



WORLD RANK: **57** | REGIONAL RANK: **5**

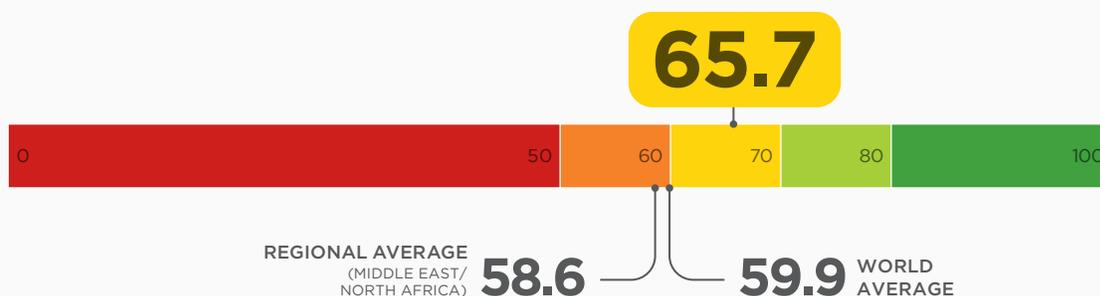
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

BAHRAIN

Bahrain's economic freedom score is 65.7, making its economy the 57th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 0.1 point from last year, and Bahrain is ranked 5th 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 2026 *Index*.

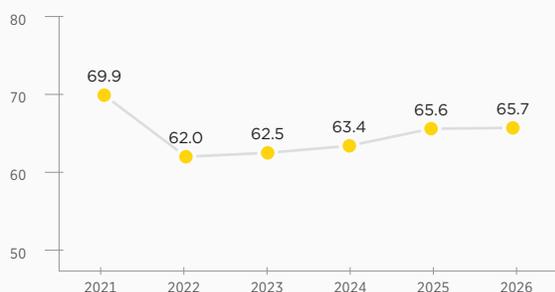
Bahrain performs quite well in many of the four pillars of economic freedom. The overall investment framework is streamlined, and the commercial law system is relatively straightforward. Despite the challenging global economic environment, the country continues to be a dynamic business hub. Its openness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

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -10.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
1.6 million

GDP (PPP):
\$106.5 billion
2.9% growth in 2025
3-year average growth rate: 3.1%
\$69,271 per capita

UNEMPLOYMENT:
1.2%

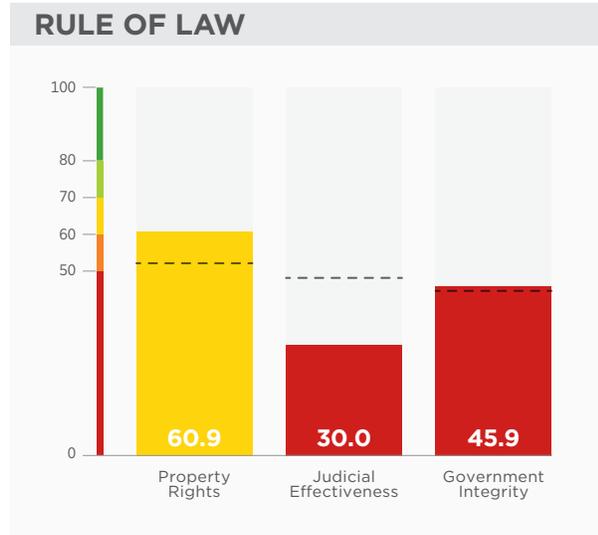
INFLATION (CPI):
0.9%

TRADE AS % OF GDP: 157.4%

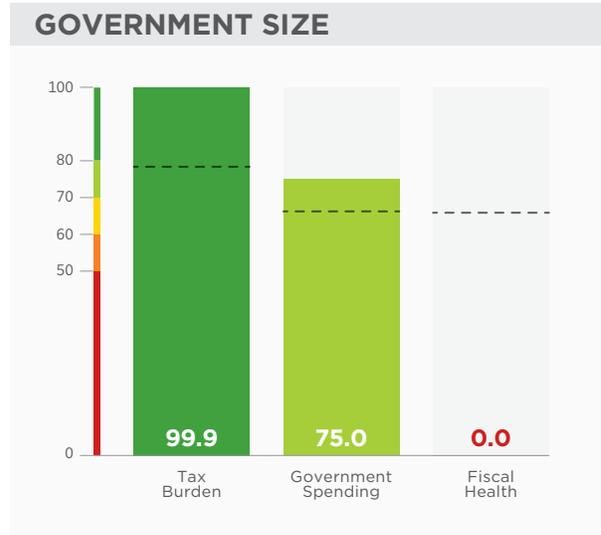
PUBLIC DEBT:
133.4% of GDP

2025 data unless otherwise noted. Data compiled as of January 2026.

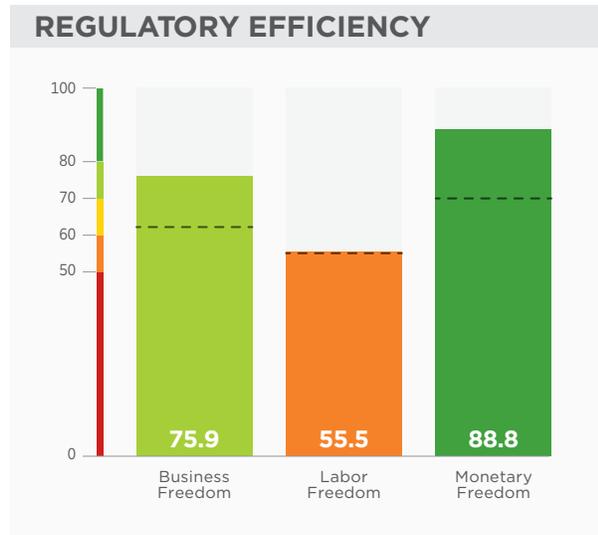
12 ECONOMIC FREEDOMS | BAHRAIN



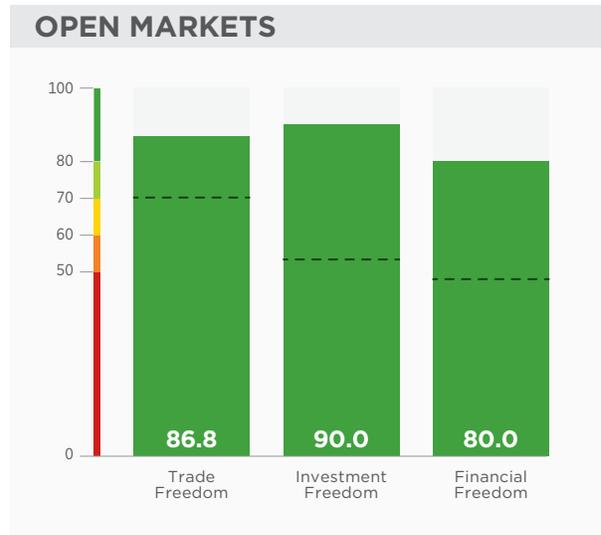
The overall rule of law is relatively weak in Bahrain. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



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, 28.9 percent and -8.8 percent of GDP. Public debt amounts to 133.4 percent of GDP.



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



The trade-weighted average tariff rate is 4.1 percent, and nontariff measures are in force. The overall investment framework is generally positive and has remained transparent. Foreign and domestic investors have access to a wide range of financial services.