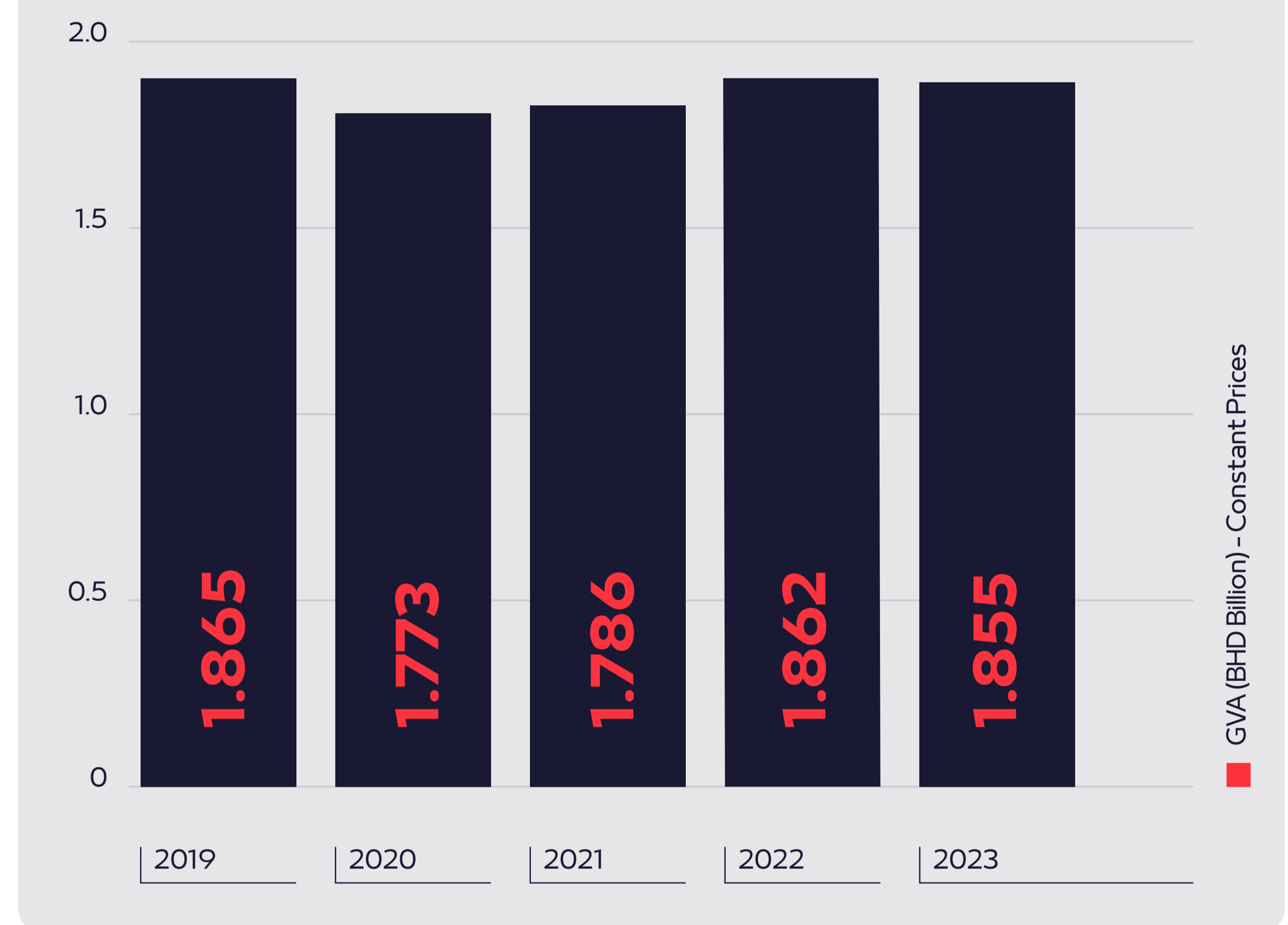
(%, 2023)



Financial & Insurance Activities	17.8%	Net Tax on Products	4.6%
Mining & Quarrying	17.0%	Trade	4.4%
<b>Manufacturing</b>	<b>13.6%</b>	Others <sup>2</sup>	3.8%
Government Services	13.3%	Private Education Services	2.4%
Transport & Communication	7.4%	Hotels & Restaurants	1.8%
Construction	7.1%	Private Health Services	1.2%
Real Estate & Business Activities	5.4%	Agriculture & Fishing	0.3%

### Manufacturing Services Sector GVA<sup>1</sup>

(BHD B, 2019 - 2023)



<sup>1</sup> Gross Value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy

<sup>2</sup> Others include Electricity & Water, Other Social & Personal Services, Private Non-Profit Institutions, and Households with Employed Persons.

### Manufacturing Sector Enterprises

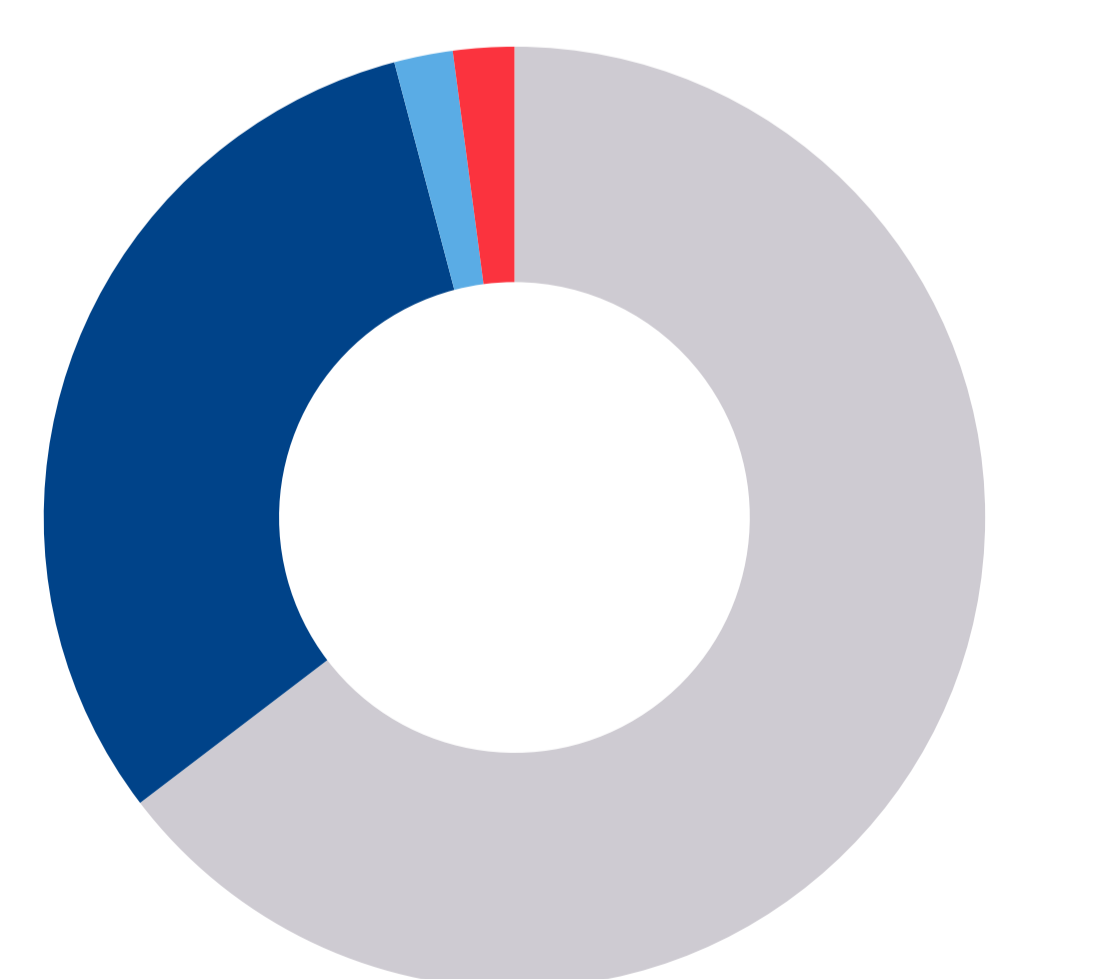
LMRA, Q2 2023 - BLMi

**3,772**  
Active CRs

**5.1%**  
of total Active CRs in Bahrain

### Manufacturing Services Sector by Enterprise Size

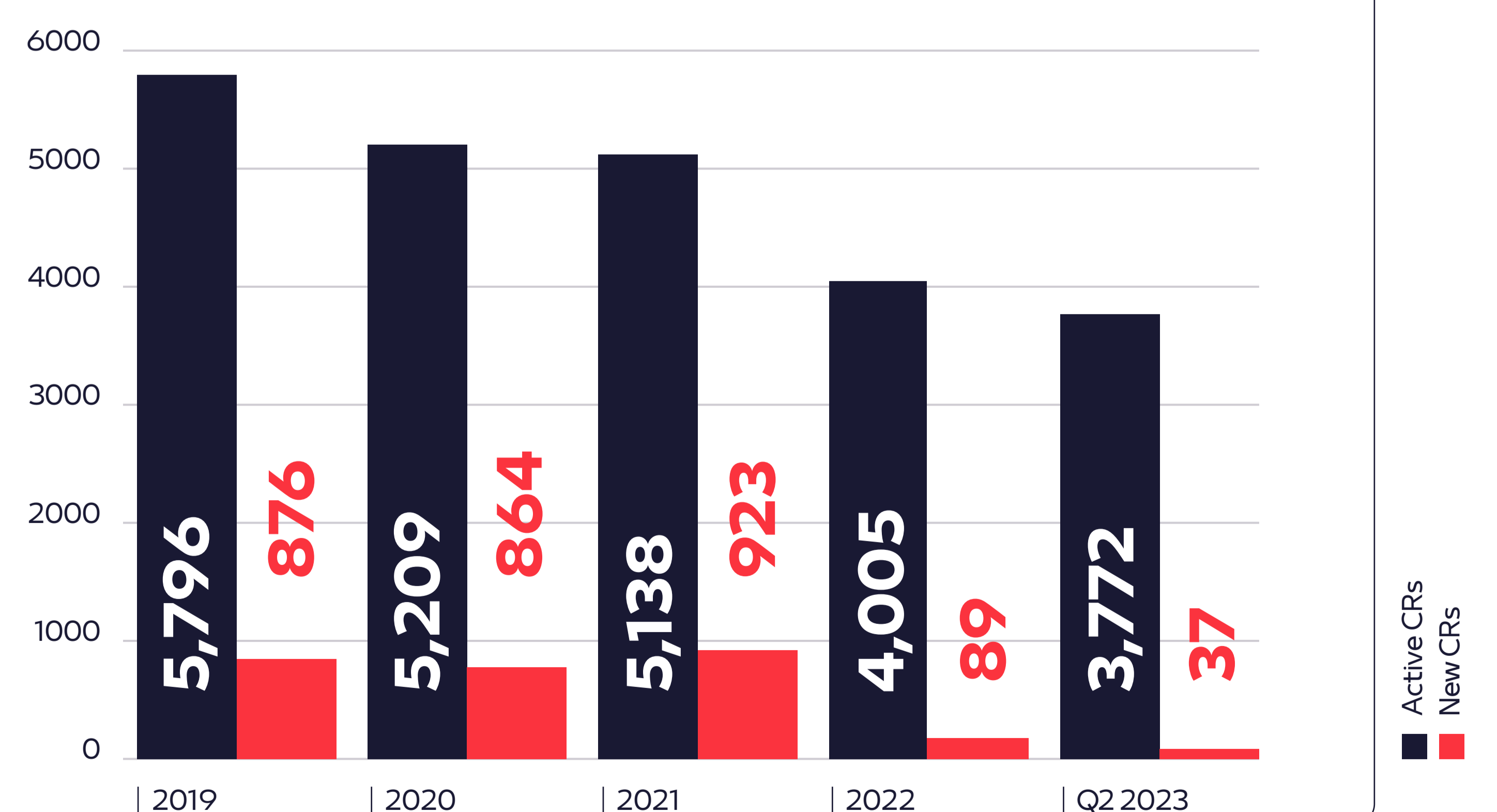
(%, Q2 2023)



Micro	2,438	(65%)
Small	1,179	(31%)
Medium	76	(2%)
Large	79	(2%)

### Manufacturing Sector Active Commercial Registrations

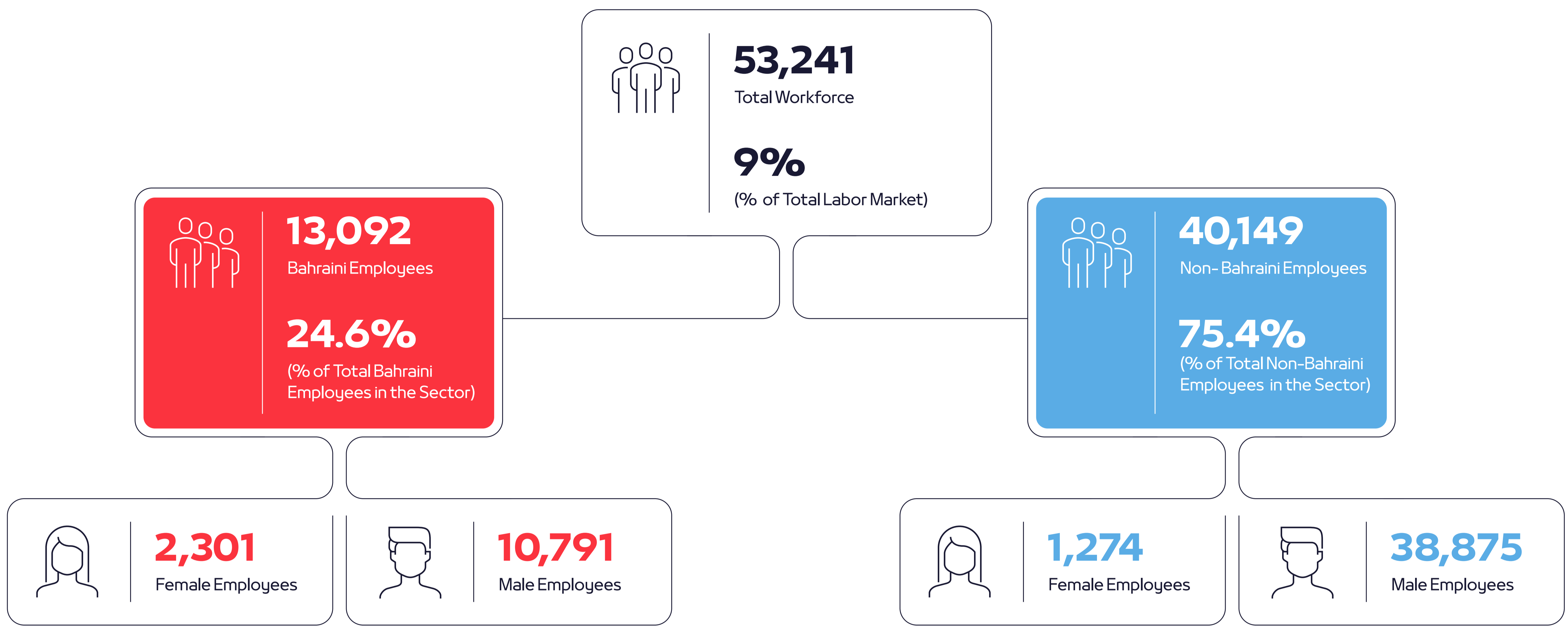
(2019 - Q2 2023)



Leading manufacturing activities in Bahrain include petroleum refining, aluminum and petrochemicals production, food processing, as well as manufacturing workshops and fabrication activities (products that are made on site such as bakeries and custom tailoring activities), as per MOIC - ISIC 4 Classifications

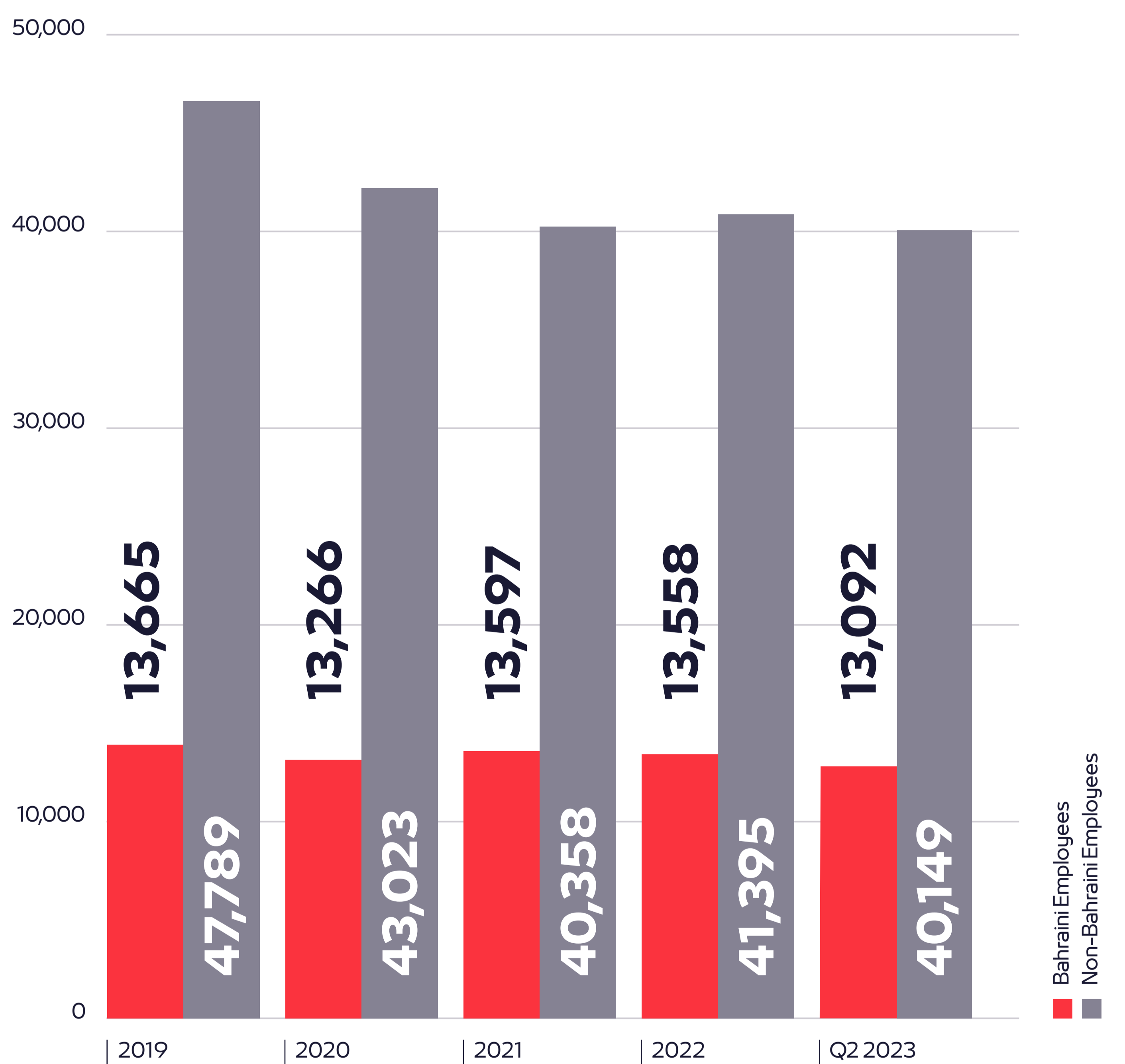
# Manufacturing Sector Employment

## LMRA, Q2 2023 – BLMI



### Manufacturing Sector Employees by Citizenship

(2019 – Q2 2023)



### Manufacturing Sector Average Wages by Citizenship

(BHD, 2019 – Q2 2023)



**Important notice**

The information presented in this report has been prepared by Tamkeen using sources believed to be reliable and accurate. Tamkeen makes no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information or data in this report.