

Jobless fund income falls 38.5pc as MPs urged to reject accounts

Shift to short-term investments and rising payouts raise concerns over long-term sustainability

● Assets down 11% to BD546.4m, with securities value dropping 25% while deposits surged 77%

● Unemployment payouts jump, narrowing surplus between contributions and benefits

● Operating cash flow swings to BD77.7m outflow despite strong inflows from investment sales

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Net investment income at Bahrain's unemployment insurance fund fell



38.5% in 2024, prompting Parliament's Financial and Economic Affairs Committee to urge MPs to reject the audited accounts, citing weaker returns and long-term risks.

The Social Insurance Organisation (SIO) said the fund remains solvent and plans an

actuarial study in 2026. It noted that repeated withdrawals—including about BD200 million in recent years—and benefit changes forced a shift towards short-term investments, limiting returns.

Total assets fell 11% to BD546.4 million from BD614.9

million in 2023. Securities, still the largest component at 65.1% of assets, dropped 25% to BD355.8 million. Meanwhile, bank balances and term deposits surged 77.1% to BD129 million, now making up 23.6% of assets.

Net investment income de-

clined to BD13.95 million from BD22.69 million. Income from securities dropped sharply to BD1.27 million from BD9.66 million, while interest income slipped to BD12.51 million from BD13.74 million. Property income edged down to BD332,000 from BD357,000.

On the operational side, contributions fell 1.6% to BD876 million, while total benefits rose 17% to BD40.41 million. Unemployment compensation jumped 87% to BD6.55 million, and allowance payments increased 5% to BD32.17 million, reducing the surplus to BD47.19 million from BD54.41 million.

Cash flow weakened, with operating activities swinging from a BD3.96 million inflow in 2023 to a BD77.69 million outflow in 2024. Investing activities generated BD109.04 million, driven by BD323.3 million in securities sales against BD207.03 million in purchases. Cash reserves rose 89% to BD66.41 million.

Although net assets increased 15% to BD530.87 million due to a drop in liabilities to BD15.58 million, the committee said this masked underlying risks. It warned that rising payouts and lower returns could strain the fund, despite a clean audit from KPMG Fakhro.

Bahrain, Pakistan move to allow prisoners to serve terms at home

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A bill sent to Parliament would allow convicted Bahrainis and Pakistanis to serve prison terms in their home country under a transfer agreement signed between the two nations.

The draft law, referred under Decree No. 19 of 2026, has been assigned for initial review by Parliament's Foreign Affairs, Defence and National Security Committee. The agreement, signed in Bahrain on December 31, 2025, aims to regulate prisoner transfers, ensure proper enforcement of sentences, and support rehabilitation after release.

Under the 22-article pact, transfers may be requested by the prisoner or a legal representative, but require approval from both governments. The prisoner must be a citizen of the receiving country, with a final conviction and at least six months of the sentence remaining, unless an exception is agreed or the term is life im-



Representative image

prisonment. The offence must also be recognised as a crime in both countries.

Transfers are barred if they affect the sentencing country's sovereignty or security. Prisoners must give written consent, or be represented if unable to do so.

Once approved, the receiving country takes over enforcement of the remaining sentence, generally maintaining its type and

duration. Adjustments may be made only with prior consent and without increasing the penalty.

The agreement also covers pardons, sentence reductions, and reporting requirements. Bahrain's Ministry of Justice and Pakistan's Ministry of Interior will act as central authorities, with all communication conducted through diplomatic channels in English.

Tougher penalties proposed for blocking agricultural drains

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Blocking or damaging agricultural drains could soon carry tougher penalties under a new government bill before Parliament.

The draft law seeks to amend Bahrain's 1985 legislation on agricultural drains, introducing stricter punishments and wider powers for

authorities to act against violations. It also updates provisions to align with the current administrative structure.

According to the explanatory note, the changes aim to protect drainage systems, maintain the safe flow of water, and safeguard farmland and public interests. Authorities would be able to step in immediately to remove violations, reducing delays in

clearing blocked or damaged channels.

The bill contains five articles in addition to the preamble. It revises terminology in Decree-Law No. 4 of 1985, amends Article 9, and expands definitions under Article 1 with new clauses. It also introduces two new provisions—Article 8 bis and Article 8 bis (1)—with the final article setting out implementation.

New GCC tax rules to allow flexible excise levies

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Parliament is set to review a government bill ratifying amendments to the Gulf Co-operation Council (GCC) excise tax agreement, allowing greater flexibility in how the levy is calculated.

The proposed changes would permit excise tax to be applied as a percentage of a product's value, a fixed amount per unit, or a combination of both. The

explanatory memorandum says this aims to give GCC states more options in setting tax systems while supporting deeper economic integration.

The amendment also revises the definition of "value of excise goods," clarifying it as the value on which tax may be calculated, rather than strictly the value used.

Key articles of the agreement would be updated. Provisions on setting and adjusting tax rates—previously in Article 3—

would move to Article 6. The revised Article 6 would empower the GCC's Financial and Economic Co-operation Committee to determine how the tax is calculated. It also specifies that the taxable value is based on the retail price, excluding excise tax and value added tax.

Changes to Article 16 would give each member state authority to set payment rules, timelines and procedures for collecting the tax.

Public hospitals log 91,000+ foreign visits, over BD1 million in revenue

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Non-Bahraini patients made tens of thousands of visits to Bahrain's government hospitals and health centres in 2025, generating over BD1 million in revenue while continuing to rely on public healthcare services.

In a reply to MP Mahmood Fardan, the Health Ministry said hospitals recorded 91,503



Mahmood Fardan, MP

clinic and emergency visits by non-Bahrainis in 2025 (up to October), with 16,143 admitted for inpatient care. Patients stayed an average of four days, bringing in BD902,353.

The figures show a stable trend. Visits stood at 93,368 in 2024 and 91,363 in 2023, while inpatient numbers were 15,372 and 15,590 respectively. Revenue from hospital services reached BD1.37 million in 2024

and BD1.24 million in 2023, with average stays of five days in both years.

At primary healthcare centres, 18,039 non-Bahraini patients were treated in 2025, generating BD126,276. This marked a decline from 21,222 visits in 2024 and 27,767 in 2023, with revenues also falling over the same period.

The ministry also highlighted exemptions granted under the

2017 fee resolution. In hospitals, 16,795 patients were exempted in 2025, compared with 13,509 in 2024. At health centres, exemptions rose to 72,572. These apply to groups such as GCC nationals, families of Bahrainis, emergency cases, and certain humanitarian situations.

Fees are set under official resolutions and are being updated as part of the country's wider health insurance rollout.