

Hormuz Disruption Hits Bahrain Economy

Oil sector slump weighs on Q1 economy as non-oil activities continue to grow

- **GDP: Real GDP contracted 3.8% in Q1.**
- **Non-oil growth: Non-oil activities grew 2.2%.**
- **FDI: Inward FDI rose 2.6%**

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The national economy recorded strong performance in January and February 2026, before it was impacted in March 2026 due to the hostile Iranian aggression on the Kingdom.

Real GDP contracted by 3.8% year-on-year in the first quarter of 2026, mainly due to a sharp decline in oil activities following restrictions on maritime traffic through the Strait of Hormuz and scheduled maintenance.

According to preliminary national accounts data from the Information & eGovernment Authority, oil activities fell 37.2%, while non-oil activities grew 2.2% despite the impact of events in March.

At current prices, GDP declined 2.7%, with oil activities falling 31.1% and non-oil activities rising 1.9%.

Non-oil economy holds firm

Non-oil activities accounted for 90.1% of real GDP, with



Indicator	Q1 2026
Real GDP growth	-3.8%
Current-price GDP growth	-2.7%
Oil activity growth	-37.2%
Non-oil activity growth	+2.2%
Non-oil share of real GDP	90.1%
Inward FDI growth	+2.6%
Total FDI stock	BHD17.6bn
Financial & insurance sector growth	+8.6%
ICT Development Index	6th globally

nine of 13 sectors recording growth.

Financial and insurance activities were the largest contributor, accounting for 19.7% of GDP and growing 8.6%. Manufacturing contributed 14.6%, public administration 9% and construction 7%.

Bahrain scores global rankings

The report also highlighted Bahrain's performance in international economic and development indicators. The Kingdom ranked first globally in 67 indicators, while placing among the top five in 120 and top 10 in 206 indicators.

Bahrain ranked first globally in public-private partnerships, Islamic finance governance and attracting investments. It also rose three places to sixth globally in the 2026 ICT Development Index, covering 159 economies.



The perfume bottle on your dashboard is a lens

Interior Ministry officer explains how a car can reach 70 degrees in under an hour

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Hasan Barakat



Colonel Osama Bahar

Everyone has a perfume they like, and plenty of people keep one in the car. Colonel Osama Bahar of the Interior Ministry would like motorists to think about what that glass bottle can do when left in direct sunlight.

Start with the temperature. Park in direct sun when it is 35 degrees outside, he said, and within 15 to 30 minutes, the temperature inside the car can rise by another 15 degrees. Outside at 35, inside at 50.

Leave it for between half an hour and an hour and the temperature can rise by another 20 degrees. What was 50 becomes 70. In under an hour, a 35-degree day can produce a 70-degree cabin.

In a Bahraini summer, the starting point can be even higher. If the outside temperature is 40 or 45 degrees, those increases are added to an already extreme heat level.

Other factors can push the temperature further. A dark-coloured exterior absorbs more heat, while the colour and material of the seats, whether cloth or leather, can also affect how hot the interior becomes.

Then there is the bottle.

A glass container, including a perfume bottle, can act like a convex lens, focusing sunlight into a concentrated point. The heat generated at that point can become intense enough to ignite

flammable material.

Put the elements together and the risk becomes clear: strong sunlight, trapped heat, a cabin reaching extreme temperatures, focused sunlight and flammable material in the same



Ever leave perfume bottles or other glass containers exposed to direct sunlight inside a parked vehicle. A combination of extreme cabin temperatures and focused sunlight can create a fire risk.

area.

Colonel Bahar's advice is simple: do not leave perfume bottles or other glass containers inside a vehicle, particularly on the dashboard, during the summer.

Using a sunshade across the windscreen can also help prevent direct sunlight from entering the vehicle and reduce the amount of heat building up inside.

There is another reason to take the perfume bottle out. Prolonged exposure to high temperatures can affect the fragrance itself, meaning the perfume left in a hot car may not smell the way it did when it was bought.

Isa Town Park Upgrade Reaches 90%



Minister of Municipalities Affairs and Agriculture Wael bin Nasser Al Mubarak inspected Isa Town Park in Block 809, in the presence of Southern Municipal Council Chairman Abdullah Ibrahim Abdul Latif, Southern Municipality Director General Engineer Isa Abdulrahman Al Buainain, and Southern Municipal Council member Mubarak Faraj.

During the visit, the minister affirmed the ministry's continued efforts to implement plans to develop parks and public facilities, expand landscaping projects and increase green spaces across Bahrain. He said the initiatives aim to promote environmental sustainability and provide integrated facilities that meet the needs of citizens and residents.

Al Mubarak said 90 percent of the park's development project has been completed. Covering a total area of 7,551 square metres, the project includes rehabilitating and developing existing facilities, a 430-square-metre children's play area, and a 1,890-metre-long walking path.

The project also includes expanding green areas and increasing landscaping across 4,038 square metres, planting 210 trees, and providing 40 parking spaces. Construction works are scheduled to be completed in the fourth quarter of this year.

The minister said the development of Isa Town Park in Block

809 represents an important addition to the recreational and service facilities in the Southern Governorate, contributing to the provision of suitable spaces for different age groups while responding to the needs and aspirations of local residents.

He also stressed the ministry's continued implementation of service and development projects that support sustainable development goals, while praising the constructive cooperation with the Southern Municipal Council and its efforts to follow up on residents' needs.

Abdullah Ibrahim Abdul Latif expressed appreciation for the ministry's efforts in implementing service and development projects. He praised the park's design, which supports the expansion of green spaces and integrates them with the surrounding area while facilitating access.

Mubarak Faraj, member of the Southern Municipal Council's Second Constituency, stressed the importance of developing the park and praised the ministry's continued efforts to implement service and development projects that benefit citizens and residents and contribute to the improvement of residential areas.

Bahrain Building Bill Sets Work Curbs, Fines

New law proposes BD50,000 fines and stronger building controls

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Mohammed Darwish



Mohammed Moosa,
Chairman of Parliament's
Public Utilities and
Environment Committee

MPs will vote on a government-drafted Building Regulation Law that would replace Bahrain's 1977 building law and introduce stricter controls on construction.

The 54-article bill would give the minister power to set days and hours when construction work is prohibited. Authorities could also stop projects, order corrections or demolition, cancel licences and impose administrative fines of up to BD50,000.

Building without a licence, violating licence conditions, submitting false information or obstructing inspectors could result in fines of BD1,000 to BD20,000, imprisonment, or both. Com-

panies could face fines of up to twice the maximum.

The bill covers building permits, inspections, construction standards, completion certificates and unsafe buildings.

Applications could be submitted online, while engineering offices would play a key role in



checking designs and supervising work.

Most projects would require engineering supervision, with large developments potentially required to have qualified engineers on site.

Buildings could not normally be occupied or connected to public utilities before receiving a completion certificate.

Authorities would also have powers to inspect existing or abandoned buildings and order repairs, strengthening or demolition where necessary to protect lives and property.

The bill also allows suspected violations to be investigated without a formal complaint, with suspected crimes referred to the Public Prosecution.

Building Skills, Strengthening Citizenship

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Chief of Public Security Lt. Gen. Tareq bin Hassan Al Hasan visited the 16th Summer Camp organised by the Royal Police Academy as part of the national plan initiatives to strengthen national belonging and promote citizenship values under the "Bahrainuna" programme.

He praised the programmes and activities of the 16th edition, which are designed for children and young people and contribute to promoting citizenship, loyalty, belonging and tolerance, while encouraging teamwork, developing capabilities and identifying and positively nurturing talents.



The Chief of Public Security stressed the importance of making productive use of young people's free time through purposeful programmes and activities that contribute to building their personalities and developing leadership and life skills. He also highlighted the importance of promoting



self-reliance, teamwork and awareness of responsibility towards society, enabling young people to respond positively to future requirements and contribute effectively to serving the nation.

During the visit, Lt. Gen. Al Hassan toured programmes for male and female participants

and reviewed a number of activities and events. He also visited the "Imprints and Achievements" exhibition and watched a visual presentation titled "A Participant's Diary", while reviewing activities that showcase the knowledge, skills and experiences participants gain during the camp.