

Bahrain rides the wave: steady growth ahead

Bahrain economy to grow 3.3% in 2025, IMF says

- The fund also projects oil to trade between US\$60 and US\$70
- Fiscal deficit is expected at 10.7% in 2025, easing to 9.9% in 2026
- GCC oil output could rise by 4.2% in 2025 after the removal of OPEC+ limits
- Non-oil activity across the Gulf is forecast to grow 3.8%

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Bahrain's economy is set to expand 3.3% in 2025, the IMF says, as stronger oil output and steady non-oil



Representative image

activity support growth.

In its October report, Regional Economic Outlook: Middle East and North Africa, the fund raised GCC growth forecasts to 3.9% for 2025 and 4.3% for

2026. For Bahrain, it projects oil growth of 1.8% and non-oil growth of 3.6% next year.

Bahrain's fiscal deficit is expected to reach 10.7% of GDP in 2025, up slightly from 10.6%

in 2024, before easing to 9.9% in 2026. This assumes stronger oil revenues alongside ongoing efforts to rein in spending and improve public financial management.

Among GCC countries, growth rankings are expected as follows: UAE 4.6%, Qatar 4.4%, Saudi Arabia and Oman 3.6%, Bahrain 3.4%, and Kuwait 2.7%

Across the GCC, the removal of OPEC+ voluntary production limits is expected to boost oil output by around 4.2% in 2025. Consequently, oil prices are projected to trade between US\$60

and US\$70, averaging US\$69 next year and easing to US\$66 in 2026. The fund cautions that a rapid return of supply could push prices lower if demand softens, while geopolitical tensions or extra sanctions on Russia or Iran could temporarily drive prices higher, improving exporters' budgets and surpluses.

Non-oil activity to grow 3.8%

Non-oil activity in the region is projected to grow 3.8% in 2025, supported by economic reforms and efforts to diversify beyond oil. Among GCC countries, growth rankings are expected as follows: UAE 4.6%, Qatar 4.4%, Saudi Arabia and Oman 3.6%, Bahrain 3.4%, and Kuwait 2.7%.

Inflation is expected to continue easing through 2025 and 2026, as falling energy costs and lower import prices are reinforced by firm central bank policies. Most GCC countries are projected to settle between 1.7% and 2.0% in 2025, with readings near targets in 2026.

Parliament to vote on doubling tender caps, curbing Cabinet powers

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Parliament is set to vote on a bill that would double procurement tender caps and limit the Cabinet's authority to adjust them, as lawmakers consider broader changes to the procurement law on Tuesday.

The bill, attached to Decree 94 of 2024, raises the ceiling for ministries and authorities from BD25,000 to BD50,000 and for wholly state-owned companies from BD50,000 to BD100,000, while still requiring procuring bodies to submit quarterly purchase lists to the Tender Board. In addition to raising limits, the revisions introduce electronic auctions and tightly controlled post-tender nego-



The bill raises the ceiling for ministries and authorities from BD25,000 to BD50,000 and for wholly state-owned companies from BD50,000 to BD100,000

tiations, giving public bodies more flexibility while ensuring oversight and protecting public funds.

The Financial and Economic Affairs Committee backs the bill in principle but seeks to remove a clause that would allow the Cabinet to change these caps by decision. Revisions to disposal rules would allow public auctions to be conducted in person or online, with scope for the private sector to manage auction procedures under

the Executive Regulations. The draft also strikes the second paragraph of Article 33, which currently limits price negotiations to a narrow case, and removes Article 64, which applies tender rules to auctions. A closing clause brings the law into force the day after publication in the Official Gazette. The committee proposes dropping "2024" from the bill's title and accepts the preamble as drafted.

Two new articles would be added. One permits the Cabi-

net to exclude certain overseas contracts from the law where a procuring body has Board-approved internal rules and submits a list of such deals every three months for Board review. The other sets clear grounds for negotiation, subject to Board approval: a sole bid, the best-conditioned lowest-priced bid above the estimate, or talks with the top-scoring bid and any others within five per cent of its score. The Executive Regulations would define the steps and checks required.

The Tender Board argues that higher caps and controlled negotiations are needed in light of price swings and the realities of contracting abroad, saying the changes would help public bodies get better value while protecting public funds. The National Audit Office reports no constitutional issues, no conflict with existing laws, and no impact on its remit.

The Bahrain Chamber of Commerce and Industry supports the objectives but urges keeping a bar on price talks after bids are opened, warning that this could disadvantage firms that priced keenly from the start and undermine sealed bidding, particularly for small and medium-sized enterprises. The Bahrain Businessmen's Association backs the bill as a necessary update to procurement and sales rules.

US launches probe into China's compliance with 2020 trade pact

Washington, United States

The United States on Friday started an investigation into China's compliance with a 2020 deal that marked a truce in their trade war, days before President Donald Trump is due to meet his Chinese counterpart Xi Jinping.

The probe was launched in light of the Chinese government's "apparent failure to comply with the January 15, 2020" agreement, said the US trade envoy's office, and Washington could take further action in response.

The move "underscores the Trump Administration's resolve to hold China to its Phase One Agreement commitments," said US Trade Representative Jamieson Greer.

But it could further inflame tensions between the world's two biggest economies, with temperatures again rising in Trump's second presidency.

Trump has imposed sweeping duties on US partners since returning to the White House this year, and Washington and Beijing have engaged in tit-for-tat re-

taliation. At one point, tariffs on both sides reached triple digits, snarling supply chains. While both sides have de-escalated tensions, their truce remains shaky.

Washington has previously threatened to enforce China's compliance with the "Phase One" trade deal inked in 2020, which saw Beijing pledge to boost purchases of US products and services by hundreds of billions of dollars over 2020 and 2021.

But the target was not met amid the Covid-19 pandemic.

Among industries, China had pledged to step up purchases of US agricultural goods.

But fresh tensions this year saw Beijing hike tariffs on US agriculture products, including soybeans, hitting a key support base of Trump.

Chinese buyers also halted new soybean orders from the US autumn harvest, battering the sector. On Friday, Greer vowed to protect US farmers, ranchers and workers.

"Five years following entry into force, China's lack of compliance with the Phase One Agreement appears to have undermined the conditions of competition for US companies seeking to trade with and operate in China," the US-TR's office said in its notice.



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Bahrain has a bicameral parliament, consisting of the Council of Representatives (lower house) and the Shura Council (upper house). The Council of Representatives has 40 members elected by the public, while the Shura Council has 40 members appointed by the King.