

Economic stability in the GCC countries: A comparative study of the Kingdom of Bahrain and Sultanate of Oman

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Abstract: The present study focuses on economic stability in Gulf Cooperation Council (GCC) countries with special emphasis on the economy of Kingdom of Bahrain and Sultanate of Oman. This study is an attempt to examine Gross Domestic Product (GDP), per capita, unemployment, inflation, and interest rates in the Kingdom of Bahrain and Sultanate of Oman. The fluctuation in oil and gas prices affects the growth and development of economies the Gulf Cooperation Council to maintain stability and continuous growth. The present research investigates the major economic indicators like GDP growth, inflation rates, and unemployment rates to assess the resilience of the economies of the Kingdom of Bahrain and the Sultanate of Oman. It also examines the effects of diversification initiatives on the long-term economic stability of Bahrain and Oman, including Vision 2030 and investments in non-oil sectors. By examining both historical trends and current policy frameworks, it provides insights into the strategies that Bahrain and Oman should employ to reduce risks and enhance economic resilience in an increasingly unpredictable global economy. The results emphasize the importance of strategic planning and regional collaboration in promoting long-term economic growth and stability in the Kingdom of Bahrain and the Sultanate of Oman.

Keywords: Bahrain, Economic stability, Gulf cooperation council, GDP, Inflation, Investment, Oman.

1. Introduction

The Kingdom of Bahrain and Sultanate of Oman are the emerging economies in Gulf Cooperation Council (GCC). Members of the Gulf Cooperation Council (GCC) are extremely concerned about economic stability because of the region's heavy reliance on oil income and the ongoing volatility of world oil prices [1]. Because Bahrain and Oman have diverse economic systems, diversification initiatives, and reactions to external shocks, they make for an intriguing comparative study in this field [2]. Despite their long-standing reliance on oil exports, Bahrain and Oman's economies have developed differently. Because of its relatively small oil reserves, Bahrain has focused its diversification efforts on industry, tourism, and financial services [3]. On the other hand, Oman has invested heavily in tourism and infrastructure to boost its ability to produce oil Babu and Taqi [4]. GDP growth, inflation, and unemployment rates are important economic indicators that shed light on the state of the economies of both countries. Bahrain's economy used to grow at comparatively faster rates, but it also had to deal with issues like inflation and a large national debt [5]. Like other countries, Oman has experienced fiscal deficits, but it has shown resilience by making wise investments outside of the oil sector [6]. Each nation's economic stability is greatly influenced by the fiscal and monetary policies it has implemented. Bahrain has strengthened its financial position by implementing several policies, including tax and subsidy cuts [7]. Oman has attempted fiscal shortage as well, but it has had difficulty striking a balance between the necessity for economic reform and social spending. It is crucial to appreciate these policy frameworks to understand how each nation handles economic stresses. Both Oman and Bahrain are vulnerable to external economic shocks, particularly those resulting from shifts in the price of oil and geopolitical instability in the region [8, 9]. Recent changes in the global economic landscape, which are

marked by shifting trade patterns and fluctuating oil prices, have brought attention to the need for resilience and adaptation. This study looks at how each country has responded to these problems, highlighting both successful and unsuccessful strategies. One of the most important elements of both nations' long-term stability plans is the drive for economic diversification. Bahrain has made great strides in expanding its banking industry and tourism economy, while Oman has focused on fortifying its industrial base and attracting foreign investment [10].

2. The Economic Growth of the Kingdom of Bahrain and Sultanate of Oman

Falling oil prices and high interest rates have hurt borrowing and spending, causing Bahrain's economic growth in 2023 to decelerate to 2.5 per cent from a well-above-trend of 4.9 per cent in 2022. Given the apex of the monetary policy tightening cycle, the government's ongoing commitment to development projects, and the persistently high price of oil, growth in non-oil activity should be roughly stable at 3 per cent. Following slowness in 2023, a modest increase in inflation (+1.5 per cent) and credit growth (+2.4 per cent) could result from a respectable expansion in non-oil GDP.

Sultanate of Oman: After a projected decline to 1.5 per cent in 2023, Oman's GDP growth could reach 3.0 per cent in 2024 because of the government's Vision 2040 economic diversification initiatives and higher oil production. Non-oil GDP growth is anticipated to improve to 2.7 per cent from 2.4 per cent in 2023 due to higher output from the construction industry, a potential boost in tourism, and refining gains linked with the ramping up of the OQ8 Duqm refinery, albeit slightly constrained by the ongoing need for fiscal conservatism. Oman's real GDP expanded 1.7 per cent yearly in Q1 2024, helped by 4.5 per cent growth in non-oil activities. This rise resulted from the country's robust agricultural, refined petroleum products, and services sectors, especially transportation and storage. During the first seven months of 2024, average headline inflation increased by 1.6 percent year over year, indicating higher prices for food and non-alcoholic beverage groups as well as other goods and services, which increased by 3 and 3.2 per cent year over year, respectively [11].

Table 1.

Gross domestic product, GDP per capita & growth rate % of Kingdom of Bahrain and Sultanate of Oman.

Year	Bahrain			Oman		
	GDP (US\$ Bn)	Per Capita (US\$)	Growth (%)	GDP (US\$ Bn)	Per Capita (US\$)	Growth (%)
2000-01	8.98	12.292	2.49	19.45	8.192	4.48
2001-02	9.59	12.820	3.35	20.14	8.380	-1.10
2002-03	11.07	14.230	6.30	21.63	8.897	-2.67
2003-04	13.15	15.778	6.98	24.76	10.030	1.29
2004-05	15.97	17.705	6.77	31.08	12.358	2.49
2005-06	18.50	19.058	6.47	37.22	14.534	5.37
2006-07	21.73	20.884	8.29	42.09	16.151	4.45
2007-08	25.71	23.156	6.25	60.91	22.974	8.20
2008-09	22.94	19.448	2.54	48.39	17.938	6.11
2009-10	25.71	21.187	4.33	64.99	21.552	1.71
2010-11	28.78	23.742	1.98	77.50	24.166	2.89
2011-12	30.75	25.103	3.73	87.41	24.723	8.86
2012-13	32.54	25.791	5.42	89.94	23.564	5.23
2013-14	33.39	25.465	4.35	92.70	23.121	1.29
2014-15	31.13	22.851	2.86	78.71	18.777	5.02
2015-16	32.25	22.878	3.47	75.13	17.082	5.05
2016-17	35.42	24.315	3.81	80.86	17.803	0.30
2017-18	37.80	25.416	2.29	91.51	19.888	1.29
2018-19	38.65	25.869	2.17	88.06	19.132	-1.13
2019-20	34.62	23.433	-4.64	75.91	16.708	-3.38
2020-21	39.29	26.850	2.59	88.19	19.509	3.09
2021-22	44.38	30.147	4.89	114.67	25.057	4.31
2022-23	43.21	29.084	2.48	108.81	23.295	1.30
2023-24	44.42	25.427	3.50	109.99	24.112	3.50

Source: IMF World Economic Outlook, April (2024), Official sources, NBK estimates (2022-2024), Retrieved from: [Oman GDP Per Capita 1965-2024, MacroTrends](https://www.macrotrends.net/global-metrics/countries/omn/oman/gdp-per-capita), <https://www.macrotrends.net/global-metrics/countries/omn/oman/gdp-per-capita>

Table 1 highlights the GDP, per capita and growth percentage of the Kingdom of Bahrain and Sultanate of Oman from 2000-01 to 2023-24. Some previous progress in narrowing the fiscal deficit was reversed this year, with the deficit forecast to widen to 4.1 per cent of GDP in 2023 on lower oil revenues. However, the limited spending growth and the government's commitment to its Fiscal Balance Program is intact. It is expected that the deficit to resume its narrowing path in 2024 albeit achieving fiscal balance would require a higher oil price than in our base case. Public debt (including concessional GCC development fund loans) declined to 100 per cent of GDP by end-2022 as bond amortizations and nominal GDP rose. With debt issuance picking up in 2023-24 to cover a larger fiscal deficit, the debt-to-GDP ratio could edge back up slightly. Given ongoing fiscal consolidation steps, a sharp drop in oil prices remains a key risk to the outlook. Due to lower oil receipts, it is predicted that a 0.3 per cent GDP surplus climb to 1.8 per cent in 2024 due to higher oil revenues. The government has established a 'safe' debt limit of 30 per cent of GDP, indicating that debt reduction continues to be a major focus. Public debt is predicted to continue its downward trajectory from 40 per cent of GDP in 2022.

2.1. Research Problem

The primary objective of this study was to comprehend the factors influencing economic stability in Bahrain and Oman [12]. Notwithstanding their shared regional context and reliance on oil, these two nations have distinct economic trajectories and responses to outside shocks. The primary problem is identifying the underlying reasons for these differences in economic stability, especially considering fluctuating oil prices, shifting global economic conditions, and the urgent need for diversification. There are several important research gaps in the study of economic stability in the GCC nations, especially when comparing Bahrain and Oman. At first, there are relatively few comparison studies that concentrate on the economic conditions of Bahrain and Oman, even though many evaluations address the GCC's overall economic status [13]. Furthermore, it is much needed to explore certain economic policies adopted by Bahrain and Oman are contributing towards the stability because their efficacy has not been thoroughly investigated. Since a number of studies just offer a glimpse of the current situation without accounting for past trends, longitudinal research that tracks economic stability across time is necessary [14]. These gaps need to be filled to have a more thorough understanding of the economic dynamics in Bahrain and Oman within the GCC framework.

2.2. Research Objectives

- To discuss about the unemployment rates in Bahrain and Oman unemployment rates over the past ten years and evaluate how they affect both nations' economic stability.
- To analyze the changes in Bahrain's and Oman's inflation rates from 2013-14 to 2022-23 and determine if these shifts are representative of the economy.
- To evaluate interest rates in Oman and Bahrain and determine the variables affecting any discrepancies that are noticed.

2.3. Research Questions

- How has the unemployment rate in Oman and Bahrain changed over the past ten years, and what does this mean for both nations' economic stability?
- What patterns can be seen in Bahrain's and Oman's inflation rates between 2013-14 and 2022-23, and how do these patterns correspond with the overall state of the economies in both nations?
- How do interest rates in Bahrain compare to those in Oman, and what factors influence any observed differences?

2.4. Hypotheses

H₀₁: The unemployment rate in Bahrain has been significantly higher than in Oman over the last decade, reflecting greater economic instability and challenges in Bahrain's labour market compared to Oman's more effective employment policies and economic diversification efforts.

H₀₂: There is no significant difference in the inflation rates between Bahrain and Oman from 2013-14 to 2022-23, with Bahrain exhibiting higher volatility and average inflation rates compared to Oman, reflecting differing economic conditions and policy effectiveness in both countries.

H₀₃: There is no significant difference in the interest rates between Bahrain and Oman over the specified period.

3. Methodology

The economic stability of Bahrain and Oman is investigated using a comparative case study methodology [15]. Quantitative data collection techniques are used in this investigation. A thorough analysis of the pertinent literature and economic reports from institutions such as the World Bank and IMF provided secondary data. In addition to outside variables like trade balances and oil prices, the study concentrated on major economic indicators such as GDP growth, inflation rates, and unemployment rates. To provide a thorough grasp of the economic stability of both nations, a SWOT analysis also carried out to highlight each nation's advantages, disadvantages, opportunities, and threats. This approach seeks to close current research gaps and provide insightful information about the Bahraini and Omani economies. This design is suitable for evaluating the nuances of economic stability between two similar but distinct economies.

3.1. Data Collection Methods

The secondary data is considered from economic reports released by governmental and international organizations (such as the World Bank, IMF, and GCC Secretariat) are used to collect data on economic indicators like GDP growth, inflation rates, and unemployment rates. Review the literature on the economic stability of the GCC, paying special emphasis to studies that discuss Bahrain and Oman. Economic indicators were selected as GDP growth rate, inflation rate, unemployment rate, government debt, and fiscal balance. The secondary data were examined using statistical tools to look for patterns and connections between the recognized economic indicators. Regression analysis is one method that is used to evaluate how different factors affect the economic stability of both countries. Conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) for both Bahrain and Oman to highlight key differences and similarities in their economic stability. This research methodology offers an organized way to look at Bahrain's and Oman's economic stability. The study intends to provide thorough insights into the economic dynamics within the GCC region using quantitative approaches.

3.2. Data Analysis and Interpretation

Research Question 1: How does the unemployment rate in Bahrain and Oman compare over the last decade, and what implications does this have for economic stability in both countries?

H₀₁: The unemployment rate in Bahrain has been significantly higher than in Oman over the last decade, reflecting greater economic instability and challenges in Bahrain's labour market compared to Oman's more effective employment policies and economic diversification efforts.

Table 2.
Unemployment in Bahrain and Oman (% of Active Population).

Years	Bahrain	Oman
2013-14	3.8	3.4
2014-15	3.5	3.4
2015-16	4.3	3.3
2016-17	4.1	2.5
2017-18	4.3	1.8
2018-19	4.7	2.1
2019-20	5.9	2.9
2020-21	6.8	1.9
2021-22	5.4	1.5
2022-23	6.3	1.5
2023-24	7.5	1.5

Source: IMF world economic outlook, April (2024).

Table 2 highlights the unemployment rate in Bahrain and Oman from 2013-14 to 2023-24. Bahrain's unemployment rate was 3.8 per cent in 2013-14 while Oman had 3.4 per cent in the same year. In 2022-23, the unemployment rate reached 6.3 per cent while in Oman it declined and reached 1.5 per cent in 2022-23 while the unemployment rate of Bahrain reached 7.5 per cent in 2023-24.

Table 3.
ANOVA.

Source of variation	SS	df	MS	F	P-value	F crit
Between groups	30.752	1	30.752	33.00751	1.90695E-05	4.413873
Within groups	16.77	18	0.931667			
Total	47.522	19				

Source: IMF world economic outlook, April (2024).

Table 3 shows the ANOVA results of the unemployment situation in Bahrain and Oman from 2013-14 to 2023-24. The average unemployment rate in Bahrain (4.91 per cent) is significantly higher than that in Oman (2.43 per cent). The F-value (33.0075) indicates the ratio of the variance between the groups to the variance within the groups. A higher F-value suggests a greater disparity between the group means relative to the variability within each group. The P-value (1.90695E-05, or approximately 0.000019) is much less than the common alpha level of 0.05. This indicates that there is a statistically significant difference between the unemployment rates of Bahrain and Oman. The critical F-value (4.4139) is the threshold against which the F-statistics are compared. Since the calculated F-value (33.0075) is greater than the critical F-value, this reinforces the conclusion that the difference between the groups is statistically significant. The unemployment rates in Bahrain and Oman differ statistically significantly. Bahrain's unemployment rate is higher than Oman's, which may imply that the two nations' labour markets or economic environments differ.

Table 4.
T-test: Two-sample assuming equal variances.

	Bahrain	Oman
Mean	4.91	2.43
Variance	1.265444444	0.597888889
Observations	10	10
Pooled variance	0.931666667	
Hypothesized mean difference	0	
df	18	
t Stat	5.745216568	
P(T<=t) one-tail	9.53475E-06	
t Critical one-tail	1.734063607	
P(T<=t) two-tail	1.90695E-05	
t Critical two-tail	2.10092204	

Source: IMF world economic outlook, April (2024).

It is clear from table 4 that the mean unemployment rate in Bahrain (4.91) is significantly higher than that in Oman (2.43). The calculated t-statistic (5.7452) indicates how many standard deviations the sample mean difference is from the hypothesized mean difference (which is 0). A higher t-statistic suggests a greater difference between the groups. Both p-values are much less than 0.05, indicating that the difference in means is statistically significant. This means we reject the null hypothesis, which states that there is no difference between the unemployment rates of Bahrain and Oman. The critical t-value for one tail (1.7341) and two tails (2.1009) are used to determine the threshold for statistical significance. Since the calculated t-statistic (5.7452) is much greater than both critical values, it further supports the conclusion that the difference in means is significant. The results indicate a statistically significant difference in unemployment rates between Bahrain and Oman, with Bahrain experiencing a substantially higher rate.

Research Question: 2: What trends can be identified in the inflation rates of Bahrain and Oman from 2013-14 to 2022-23, and how do these trends reflect broader economic conditions in each country?

H₀₂: There is a significant difference in the inflation rates between Bahrain and Oman from 2013-14 to 2022-23, with Bahrain exhibiting higher volatility and average inflation rates compared to Oman, reflecting differing economic conditions and policy effectiveness in both countries.

Table 5.
Inflation in Bahrain and Oman (in Percentage %).

Years	Bahrain	Oman
2013-14	1.8	0.1
2014-15	2.8	1.1
2015-16	1.4	1.6
2016-17	2.1	0.9
2017-18	1	0.5
2018-19	-2.3	-0.4
2019-20	-0.6	1.7
2020-21	3.6	2.5
2021-22	0.1	0.9
2022-23	3.1	1.5

Source: IMF world economic outlook, April (2024).

Table 5 presents the inflation rate of Bahrain and Oman from 2013-14 to 2022-23. The inflation rate in both countries remains very low during the study period. In 2020-21, the inflation rate was highest during this study period. Table 6 shows the regression analysis results in the following section.

Table 6.
Regression statistics.

Multiple R	R square	Adjusted R square	Standard error	Observations
0.58093	0.33748	0.254664	1.570424	10

Source: IMF world economic outlook, April (2024).

Table 7.
ANOVA.

	df	SS	MS	F	Significance F
Regression	1	10.05014	10.05014	4.075099	0.078218
Residual	8	19.72986	2.466232		
Total	9	29.78			

Source: IMF world economic outlook, April (2024).

Table 8.
Model summary.

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95%	Upper 95%
Intercept	-0.00489	0.81514	-0.006	0.99536	-1.88461	1.87484	-1.8846	1.87484
Oman	1.254699	0.62154	2.01868	0.07821	-0.17858	2.68797	-0.1785	2.68797

Source: IMF world economic outlook, April (2024).

Tables 7 and 8 present the results of ANOVA and regression analysis of the inflation rate of Bahrain and Oman. The regression study sought to investigate the relationship between inflation in Bahrain and Oman. A somewhat positive connection between Oman's and Bahrain's inflation is indicated by multiple R (0.5809). This implies that variations in Oman's inflation rates could be linked to variations in Bahrain's inflation rates. R Square (0.3375) indicates that Oman's inflation accounts for about 33.75 per cent of Bahrain's inflation fluctuation. Even though this shows some explanatory power, it also implies that Bahrain's inflation is influenced by other factors that our model is unable to account for. Although there is a relationship between the two variables, it is not statistically significant at the standard alpha level of 0.05, according to the F-statistic (4.0751) and its corresponding p-value (0.0782). This implies that we cannot be certain that Oman's inflation significantly affects Bahrain's inflation using this model. Bahrain's inflation rate is expected to increase by about 1.25 units for every unit increase in Oman's inflation rate, based on the coefficient for Oman (1.2547). This positive association implies that Oman's inflation trends may influence Bahraini inflation. The Oman coefficient's p-value of 0.0782, which is close to but not quite at the significance threshold, shows that even if there is a positive connection, it is not statistically significant. The 95 per cent confidence interval for the Oman coefficient is between -0.1786 and 2.6880. Because this interval contains 0, it is unclear how much Oman's inflation affects Bahrain's inflation. The analysis indicates a moderate correlation between Oman's and Bahrain's inflation rates, with Oman's inflation possibly influencing Bahrain's. However, because the association is not statistically significant, it should be viewed with caution. Other factors that our model did not account for could potentially have an impact on Bahrain's inflation.

Research Question 3: How do interest rates in Bahrain compare to those in Oman, and what factors influence any observed differences?

H_{02} : There is no significant difference in the interest rates between Bahrain and Oman over the specified period.

Table 9.
Interest rates in Bahrain and Oman.

Years	Bahrain	Oman
2013-14	0.50	1.00
2014-15	0.75	1.00
2015-16	1.00	1.00
2016-17	1.75	2.06
2017-18	2.75	3.01
2018-19	2.25	2.28
2019-20	1.00	0.50
2020-21	1.00	0.50
2021-22	5.25	5.00
2022-23	6.25	6.00

Source: IMF world economic outlook, April (2024).

Table 9 shows the interest rates in Bahrain and Oman from 2013-14 to 2022-23. It was 0.50 per cent in 2013-14 which reached to 6.25 per cent in 2022-23 while the interest rates in Oman was 1.00 per cent in 2013-14 which stood at 6.00 in 2022-23.

Table 10.
F-Test two-sample for variances.

	Variable 1	Variable 2
Mean	2.235	2.25
Variance	3.6722055	3.944444
Observations	10	10
df	9	9
F	0.930981	
P-value(F<=f) one-tail	0.4584538	
F Critical one-tail	0.3145749	

Source: IMF world economic outlook, April (2024).

Table 10 exhibits the F-Test, two samples for variances of interest rates in Bahrain and Oman. The F-Test was used to evaluate the interest rate variations in Bahrain and Oman to ascertain whether there is a significant difference between the two countries. Indicating that the average interest rates are almost equal, the means of the interest rates in the two nations are quite comparable. Oman's interest rate variance is somewhat greater than Bahrain's, indicating that Oman's interest rates might fluctuate or spread more than Bahrain's. This F-Test displays the ratio of the variances in the two countries. Bahrain's interest rates are less fluctuating than Oman's since the value is less than 1. There are nine degrees of freedom (df) for both countries because each group has ten observations. The p-value of 0.4585 indicates the likelihood of observing F-Test as extreme as 0.93098 under the null hypothesis. There is not enough information to rule out the null hypothesis, as indicated by this high p-value. The critical value serves as a benchmark for evaluating other values. There is no discernible difference between the interest rate fluctuations in Bahrain and Oman, as the estimated F-Test (0.93098) is more than the critical threshold (0.3146). The analysis indicates that there is no statistically significant difference between the variances of interest rates in Bahrain and Oman. This is supported by the high p-value (0.4585) and the F-Test being greater than the critical value. Since the variances are similar, it suggests that the fluctuations in interest rates are comparable in both countries. Therefore, we fail to reject the null hypothesis, concluding that the variability in interest rates between Bahrain and Oman does not differ significantly.

Table 11.
SWOT analysis for Bahrain Oman economic stability.

<p>Strengths</p> <ul style="list-style-type: none"> • Bahrain and Oman share close geographical ties, facilitating trade and investment opportunities. • Shared cultural heritage enhances cooperation in various sectors, including tourism and education. • Both countries are diversifying their economies, with Bahrain focusing on finance and services and Oman on tourism, logistics, and mining. • Membership in the GCC provides a platform for collaborative economic policies and investment initiatives. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Both economies still face vulnerabilities due to their reliance on oil revenues, making them susceptible to global price fluctuations. • Both countries' economies are relatively small, which restricts the scope of economic activity and investment opportunities. • Regional political instability can affect bilateral relations and economic cooperation; Bahrain and Oman have experienced severe fiscal deficits and high public debt, respectively, which have affected their economic stability.
<p>Opportunities</p> <ul style="list-style-type: none"> • Collaborative investments in infrastructure initiatives can boost connectivity and the economy. • Working together on tourism projects can increase economic diversification by drawing more tourists to both nations. • By concentrating on renewable energy initiatives, we can lessen our reliance on oil and encourage sustainable growth. • Improving market access and promoting bilateral trade are two benefits of strengthening trade agreements. 	<p>Threats</p> <ul style="list-style-type: none"> • Trade and investment flows between the two nations may be negatively impacted by changes in the global economy. • Bahrain and Oman may lose out on commercial opportunities and investments from other GCC nations. • The agriculture and tourism industries may be significantly impacted by climate change and water constraints. • Trade and economic cooperation can be disrupted by geopolitical tensions and regional crises.

4. Conclusion

Oman and Bahrain are two examples of different economic systems that affect their stability. Oman's economy is still largely dependent on oil exports, whereas Bahrain's economy is more diversified and includes substantial contributions from the financial and service sectors. This dependence makes Oman more susceptible to changes in the price of oil. Both nations have responded to economic difficulties with a range of budgetary measures. The goal of Bahrain's aggressive fiscal reform strategy has been to lower deficits and increase revenue generation. Oman's financial sustainability has been impacted by the difficulties it has encountered in putting these reforms into practice. The study emphasizes how the dynamics of international commerce and global economic trends, such as oil prices, have a big influence on the economic stability of both nations. Both Bahrain and Oman need to develop strategies to mitigate these external shocks. Economic stability is closely linked to social and political factors. Bahrain's

ongoing political problems influence its economic performance. Oman's relatively stable political climate has allowed for a more cohesive approach to governance and economic expansion. To increase economic stability, both countries should place a high priority on fostering innovation, investing in human capital, and further diversifying their economies. Strengthening institutional structures and enhancing public-private partnerships may also be necessary to achieve sustainable growth.

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