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Leadership & AI

Bahrain's AI exposure runs through its banks

Nearly half of Bahrain's GDP sits in sectors exposed to AI. The exposure is narrower than Germany's, but it runs deeper, through the banks and government that carry the non-oil economy.

by Abdullah Madany and Dina El-Mekkawy

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Hesham Abbas for Consulting (HAC) is a management and quality consulting firm headquartered in Bahrain, working across Saudi Arabia, Bahrain, the wider GCC and Egypt. Founded by Hesham Abbas Medany, who brings more than 35 years of experience in quality and management systems, HAC helps organizations build operational excellence through ISO certification, process improvement, strategy and transformation, and leadership development. We work closely with a focused group of clients, from the region's leading food and beverage companies to government, education and tourism entities. For more information, please visit heshamabbasforconsulting.com.

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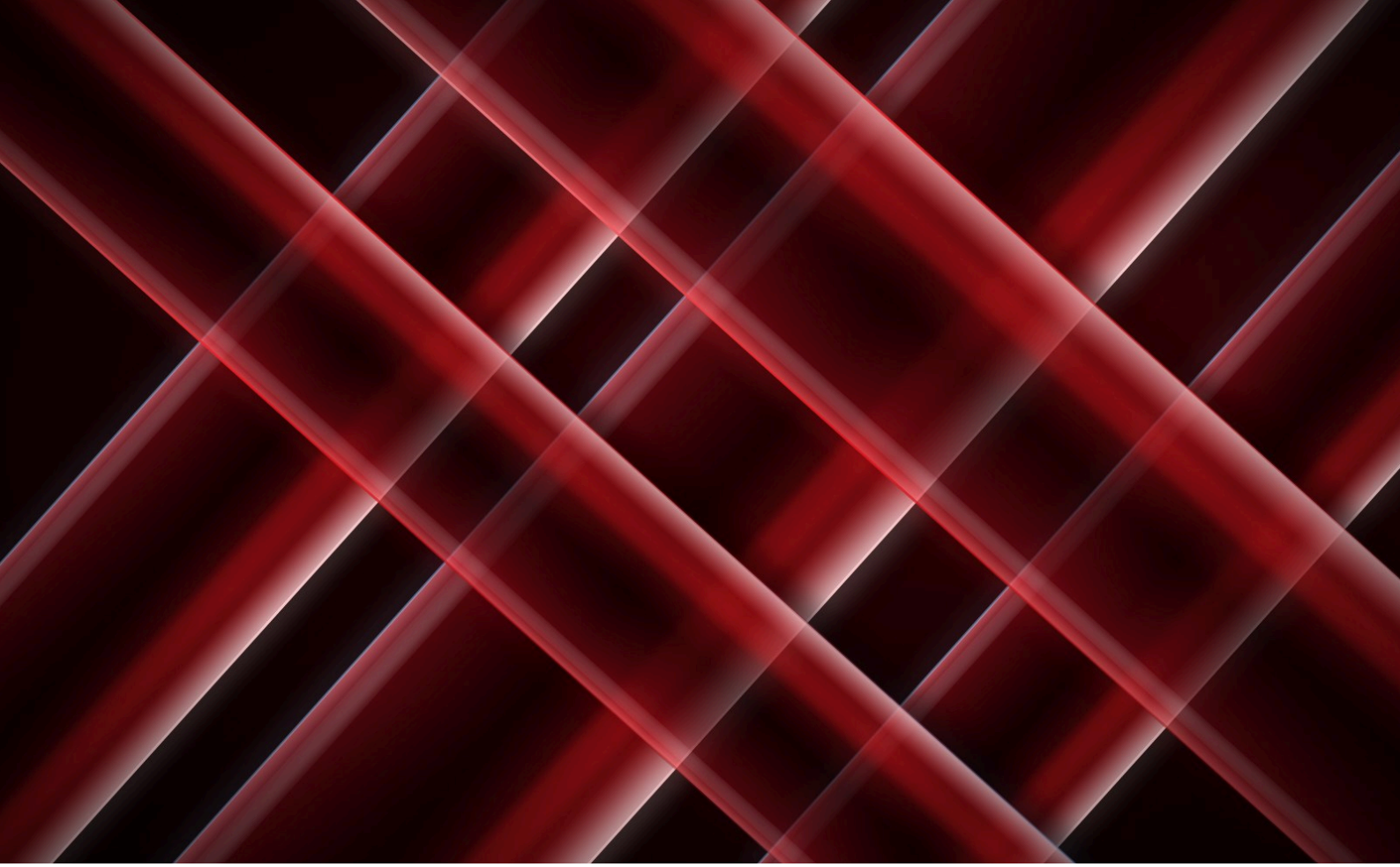


Introduction

AI is no longer a question of whether for Bahrain. Nearly half of the economy sits in sectors that AI is already reshaping, and the exposure runs through the sectors that carry the non-oil economy.

BCG's AI Maturity Matrix 2026 assesses more than 75 economies on two dimensions: how exposed each economy is to AI, and how ready it is to capture the value. BCG places Bahrain among its Exposed Practitioners, economies with relatively high exposure to AI and room to improve readiness.

To illustrate its exposure measure, BCG showed that nearly two-thirds of Germany's GDP sits in AI-exposed sectors. We applied the same lens to Bahrain, combining BCG's sector exposure scores with the Information & eGovernment Authority's 2025 national accounts.[1] This briefing answers four questions:

- Where does AI exposure sit in Bahrain's economy?
- How does Bahrain's exposure compare with Germany's?
- What does the exposure mean for each part of the economy?
- Where should business and government leaders start?

1. Gross value added at current prices, four quarters of 2025 (preliminary).

An economy's AI exposure depends on what it produces. BCG scores each sector from 0 to 100 for how much AI can change its work, then weights the scores by each sector's share of GDP. The scores are global: a bank in Manama and a bank in Frankfurt get the same score. What differs between economies is the size of each sector. (See the sidebar, "Key Concepts.")

That makes the exercise simple to repeat for Bahrain, and revealing. Bahrain's economy is built differently from Germany's. Oil, gas and metals weigh far more, and business services far less. Those differences decide how much of the economy AI reaches, and where.

We kept BCG's method intact: the same 13 sector groups, the same scores and the same cut for exposed sectors. Only the GDP weights change. (See Exhibit 1.)

KEY CONCEPTS

The following terms are used throughout this briefing:

Exposure estimates how far AI can automate tasks and redesign jobs in a sector. BCG scores 26 sectors, shown as 13 groups, on a scale of 0 to 100.

Exposed sectors are the six sector groups scoring above 50, the same cut as the box in BCG's exhibit for Germany. Their combined share of GDP is the economy's exposed share.

Exposed Practitioners is BCG's archetype for economies with relatively high exposure to AI and room to improve readiness. Bahrain is one of ten.

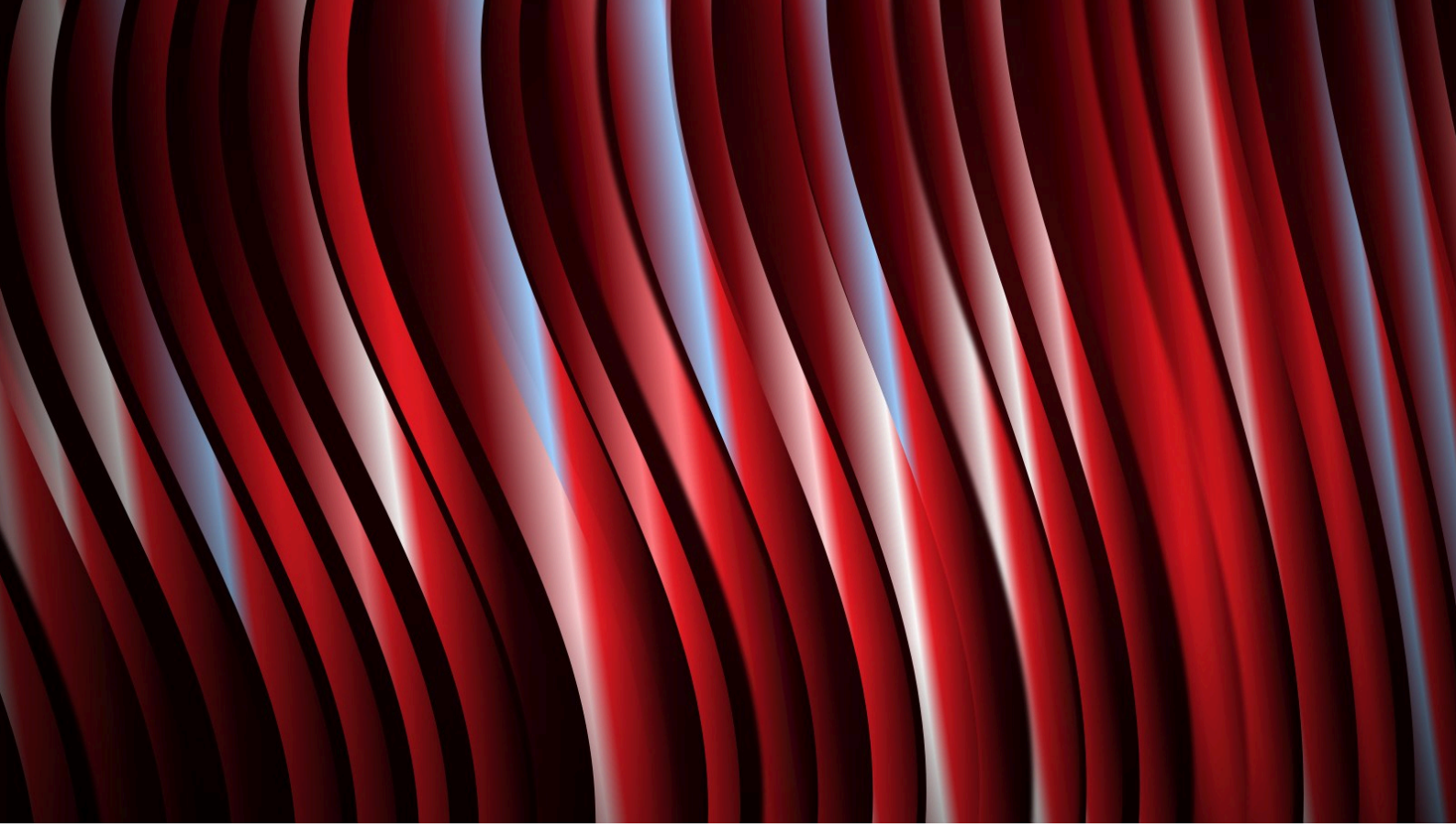
EXHIBIT 1

Three Signals and Bahrain's GDP Structure Make Up the Exposure Measure

33%	33%	33%	× GDP
Automation potential	**AI mentions**	**AI job postings**	**Sector size, Bahrain**
Task-level automation potential	Frequency and depth of AI discussion in quarterly earnings calls	AI-specific job vacancies on LinkedIn, by sector	Gross value added by sector, 2025
Substitution versus augmentation	More than 5,000 publicly listed companies	Snapshot as of April 2026	Mapped to BCG's 13 sector groups
Demand expandability			Manufacturing split estimated by HAC

Bahrain-specific inputs added by HAC

Sources: BCG, *The AI Maturity Matrix 2026*; Information & eGovernment Authority, Bahrain; HAC analysis.
Note: The three signals are weighted equally to give each sector a global score; the score is then weighted by each sector's share of GDP.



Nearly Half of Bahrain's Economy Is Exposed to AI

About 48% of Bahrain's GDP sits in the six sectors that BCG scores above 50 for AI exposure, against about 65% in Germany.

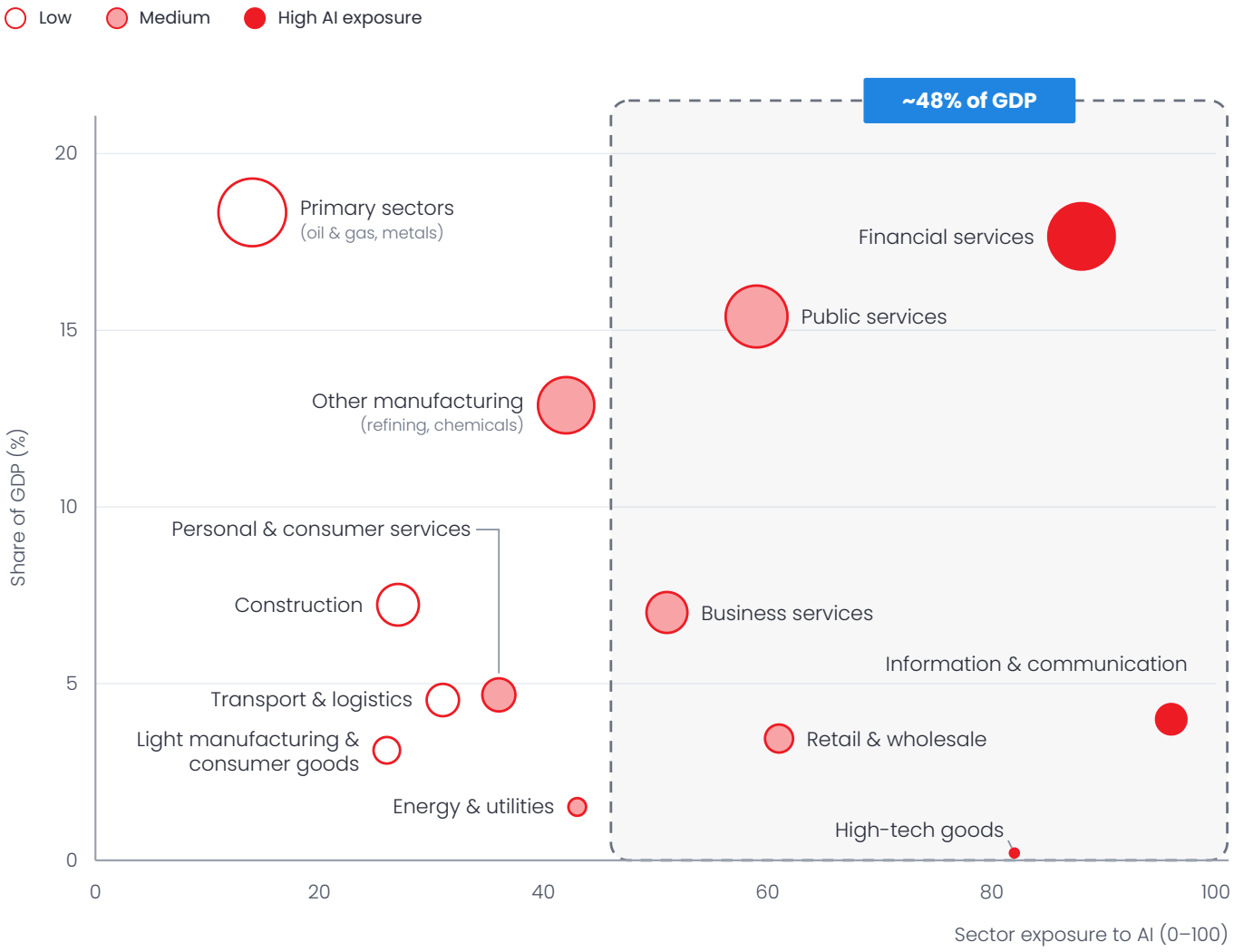
The exposed share is lower than Germany's for a structural reason. Oil, gas and metals make up 18.3% of Bahrain's GDP and score about 14, the lowest of any sector group. Refining and chemicals add another 12.9% below the line. In Germany, the same primary sectors are about 4% of GDP.

But the exposure that exists sits at the top of the scale. High-exposure sectors, with scores of 82 to 96, make up 22% of Bahrain's GDP, almost twice Germany's 12%. Financial services account for most of it: 17.7% of GDP, scoring about 88 out of 100.

Medium-exposure sectors inside the box add 26%. Public services are the largest of them at 15.4% of GDP, followed by business services, including real estate, at 7.0% and retail and wholesale at 3.4%. (See Exhibit 2.)

EXHIBIT 2

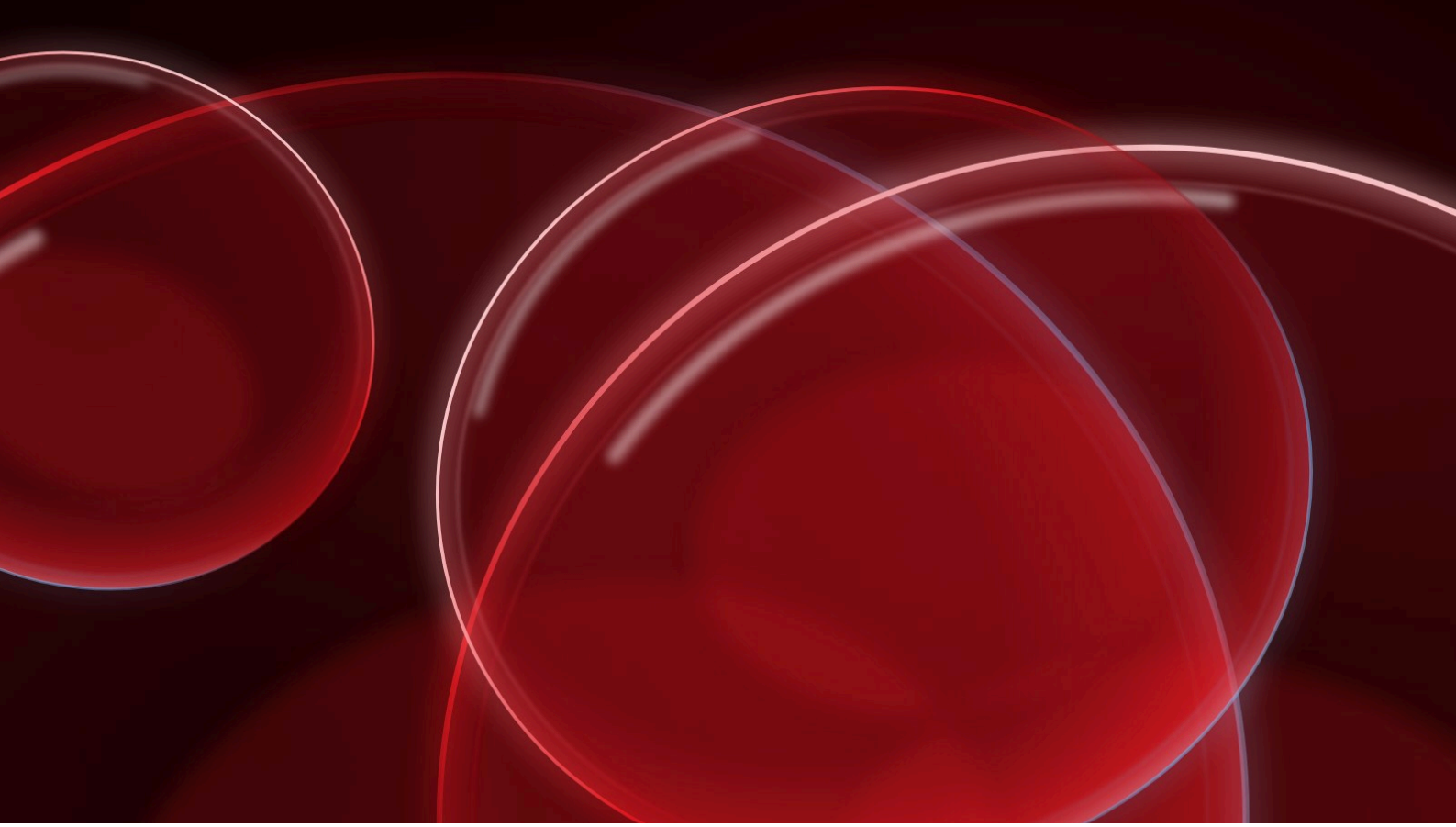
Nearly Half of Bahrain's GDP Sits in AI-Exposed Sectors



Sources: BCG, *The AI Maturity Matrix 2026* (sector exposure scores, read from BCG's exhibit for Germany); Information & eGovernment Authority, Bahrain (gross value added at current prices, 2025); HAC analysis.
Note: Bubble size shows each sector's share of GDP. The box holds the six sectors scoring above 50. Exposure scores are approximate. Primary sectors include agriculture, mining, oil and gas, metals and non-metallic minerals.

Finance and government hold a third of the economy. Two sectors, financial services and public services, account for 33% of Bahrain's GDP. Both sit inside the exposed zone: finance near the top of the scale, public services in the middle. That concentration is the defining feature of Bahrain's exposure. What happens to AI adoption in banking and government will decide most of the outcome.

Below the line is not the same as untouched. The sectors below the line, from oil and gas to construction, make up 52% of GDP. They score lower because less of their work is the kind AI can automate today, not because AI has no role. BCG expects exposure to broaden as physical AI and agentic systems advance. The gains there are operational: maintenance, energy use, quality and safety.



Exposure: Which Sectors Carry Bahrain's AI Exposure?

Two sectors carry most of Bahrain's AI exposure. Financial services lead on intensity, and public services on size.

Financial services are the exposure story. Banks, insurers and other financial firms score about 88, second only to information and communication. At 17.7% of GDP, the sector is more than four times its weight in Germany (3.9%). About 14,800 people work in it, almost 70% of them Bahraini, according to the Central Bank of Bahrain's 2025 manpower survey.

Public services are the largest medium-exposure block. Public administration, education and health score about 59 and make up 15.4% of GDP, a little below Germany's 19.7%.

Business services and trade are much smaller than in Germany. Business services, including real estate, are 7.0% of Bahrain's GDP against 23.3% in Germany, and retail and wholesale 3.4% against 10.3%. These are the sectors that give Germany its broad, medium exposure.

Information and communication score highest, at about 96, but make up 4.0% of GDP. (See Exhibit 3.)

EXHIBIT 3

Financial Services Carry Bahrain's Exposure; Primary Sectors Weigh Far More Than in Germany

Sector	Overall exposure to AI	Share of GDP, Bahrain, %	Share of GDP, Germany, %	Bahrain vs Germany, pp
Information and communication		4.0	6.2	-2.2
Financial services		17.7	3.9	**+13.7**
High-tech goods		0.2	1.5	-1.3
Retail and wholesale		3.4	10.3	-6.9
Public services		15.4	19.7	-4.3
Business services		7.0	23.3	-16.3
Energy and utilities		1.5	1.6	-0.1
Other manufacturing		12.9	11.6	**+1.2**
Personal and consumer services		4.7	4.9	-0.2
Transport and logistics		4.5	5.0	-0.4
Construction		7.2	3.0	**+4.2**
Light manufacturing and consumer goods		3.1	4.7	-1.6
Primary sectors		18.3	4.2	**+14.2**



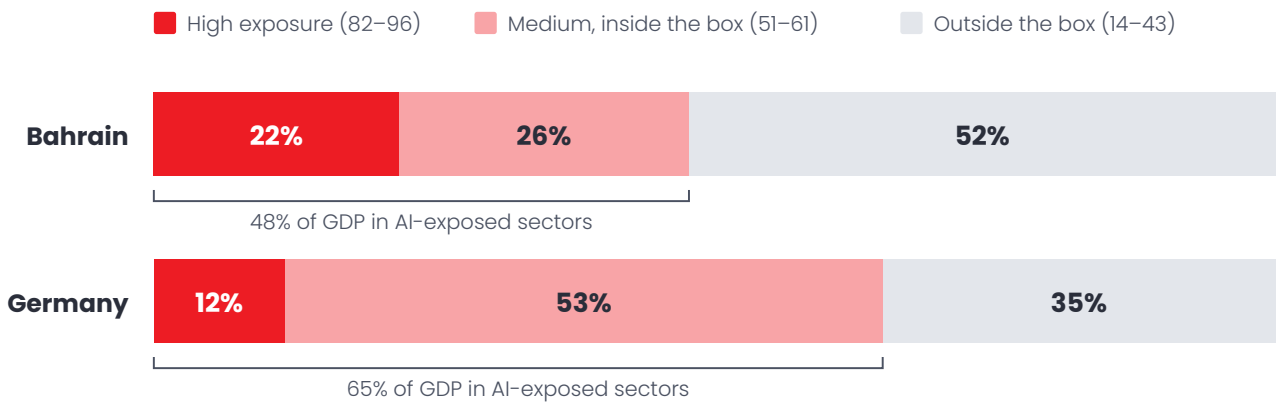
Sources: BCG, *The AI Maturity Matrix 2026* (exposure levels and German shares read from BCG's exhibit for Germany); Information & eGovernment Authority, Bahrain; HAC analysis.
Note: Germany's shares rescaled to sum to 100. pp = percentage points. Primary sectors include agriculture, mining, oil and gas, metals and non-metallic minerals.

Bahrain's economy tilts to both ends of the scale. Compared with Germany, Bahrain has more of its GDP in the most exposed large sector, finance, and far more in the least exposed, oil, gas and metals. The middle of the scale, where business services and trade sit, is thinner.

Refining and chemicals sit just below the line. Other manufacturing, mostly refining, petrochemicals and related industries, scores about 42 and makes up 12.9% of GDP. It is the largest sector group close to the cut, and the one most likely to move up as industrial AI matures.

EXHIBIT 4

Bahrain Has Less GDP in Exposed Sectors Than Germany, but Almost Twice the Share in High-Exposure Ones



Sources: BCG, *The AI Maturity Matrix 2026*, and BCG's exhibit for Germany (shares rescaled to sum to 100); Information & eGovernment Authority, Bahrain; HAC analysis.

Narrower than Germany, and sharper. Germany's 65% is spread across medium-exposure services; business services alone are 23% of its GDP. Bahrain's 48% is concentrated: high-exposure sectors make up 22% of GDP, against Germany's 12%.

The average hides the difference. Weighted across the whole economy, the two countries land close together on our calculation: an average exposure score of 49 for Bahrain and 52 for Germany. The difference is where the exposure sits.

One sector carries over a third of Bahrain's exposed share. Financial services make up 37% of the 48%. In Germany, the largest contributor, business services, makes up about a third of the 65%, and the rest is spread more widely.

In Germany, exposure is wide and moderate. Most of it comes from business services, public services and trade, sectors made up of many firms and many kinds of roles.

In Bahrain, it is narrow and deep. It runs through finance and government, two of the largest parts of the non-oil economy. That makes the response more concentrated too: a small number of institutions will shape most of the outcome.

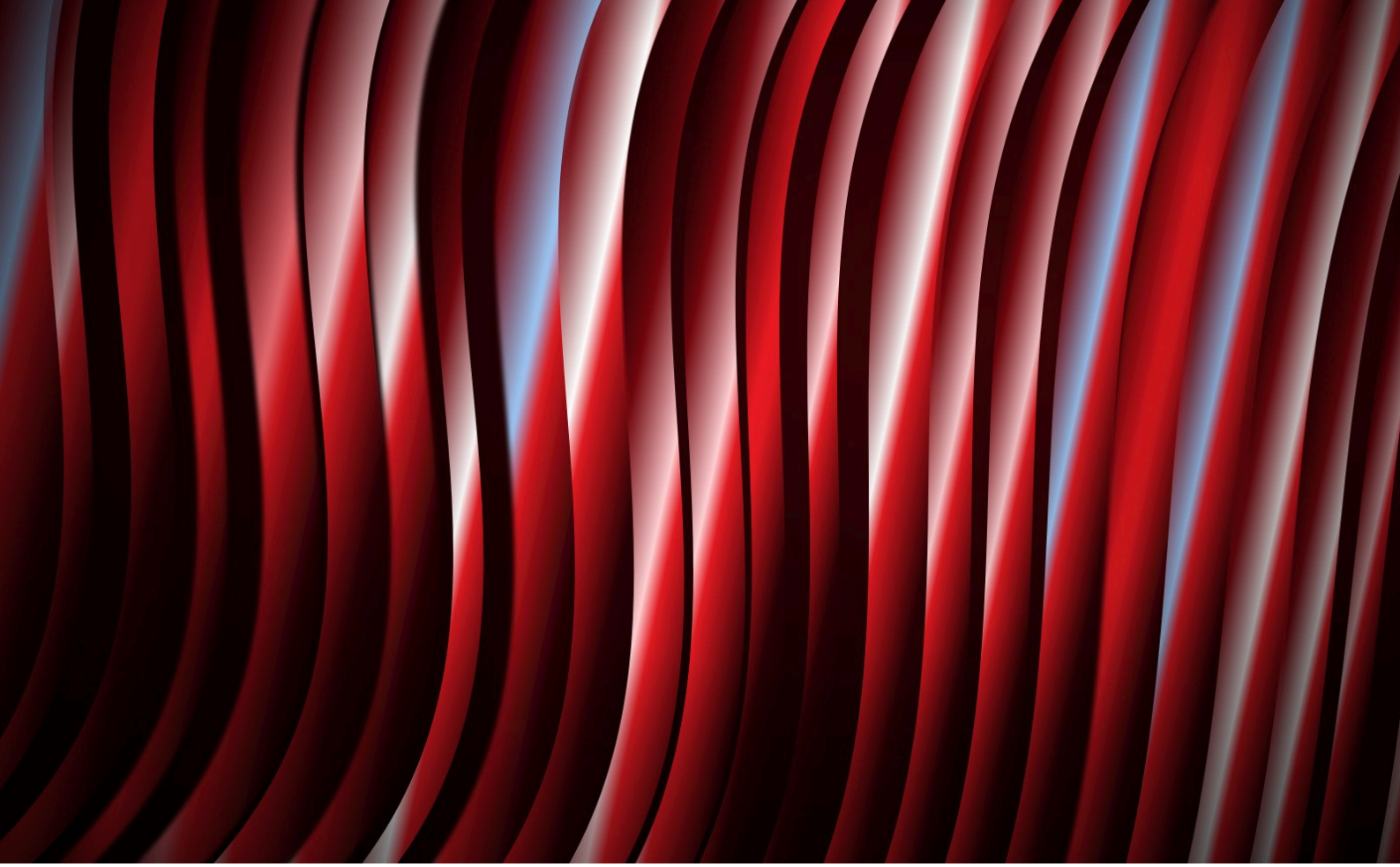
The medium-exposure zone is half the size. Sectors scoring between 51 and 61 make up 26% of Bahrain's GDP, against 53% in Germany. That is the main reason Bahrain's exposed share is lower.



WHAT THE COMPARISON DOES NOT SHOW

Exposure is only half of BCG's matrix. On readiness, BCG places Germany among its Steady Contenders, economies with high exposure and high readiness to adopt AI, and Bahrain among its Exposed Practitioners, with room to improve readiness. For Bahrain, the gap that matters is therefore less about how much of the economy AI reaches, and more about how quickly the institutions that carry the exposure can put AI to work.

Bahrain's exposure to AI is not spread thin. It runs through the institutions that carry the non-oil economy, and that is where readiness has to come first.



Where to Begin?

Exposure tells leaders where AI will reach first. Readiness decides whether that reach turns into value.

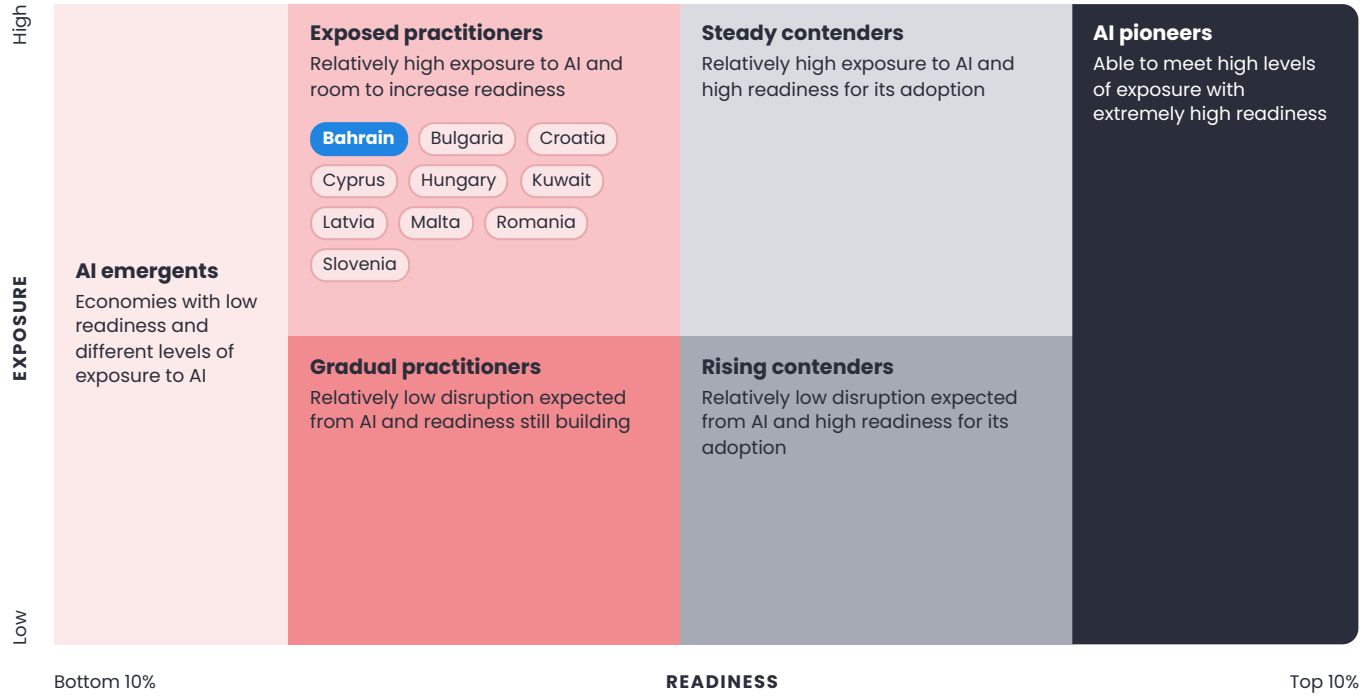
BCG places Bahrain among its Exposed Practitioners: ten economies in the upper-middle readiness band, with high exposure concentrated in service-export and specialized industrial sectors. The other nine are Bulgaria, Croatia, Cyprus, Hungary, Kuwait, Latvia, Malta, Romania and Slovenia. (See Exhibit 5.)

BCG highlights Bahrain's national AI policy, which makes awareness and education a pillar and commits to train roughly a third of the Bahraini workforce in AI by 2030. BCG describes it as a pragmatic, value-focused initiative for an economy whose high-exposure industries, such as financial and insurance services, are its largest non-oil sectors.

For organizations, the right response depends on where they sit on the exposure chart. We look at four parts of the economy in turn: financial services; government and public services; business services, real estate and trade; and industry, energy and construction.

EXHIBIT 5

Bahrain Is an Exposed Practitioner: High Exposure, Room to Improve Readiness



Sources: BCG, *The AI Maturity Matrix 2026*; HAC analysis.

Financial Services

(Banks, insurers and other financial firms | 17.7% of GDP | exposure score about 88)

The sector that carries the exposure. AI is likely to reach credit decisions, compliance checks, customer service and operations first. With almost 70% of its 14,800 employees Bahraini, the sector's AI plans are also workforce plans.

- **Start with two or three use cases** where the value can be measured.
- **Put model and data governance in place** before scaling.
- **Plan the reskilling** of the Bahraini workforce that carries the sector.

Government and Public Services

(Ministries, schools and hospitals | 15.4% of GDP | exposure score about 59)

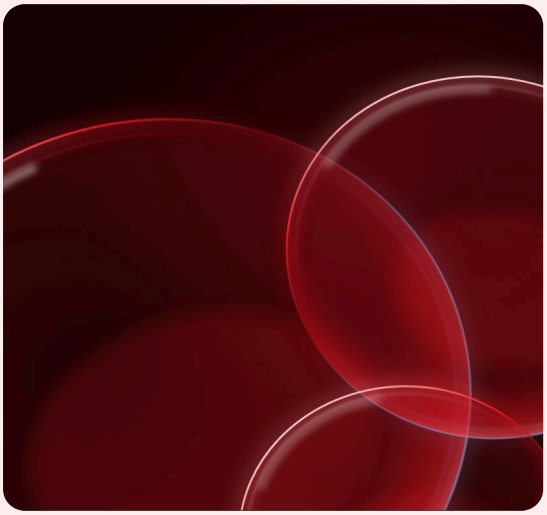
The largest medium-exposure block. Bahrain's National AI Policy, launched in 2025 by the Information & eGovernment Authority, sets out principles for AI use and plans training for public sector staff. The gains are in casework, service delivery and back-office processing.

- **Redesign high-volume casework** and citizen services around AI.
- **Train staff alongside the rollout,** not after it.
- **Bring suppliers in early:** the gains extend to the companies that serve government.

WHAT BAHRAIN HAS ALREADY PUT IN PLACE

Bahrain starts its AI journey with three assets that matter for the sectors carrying its exposure.

1. **National AI Policy.** Launched in 2025 by the Information & eGovernment Authority, it sets out principles for AI use and plans training for public sector staff.
2. **A workforce target.** According to BCG, the policy's awareness and education pillar commits to train roughly a third of the Bahraini workforce in AI by 2030.
3. **A national financial workforce.** The Central Bank of Bahrain's 2025 manpower survey counts about 14,800 people in the financial sector, almost 70% of them Bahraini.



Business Services, Real Estate and Trade

(Business services, real estate, retail and wholesale | 10.4% of GDP | scores of 51 to 61)

Many small players. These sectors are dominated by SMEs. The quick wins are in documentation, customer response, pricing and reporting. The risk is waiting while larger competitors and regional rivals move first.

- **Pick one process per function** and automate its routine parts.
- **Use proven, off-the-shelf tools** before building anything.
- **Track time saved and errors avoided** from the first month.

Industry, Energy and Construction

(Oil and gas, metals, refining and chemicals, construction and utilities | about 40% of GDP | scores of 14 to 43)

Operational AI. Sitting below the line does not make AI irrelevant here. The gains are operational, in maintenance, energy use, quality and safety, and they run best through the management systems these plants already use.

- **Start with data you already collect** on maintenance, energy and quality.
- **Run AI through existing ISO 9001, ISO 14001 and ISO 45001 systems.**
- **Use ISO/IEC 42001** to govern AI alongside ISO/IEC 27001.

FIVE QUESTIONS FOR YOUR LEADERSHIP TEAM

1. **Value.** Which of our processes sit in the most exposed part of our sector, and what would doing them faster and better be worth? Start where the gain can be measured in time, cost or revenue.

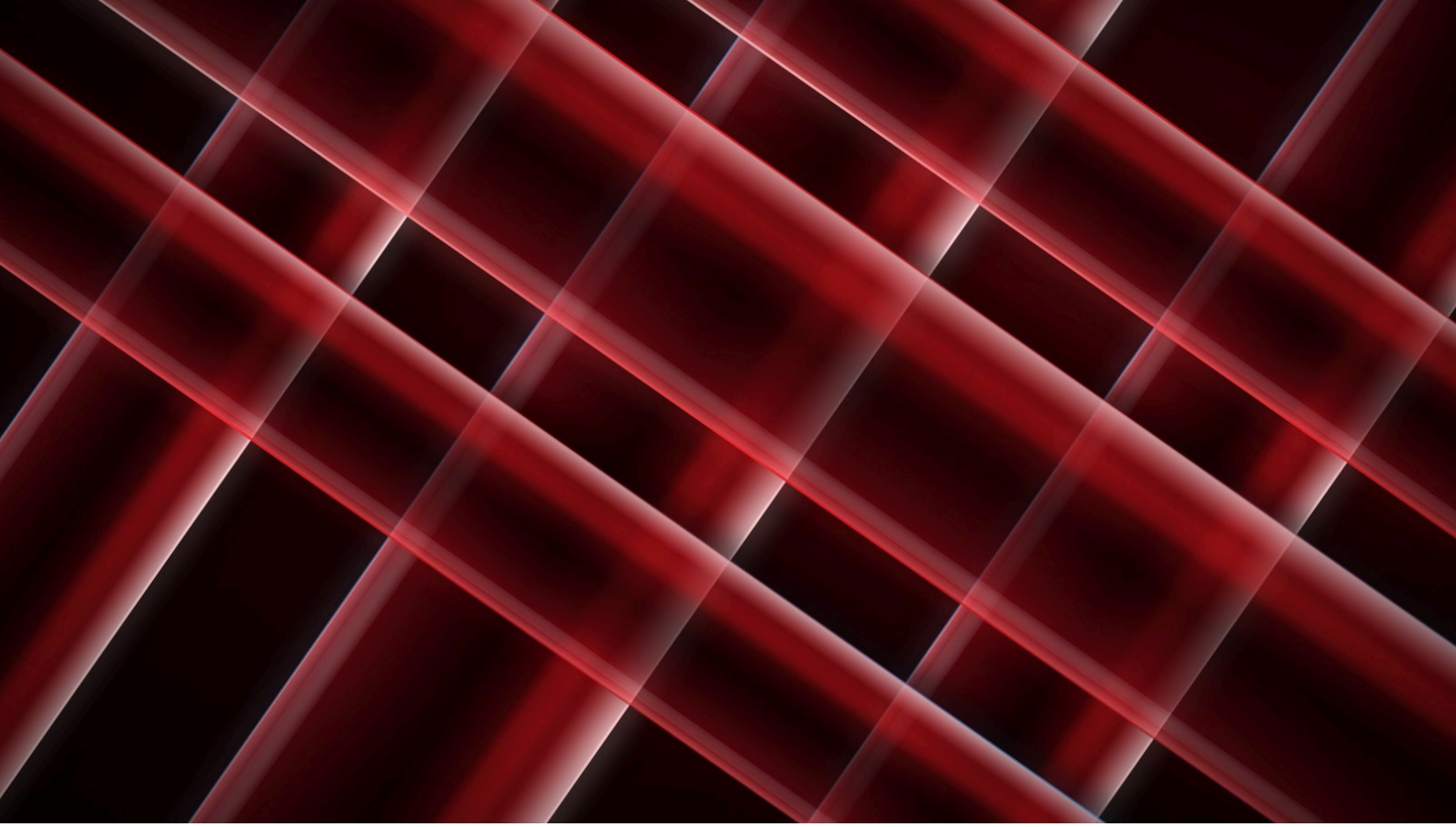
2. **Ownership.** Who owns the value from AI in our organization, not just the AI projects? Projects end; value needs an owner in the business who answers for it.

3. **Controls.** What data, governance and controls must be in place before we scale anything? In regulated sectors such as banking, governance comes before scale, not after it.

4. **People.** Which roles will change first, and what is our reskilling plan for the people in them? Exposure changes tasks first, so plan for the people doing them before the tools arrive.

5. **Pace.** Are our competitors, suppliers and regulators moving faster than we are? In an exposed economy, waiting is also a decision.





Which Strategic Plays Are Open from Here?

BCG's play for Exposed Practitioners is concentrated bets. For Bahrain, the bets largely pick themselves.

BCG's advice for Exposed Practitioners is to pick a few sectors for fast adoption, retool the workforce into AI-orchestrated roles, and invest in governance, skills and infrastructure.

In Exhibit 6, we translate that advice into a path for each part of Bahrain's economy. Below we set out the order we would follow.

Finance first. It is the most exposed large sector, it employs a mostly Bahraini workforce, and it already works under detailed regulation, which makes governance a natural starting point.

Government second. Public services are the largest medium-exposure block, and the National AI Policy has already set the principles and the training plan.

Industry through its management systems. Below the line, the plays are operational and run through the systems plants already use.

EXHIBIT 6

Differentiated Paths Forward for Each Part of Bahrain's Economy

		U	G	S	P	M
Financial Services 17.7% of GDP | High exposure **Measured bets**	Start with two or three use cases where value can be measured; put model and data governance in place before scaling; plan reskilling.	●●●	●●●	●●●	●●○	●●○
Government and Public Services 15.4% of GDP | Medium exposure, inside the box **Service redesign**	Redesign casework, service delivery and back-office processing; train staff alongside the rollout; bring suppliers in early.	●●○	●●○	●●●	●●●	●○○
Business Services, Real Estate and Trade 10.4% of GDP | Medium exposure, mostly SMEs **Quick wins**	Automate documentation, customer response, pricing and reporting with proven tools; measure time saved from the first month.	●●●	●○○	●●○	●●●	●○○
Industry, Energy and Construction About 40% of GDP | Below the line **Operational AI**	Apply AI to maintenance, energy use, quality and safety through existing management systems; govern it with ISO/IEC 42001.	●●○	●●○	●●○	●●●	●●●

U Use cases **G** Governance **S** Skills **P** Process redesign **M** Management systems

●●● Drive ●●○ Support ●○○ Sustain

Source: HAC analysis.

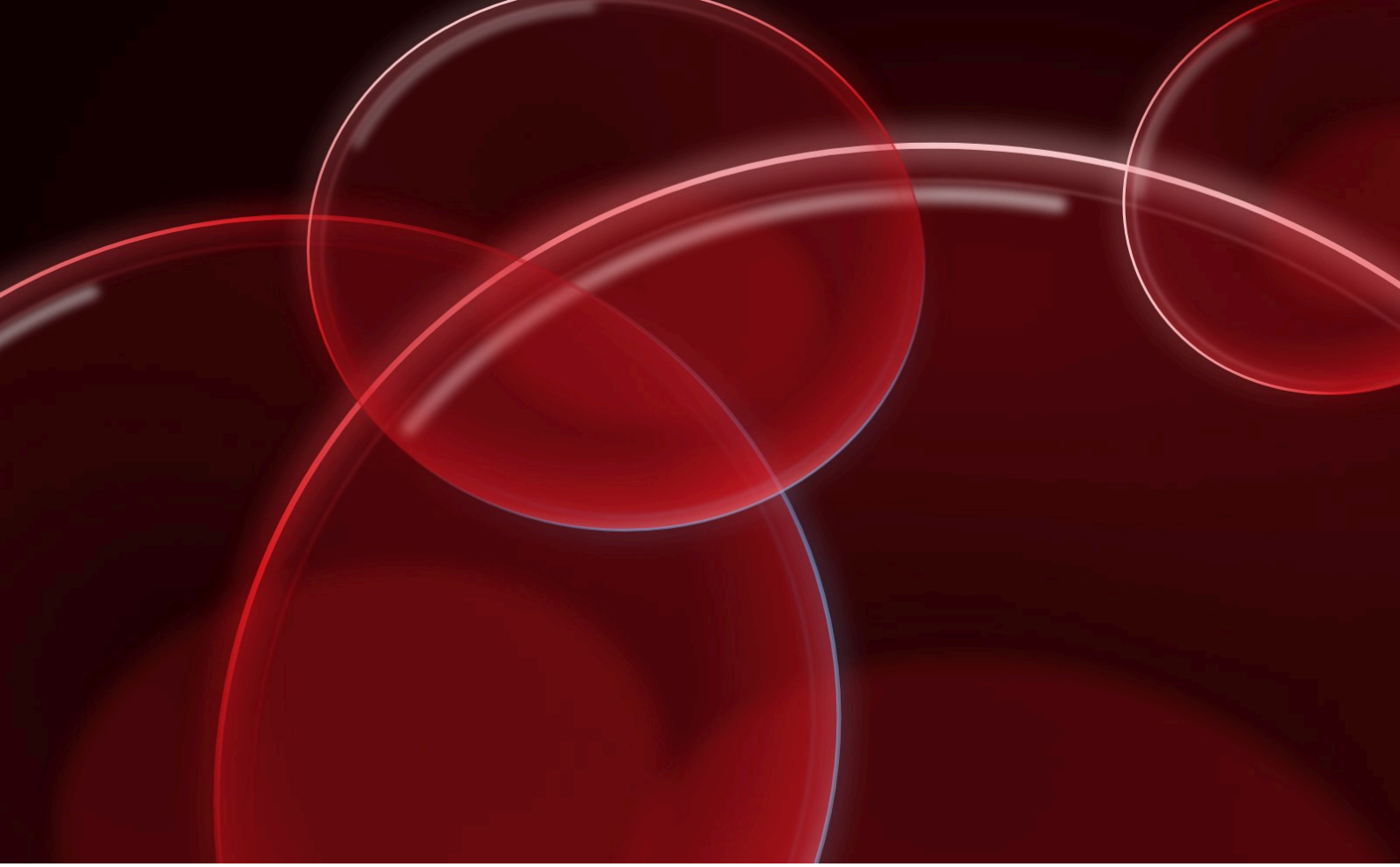
Use cases: Start where value can be measured. Two or three use cases with a clear owner and a baseline beat a broad pilot program. Measured results build the case for the next wave.

Governance: Set the rules before scaling. Model, data and access controls are cheaper to build in than to retrofit, especially in regulated sectors such as banking.

Skills: Train the people whose tasks change first. Exposure changes tasks before it changes jobs, so training should follow the work, not the org chart.

Process redesign: Change the work, not just the tools. The gains come from redesigning the process around AI, not from adding AI to the old process.

Management systems: Use what is already there. ISO/IEC 42001 sets out an AI management system that sits alongside ISO 9001 and ISO/IEC 27001, so organizations can govern AI through the systems they already run, with the same audits, owners and records.



Conclusion

Exposure is the starting point. Readiness is the work.

Nearly half of Bahrain's economy sits in sectors exposed to AI. The exposure is narrower than Germany's, but it runs deeper, and it runs through finance and government, the institutions that carry the non-oil economy.

We used 2025 because it is the last full year before the Hormuz shutdown distorted output; the IMF expects Bahrain's economy to shrink 11.3% this year. The 2025 structure is the one Bahrain will rebuild from, and the sectors that carry its AI exposure will matter as much in the recovery as they did before it.

For leaders, the agenda is clear: concentrate on the few places where exposure is highest, put governance and skills in place before scaling, and run the operational gains through the management systems that already exist. (See the sidebar, "A Note on Jobs.")

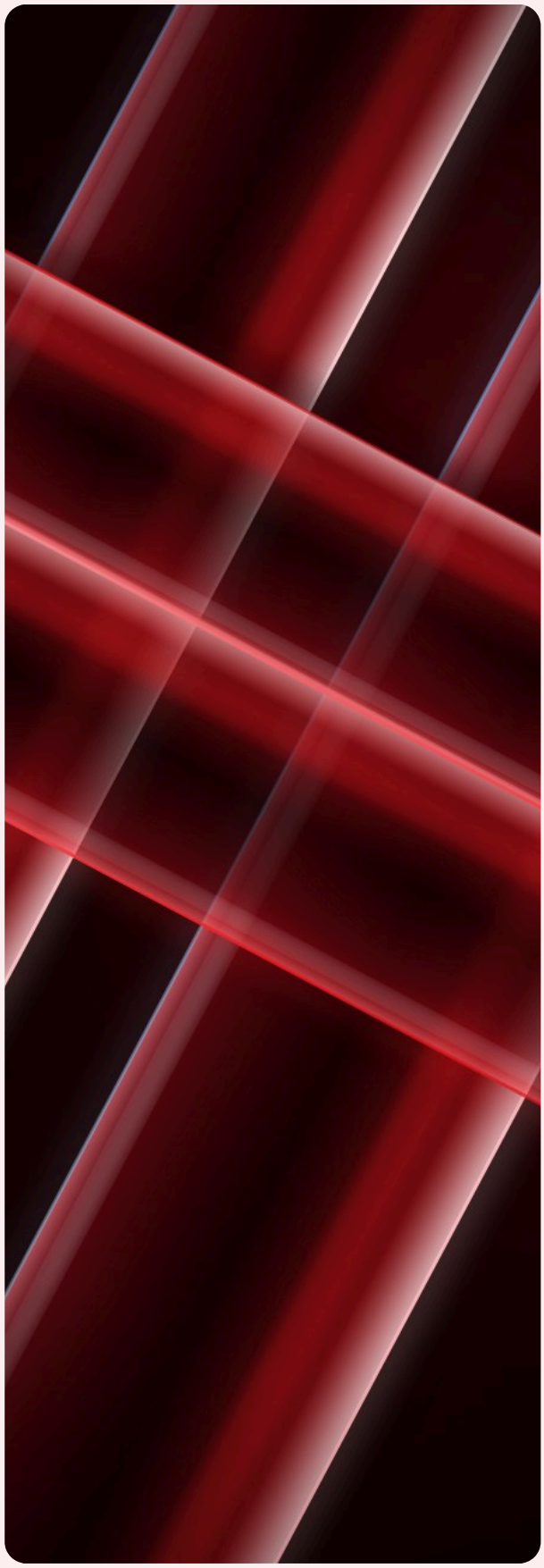
A NOTE ON JOBS: EXPOSURE IS NOT THE SAME AS JOB LOSS

BCG describes AI exposure as the automation of tasks and the redesign of jobs in a sector. It measures how much the work can change, not how many jobs will go.

In the exposed sectors, AI reshapes tasks first: drafting, checking, summarizing, answering routine queries. Roles change as those tasks move. Whether that leads to fewer jobs, different jobs or more productive ones depends on choices organizations make.

In our view, high exposure is not on its own a forecast of job losses. The gains go to organizations that redesign the work around AI and train their people to use it, which is why readiness matters more than exposure.

For Bahrain, this has a national dimension. The most exposed large sector, financial services, employs a workforce that is almost 70% Bahraini. That makes the national commitment to train roughly a third of the workforce in AI by 2030 directly relevant to the sector.



Our Methodology

We applied BCG's sector-level AI exposure scores to Bahrain's 2025 national accounts, using the same 13 sector groups and the same cut for exposed sectors as BCG's exhibit for Germany.

AI Exposure: Scores and Sources

Exposure Scores. BCG's AI Maturity Matrix 2026 scores 26 sectors, shown as 13 groups. Each score blends three equally weighted sources: the BCG Institute's automation potential scores, Quid analysis of AI discussion in the earnings calls of more than 5,000 listed companies, and AI-specific LinkedIn job postings. The scores are global, the same in every economy.

Reading the Scores. BCG does not publish the sector scores as a table. We read approximate values from BCG's exhibit for Germany, which plots each sector group's score against its share of GDP.

Exposure Levels. We group the scores into three levels, consistent with the colour coding in BCG's exhibit: high (67 and above), medium (34 to 66) and low (33 and below). Exposed sectors are the six groups scoring above 50; no group scores between 43 and 51, so the cut is unambiguous.

Bahrain: GDP Structure and Mapping

GDP Structure. Information & eGovernment Authority, gross value added by ISIC section at current prices, four quarters of 2025 (preliminary). Total gross value added was BHD 17.6 billion.

Mapping. We mapped ISIC sections to BCG's sector groups (see the table that follows). Bahrain does not publish manufacturing value added by industry, so we estimated the split: 22% metals and minerals, 15% light manufacturing, 1% high-tech goods and 62% other manufacturing, based on Alba's 2025 results and UNIDO data via the World Bank. The split barely affects the headline: of the estimated groups, only high-tech goods (0.2% of GDP) sits inside the box.

Calculations. The exposed share is the sum of the GDP shares of the six exposed sector groups. The economy-wide average is the GDP-weighted mean of the sector scores: 49 for Bahrain and 52 for Germany. German shares were read from BCG's exhibit and rescaled to sum to 100.

Timing. We used 2025, the last full year before the Hormuz shutdown.

Sector Mapping, 2025

SECTOR GROUP	ISIC SECTIONS (IGA)	EXPOSURE	GVA, BHD M	BAHRAIN	GERMANY
Information and communication	J Information and communication	High · box	704	4.0%	6.2%
Financial services	K Financial and insurance activities	High · box	3,114	17.7%	3.9%
High-tech goods	C Manufacturing (est. 1%)	High · box	37	0.2%	1.5%
Retail and wholesale	G Wholesale and retail trade	Medium · box	608	3.4%	10.3%
Public services	O Public administration; P Education; Q Health	Medium · box	2,713	15.4%	19.7%
Business services	L Real estate; M Professional; N Administrative	Medium · box	1,237	7.0%	23.3%
Energy and utilities	D Electricity and gas; E Water and waste	Medium	266	1.5%	1.6%
Other manufacturing	C Manufacturing (est. 62%)	Medium	2,271	12.9%	11.6%
Personal and consumer services	I Accommodation and food; R Arts; S Other services; T Households	Medium	826	4.7%	4.9%
Transport and logistics	H Transportation and storage	Low	800	4.5%	5.0%
Construction	F Construction	Low	1,275	7.2%	3.0%
Light manufacturing and consumer goods	C Manufacturing (est. 15%)	Low	549	3.1%	4.7%
Primary sectors	A Agriculture; B Mining, incl. oil and gas; C Manufacturing, metals and minerals (est. 22%)	Low	3,233	18.3%	4.2%
Total	**All ISIC sections**		**17,633**	**100.0%**	**100.0%**

Sources: Information & eGovernment Authority, Bahrain; BCG, *The AI Maturity Matrix 2026*; HAC analysis.
Note: GVA = gross value added at current prices; est. = HAC estimate of the share of manufacturing value added. Shares may not add up because of rounding.

Limitations

Approximate Scores. Scores read from a chart carry a margin of a point or two. No sector sits close enough to the cut for this to change the exposed share.

Global Scores. The same score applies in every economy. National differences in adoption, regulation and skills are what BCG's readiness measure captures, and they are not part of this exposure analysis.

One Year. The analysis uses the 2025 structure of the economy. The shutdown will change sector shares in 2026; the pattern of exposure is unlikely to change.

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