



# Businesses 'confident and positive'



● **Bahrain Business Confidence Index remains positive at 100.11 for Q4 of 2019**

● **Business Performance Outlook, for Q4 of 2019, stood at positive 20.2 points**

● **Highest Business Confidence on Business Performance reported for Trade, then Real Estate and Banks**

TDT | Manama

Bahraini businesses are 'confident and positive' that good times will continue to propel the Kingdom's economy ahead in the fourth quarter notwithstanding the slowdown in the global economy, according to a recent survey.

The 'Quarterly Business Perception survey' hard on the heels of the World Bank's Doing Business index, which ranks Bahrain as one of the most improved economies in the world, zooms into the Kingdom's current situation and expectation of the businesses operating here.

In the survey, trade, then Real Estate and Banking sectors reported highest Business Confidence in the Kingdom's Business Performance ahead. Respondents who voiced their confidence include small and micro establishments with 50 employees or less, establishments with turnovers between BD1 and BD3 million as well as establishments with outward foreign investments.

**'Stable or normal'**

Bahrain Business Confidence Index, according to them, remains positive at 100.11 for Q4 of 2019.

Around 46.6pc of the respond-

Parameters	Business Confidence Index		
	Previous Period Q3 of 2018 - Q4 of 2018	Previous Quarter Q2 of 2019 - Q3 of 2019	Current Quarter Q3 of 2019 - Q4 of 2019
Business Performance	102.20	100.41	100.11
Labor (Number of Employees)	101.31	104.93	104.70
Supply & Demand (Bahrain)	101.06	99.05	97.65
Turnover/Volume of Businesses	99.83	101.74	100.10
Selling Prices	100.27	100.36	97.76
Financial Position	101.46	101.49	101.50
Profits	104.42	103.04	101.53
Overall Economic Conditions of Bahrain	100.18	96.60	96.38
Competition	103.66	102.33	101.42
Expansion or Growth of Company	100.35	100.81	100.76

Sector/Industry	Previous Period Q3 of 2018 - Q4 of 2018			Previous Quarter Q2 of 2019 - Q3 of 2019			Current Quarter Q3 of 2019 - Q4 of 2019		
	Situation Balance	Expectation Balance	Business Confidence	Situation Balance	Expectation Balance	Business Confidence	Situation Balance	Expectation Balance	Business Confidence
Economy (General Index)	13.1	37.0	24.7	11.3	30.8	20.8	10.6	30.2	20.2
Banks	30.0	43.3	36.6	8.7	32.6	20.3	10.8	34.0	22.0
Non-Banks	5.5	30.9	17.8	13.5	27.1	20.2	11.3	22.7	16.9
Accommodation & Food Services	5.3	26.3	15.5	(4.5)	(4.5)	(4.5)	(15.8)	5.3	(5.5)
Construction	17.4	34.8	25.9	(4.0)	52.0	22.2	(1.8)	42.3	18.0
Manufacturing	15.4	41.0	27.8	(4.1)	40.8	17.2	6.1	36.7	20.9
Real Estate	14.1	43.6	28.4	17.5	28.2	22.9	17.6	30.6	24.0
Trade	10.1	39.1	24.2	13.5	36.9	24.9	17.1	43.2	29.8
Non-Financial Others	13.0	33.0	22.8	15.7	27.6	21.6	8.3	21.8	14.9

Type of Investments	Previous Period Q3 of 2018 - Q4 of 2018			Previous Quarter Q2 of 2019 - Q3 of 2019			Current Quarter Q3 of 2019 - Q4 of 2019		
	Situation Balance	Expectation Balance	Business Confidence	Situation Balance	Expectation Balance	Business Confidence	Situation Balance	Expectation Balance	Business Confidence
Economy (General Index)	13.1	37.0	24.7	11.3	30.8	20.8	10.6	30.2	20.2
With Inward & Outward Foreign Investments	7.6	37.0	21.8	17.4	37.0	27.0	16.3	31.7	23.9
With Inward Foreign Investments	9.6	21.9	15.7	4.4	36.5	19.9	5.3	32.5	18.5
All Residents with Outward Foreign Investments	12.8	46.8	29.2	19.0	29.3	24.1	17.2	32.8	24.9
Only Resident Investments (No Foreign Investments)	18.8	45.0	31.5	10.3	23.0	16.6	9.7	26.7	18.0

General Index for Business Performance	Situation Balance	Expectation Balance	Business Confidence (Business Performance)	Business Confidence Index (relative to baseline Q3 of 2017)
Q3 of 2019 - Q4 of 2019	10.6	30.2	20.2	100.11
Q2 of 2019 - Q3 of 2019	11.3	30.8	20.8	100.41
Q1 of 2019 - Q2 of 2019	11.6	29.4	20.3	100.37
Q4 of 2018 - Q1 of 2019	10.7	29.9	20.1	100.08
Q3 of 2018 - Q4 of 2018	13.1	37.0	24.7	102.20
Q2 of 2018 - Q3 of 2018	14.8	37.3	25.8	102.67
Q1 of 2018 - Q2 of 2018	17.2	35.4	26.1	102.83

Courtesy to The Survey Results of Quarterly Business Perception Surveys (QBPS) Series

ents said they expect 'stable or normal' business performance, while 41.8pc of them threw their weight behind 'favourable' business performance in the fourth quarter. Remaining 11.6pc warned about 'unfavourable' circumstance.

Consequently, those expecting

a favourable fourth quarter in Bahrain rose by a point, whereas pessimists increased by 1.6 points.

For the quarter, overall Business confidence, an indicator of business performance, continued to remain on the positive side of the balance at 20.2 points,

though lower by 0.6 points from the 20.8 points recorded in the previous quarter. Affecting the performance mostly was decreased Situation and Expectation Balances.

**Expectations**

The Expectation Balance, a difference or balance between the percentages of favourable and unfavourable responses about the next quarter, remains on the positive side at 30.2 points. This was a decrease of 0.6 points from Q3, 2019 and 6.8 points from the prior-year quarter.

Expectation, as per micros with less than 5 employees, gravitated towards the positive end of the balance at 28.6 points, while that as per micros with a turnover of up to BD50,000 was at positive 30.1 points.

The expectation of Small establishments with 6 to 50 employees for the quarter was positive 32.6 points, Medium (51 to 100 employees) 26.7 points and large (101 or more) 29.7 points.

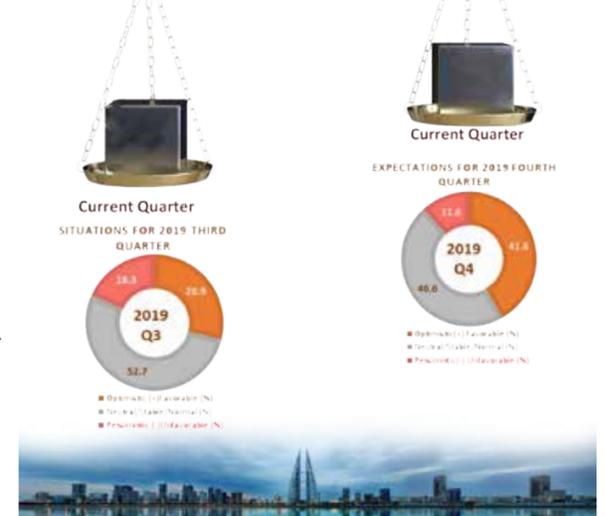
Based on annual turnover, expectation for the quarter were small establishments (50,000bd and 1,000,000bd) 25.5 points, Medium (1,000,000 to 3,000,000bd) 38.3 points and large (more than 3,000,000) 29.9 points.

**Expectations, sector wise**

Traders are also looking at Q4 with higher expectation scoring 43.2 points on the expectation balance. Traders' current quarter score was better than their 39.1 points in the year-ago quarter and 36.9 points in the sequential quarter.

Real Estate businesses were equally positive about Q4, with their expectation pointing to a positive 30.6 points, against 28.2 points in the sequential third quarter, but was lower than 43.6 points in the Q4, 2018.

Another sector that remained positive about Bahrain was banking. At 34.0 points, their ex-



pectations were high, as in their immediate Q3 at 32.6 points and Q4, 2018 at 43.3 points.

At 42.3 points, the expectation level of the Construction sector was higher than what they posted a year ago at 34.8 points but lower than 52.0 points in Q3.

Other sectors at the positive end of their expectations for Q4 were non-banks at 22.7 points (prior-year quarter 30.9 points), accommodation and food services at 5.3 points (26.3 points), Manufacturing at 36.7 points (41.0 points) and non-financial others at 21.8 points (33.0 points).

**Situations in Q3**

The Situation Balance, a difference or balance between the percentages of favourable and unfavourable responses observed during the last quarter, stood positive at 10.6 points lower than the previous quarter's 11.3 by 0.7 points. This is also 2.5 points lower than the same period in 2018.

For Micros (based on the number of paid employees), Kingdom's Q3 situation in 2019 (14.3 points) is much better than that in the year-ago quarter (12.1 points). But, for Small establish-

ments, the situation is not the same at 11.2 points against the prior-year level of 14.8 points. This went further down for medium-sized players at negative 3.3 points from positive 25.0 points in the year-ago quarter. Large establishments, however, witnessed exceptional improvements in Q3 at 11.7 points, compared to 2.8 points in Q3, 2018.

**Business confidence index**

The Business Confidence Index (BCI) stood at 100.11 for the 2019-Q3 situation and 2019-Q4 expectation. This 2019 Q4 outlook was a decrease of 0.3 points from the previous quarter's BCI relative to the baseline (Q1 of 2017) which indicated a quarter-to-quarter decrease by 0.30pc. It is 2.09 points less compared with the same period in 2018.

Parameters affecting the index negatively were supply & demand (97.65), selling prices (97.76) and overall economic conditions of Bahrain (96.38). Affecting positively were Labour (104.70), the volume of businesses (100.10), Financial position (101.50), profits (101.53), competition (101.42) and expansion of company (100.76).