

WORLD RANK: **55** | REGIONAL RANK: **4**

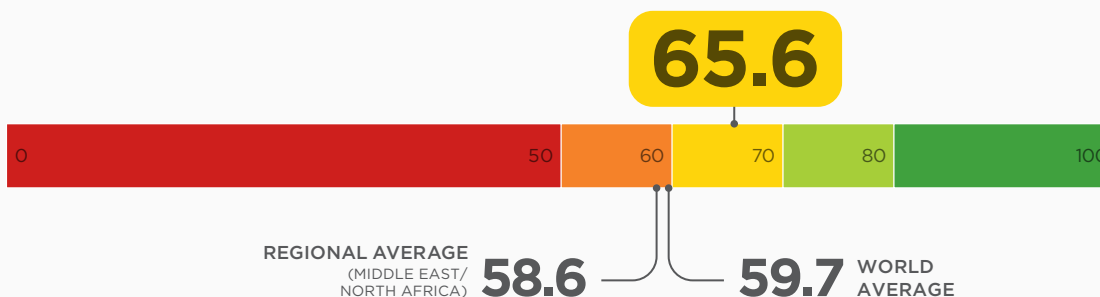
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

BAHRAIN

Bahrain’s economic freedom score is 65.6, making its economy the 55th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.2 points from last year, and Bahrain is ranked 4th out of 14 countries in the Middle East / North Africa region. The country’s economic freedom score is higher than the world and regional averages. Bahrain’s economy is considered “moderately free” according to the 2025 *Index*.

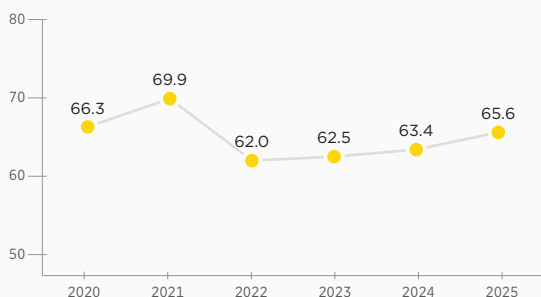
Bahrain performs quite well in many of the four pillars of economic freedom. The overall investment framework is streamlined, and the commercial law system is relatively straightforward. Despite the challenging global economic environment, the country continues to be a dynamic business hub. Its openness to global commerce is sustained by a competitive regulatory environment. Enhancing the foundations of economic freedom by further improving the rule of law and fiscal policy remains critical to ensuring the country’s ongoing evolution.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -10.6

RECENT FREEDOM TREND

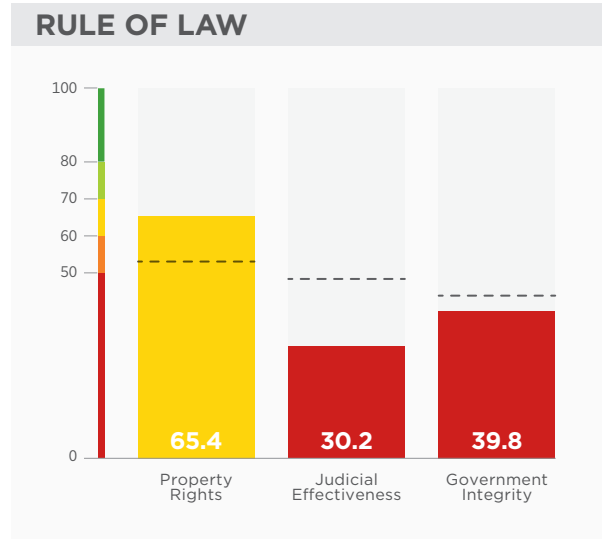


QUICK FACTS

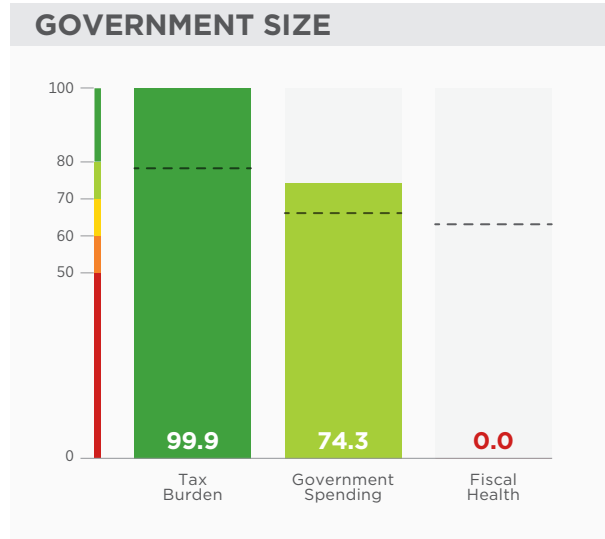
- POPULATION:** 1.6 million
- UNEMPLOYMENT:** 1.2%
- GDP (PPP):** \$100.1 billion
- INFLATION (CPI):** 0.1%
- 3.0% growth in 2023
- FDI INFLOW:** \$2.0 billion
- 3-year average growth rate: 4.4%
- PUBLIC DEBT:** 123.3% of GDP
- \$63,498 per capita

2023 data unless otherwise noted. Data compiled as of November 2024.

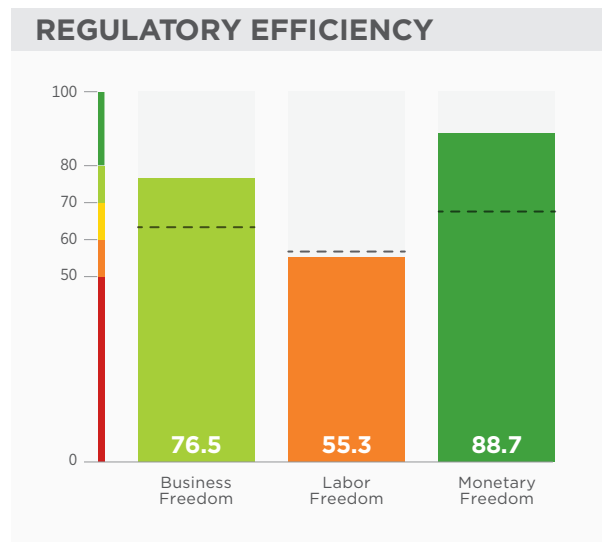
12 ECONOMIC FREEDOMS | BAHRAIN



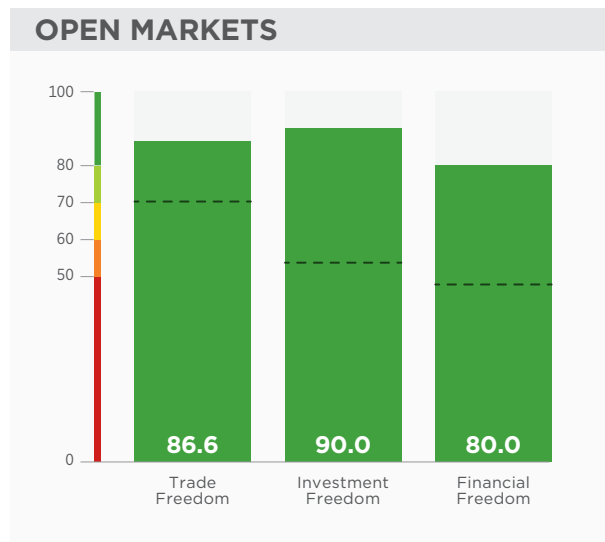
The overall rule of law is relatively weak in Bahrain. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 2.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.3 percent and -8.7 percent of GDP. Public debt amounts to 123.3 percent of GDP.



Bahrain's overall regulatory environment is relatively well institutionalized and efficient. The country's business freedom score is greater than the world average; its labor freedom score is slightly below the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 4.2 percent, and nontariff measures are in effect. The overall investment framework is generally positive and has remained transparent. Foreign and domestic investors have access to a wide range of financial services.