



## Doing Business in Bahrain: 2011 Country

### Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business in Bahrain

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### Market Overview

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- Bahrain's almost \$21.3 billion (2010) GDP economy has been growing four to five percent per year for the last five years. Its population of 1.2 million enjoys a per capita income estimated at \$17,750. The Government of Bahrain has kept its price inflation low and its currency stable (the Bahraini Dinar is pegged at .377 to one U.S. dollar).
- The United States Trade Representative (USTR) signed a Free Trade Agreement in September 2004. The Free Trade Agreement entered into force on August 1, 2006. The agreement seeks to expand and promote the scope of economic, commercial, investment, and trade relations between the two countries.
- U.S. exports to Bahrain in 2010 reached \$1.25 billion, an increase of 87 percent over the previous year, and resulting in a trade surplus of \$829.3 million. Corresponding U.S. imports from Bahrain were \$420 million, down by 9.4 percent. Bahrain is currently the 82<sup>th</sup> largest export market for U.S. goods. The stock of U.S. foreign direct investment (FDI) in Bahrain in 2009 was \$281 million; up from \$257 million in 2008. In 2011, the Heritage Foundation listed Bahrain as the world's 10th freest economy – the highest ranking in the region.
- The U.S. is consistently one of Bahrain's leading trading partners with \$1.67 billion in U.S. exports to Bahrain in 2010, the highest on record. U.S. products that traditionally do particularly well are aircraft and motor vehicles, mechanical and electrical, and medical equipment. U.S. firms are also involved in major infrastructure projects. Over 180 U.S. companies are currently represented in Bahrain.
- The Government of Bahrain has actively sought to develop the transportation and communication infrastructure necessary to attract and foster international business. With the Government seeking to reduce Bahrain's reliance on oil, Bahrain has become a regional financial center with a regulatory infrastructure of high international standards. To overcome its small size, Bahrain has further sought to position itself as a regional services hub. After early success, the financial, telecommunications, and transportation sectors have faced stiff competition from Dubai and elsewhere. In its quest to increase foreign investment, the Government of Bahrain has targeted six "economic clusters" for further expansion: tourism, information and communication technology, health care, education and training, business services, and financial services. Downstream aluminum and petrochemicals industries also remain priorities.

- The petro-chemical sector is small (Bahrain is not a member of OPEC) but it accounts for more than three-quarters of government revenues (83% in 2010). In 2010, the Kingdom of Bahrain initiated a \$5 billion project to modernize the country's oil and gas facilities and seek to double oil production by 2013.
- Based on the 2009-2010 budget, government expenditures accounted for approximately 24 percent of Bahrain's GDP. The government is heavily involved in industry, with wholly or partially government-owned parastatals dominating certain sectors of the economy. In 2006, the government transferred control of all parastatal companies to a quasi-independent holding company—Bahrain Mumtalakat Holding Company--to increase the productivity and the profitability of the government's investments. Mumtalakat was also established to serve as a quasi-sovereign wealth fund to invest in international financial markets and international projects.
- The Government of Bahrain is moving forward with a number of industrial and infrastructure projects. In 2006, the Government of Bahrain privatized electricity production, selling the country's largest electric power station for \$738 million to an international consortium. The first private power station started operating in June of 2006. The Government of Bahrain's 2011-2012 budget is the largest budget in the history of Bahrain. The government will continue its infrastructure projects, building a new Northern City Bridge, new healthcare centers, and resuming their expansion in road projects.

## Market Challenges

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- The divide between the government and the private sector is not well defined in Bahrain, leading to potential conflicts of interest. U.S. companies have noted a lack of transparency in government project tendering at times (see Chapter 6, Investment Climate). The GOB implemented a new tender law in January 2003 to promote a more transparent tendering process. The newly established Tenders Board regulates and oversees most of the Government's tenders and purchases.
- Entrenched local business interests with government influence can cause problems for potential competitors. Interpretation and application of the law sometimes varies by ministry, and may be dependent on the stature and connections of an investor's local partner. Departures such as these from the consistent, transparent application of regulations and the law remain rare, and investors are usually well pleased with government cooperation and support.
- Bureaucracy and poor coordination between ministries on occasion impedes new industrial ventures. The government's priority of "Bahrainization" of the labor force – a quota system requiring employers to employ a minimum percentage of Bahrainis – can lead to delays and confusion over work permit issuance and renewal. The Crown Prince launched a labor reform process seeking to promote the employment and training of Bahraini workers. The process resulted in legal changes in the labor field. Companies must pay 10BD for every non-Bahraini employee; a percentage of the funds collected gets transferred to a Labor Fund (Tamkeen), which facilitates capital transfers for training, enhancing performance of companies, and conducting seminars for small and medium businesses.

- Periodically – usually due to the Bahraini government’s efforts to promote greater numbers of Bahraini citizens in the workforce – foreign firms have problems obtaining required work permits and residence visas for expatriate employees. However, this is not a matter of high-level policy and can often be resolved on a case-by-case basis.

## Market Opportunities

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- Bahrain offers a number of advantages as a business or investment destination, including a Bilateral Investment Treaty (BIT) with the United States (in force as of May 2001) and a bilateral Free Trade Agreement (FTA) which entered into force on August 1, 2006. English is widely spoken, and the openness of a centuries-old trade-based culture makes businesses and visitors feel welcome. The presence of the U.S. Navy's Fifth Fleet, and Bahrain's designation as a major non-NATO U.S. ally have given the island international recognition.
- The Government of Bahrain has substantially liberalized Bahrain's economy and deepened commercial ties with the U.S.. In recent years, Bahrain has passed laws liberalizing foreign property ownership and tightening its anti-money laundering laws. Bahrain was removed from the U.S. Special 301 Watch List in 1999, and has remained off through 2010. The government of Bahrain is moving towards modernizing laws, such as the Commercial Law, Labor Law, and the Press Law to attract foreign direct investment. To enhance GCC integration the government played a major role trying to attract major investments from countries such as Saudi Arabia, Kuwait, and the UAE.
- In spring 2002, the Government announced reforms allowing expatriates working in Bahrain to change jobs more easily, which introduced more flexibility into the labor market. In September 2002, the Government announced that both Bahrainis and expatriate workers would have the right to join unions under the new labor and trade unions law. The new labor reforms law ratified in 2006 added a fee of BD10 per month to increase the cost of foreign labor. The money will go into a fund that will provide job skills training to Bahraini citizens with the goal of improving the local work force and decreasing reliance on expatriate labor. In August 2008, Bahrain became the first country in the GCC that allowed free mobility of foreign workers. The government initiated series of orders to protect foreign workers from abuse, including prohibiting companies from using outdoor manual labor during the hottest hours of the day in July and August.
- The U.S.-Bahrain Bilateral Investment Treaty (BIT) entered into force in May 2001, as the first BIT in the GCC. The U.S.-Bahrain Bilateral Investment Treaty (BIT) provides benefits and protection to U.S. investors in Bahrain, such as most-favored-nation treatment and national treatment, the right to make financial transfers freely and without delay, international law standards for expropriation and compensation cases, and access to international arbitration. The BIT guarantees national treatment for U.S. investments across all sectors, with exceptions for ownership of television, radio (or other media), fisheries, and privatization of oil dredging or exploration. Bahrain also provides most-favored-nation or national treatment status

to U.S. investments in air transportation, the buying or ownership of land, and the buying or ownership of shares traded on the Bahrain Stock Exchange (BSE).

- In May 2003, the Office of the United States Trade Representative (USTR) announced its intention to negotiate a free trade agreement with Bahrain. U.S.- Bahrain FTA negotiations were concluded in May 2004. The agreement entered into force on August 1, 2006. The agreement seeks to expand and promote economic, commercial, investment, and trade relations between the two countries. U.S. exports to Bahrain have since dramatically.
- The Government of Bahrain is seeking to foster a greater private sector role in economic growth. Following the creation of a Supreme Privatization Council in the spring of 2001, the King of Bahrain, Shaikh Hamad bin Isa Al-Khalifa, issued a decree on October 2002 laying out guidelines for privatizing the following sectors:
  - Tourism
  - Telecommunications
  - Transport
  - Electricity and water
  - Ports and airport services
  - Oil and gas
  - Postal services.
  - Municipality Services
  - Stock Exchange
- The telecommunications sector was the first key sector to be liberalized in Bahrain following the government's announced interest in opening traditionally government-controlled industries. The Telecommunications Regulatory Authority (TRA), established in late 2002, awarded a mobile telecommunications services license to MTC-Vodafone, thus ending the monopoly of Bahrain's telecom service provider, Batelco. Following the full liberalization of the sector on July 1, 2004, telecommunications liberalization also extended to the licensing of paging services, very small aperture terminals (VSAT), public access mobile radio services, international telecommunications facilities, international telecommunications services, national fixed services, internet service provider (ISP) and value-added services. As of December 2008, the TRA announced the provision of five International Telecommunications Facility licenses (IFLs), nine International Telecommunications Services Licenses (ISLs), seven VSAT licenses, twenty-three value-added Services (VAS) "Class" licenses and ten Internet Service Provider (ISP) licenses. In January of 2009, the TRA awarded the third mobile provider license to the Saudi Telecommunication Company (STC). In March of 2010, Saudi Telecommunication Company (STC) launched their services in the Kingdom of Bahrain. The Bahraini telecommunication market is considered highly competitive.

- The Government, under the privatization law, has made a commitment to gradually dispose of its interests and stakes in certain companies. Some deputies in the popularly-elected National Assembly's lower house (Council of Representatives) criticized the Government's decision to sell the remaining state holdings of the Bahrain Telecommunication Company (Batelco). The government's holding company, Mumtalakat, is in process of divesting its remaining 36.6% share of Batelco percent to a strategic investor. In 2009 negotiations started between Mumtalakat and two other GCC countries telecommunication providers; however, due to the financial crisis, Mumtalakat stopped the negotiations in March of 2009.
- Public transportation service was privatized in 2003. CARS, a Bahrain-UAE joint venture, started operating in May 2003 with 41 new, air-conditioned, 52-seat buses. As part of the contract renewal with CARS, the government increased the number of buses to 73 in 2010. CARS' initial investment in the public transportation privatization project was approximately \$10 million. The Company plans to increase the fleet to 78 by the end of 2011. They also focused their strategy on more profitable routes, especially in major cities and towns.
- The Kingdom's first independent power plant project (IPP) was also successfully tendered and awarded to Bahraini-based Al Ezzel Independent Power Producer (IPP), which is equally owned by a Belgian-Gulf consortium of Trabactel EGI and Gulf Investment Corporation. The station began operations in August of 2006. The Government of Bahrain is moving towards expanding electricity production by modernizing the Dur Power Station. In September 2009, the government announced their agreement to purchase GE Turbines worth \$240 million.
- Port management operations for both the Mina Salman and new Mina Khalifa ports was awarded to AP Terminals in 2006. In November of 2009, the Government of Bahrain officially opened Mina Khalifa, the new deep water port that will serve the northern region of the GCC and Iraq. The Khalifa Bin Salman Port is attached to projects such as the Sheikh Salman Industrial Area, Logistic Zone, Free Zone and the Arab Shipbuilding and Repair Yard (ASRY).
- The Government of Bahrain has a generally liberal approach to foreign investment and is eager to improve Bahrain's attractiveness to international investors and businesses. Top government officials make frequent public statements citing growth of foreign investment as one of the government's main priorities. According to GOB officials, Bahrain rates number 34 worldwide in attracting foreign direct investment and the average foreign direct investment into the local market reached \$3.6 billion over the past three years. The government has focused its efforts on the entry of new private firms, particularly in the information and communications technology, education and training services, tourism, financial services, business services, healthcare services and downstream industries.
- The government actively seeks Bahraini and foreign private investments in large infrastructure projects. Previously, most such activity (other than hotels) was funded by development agencies from other Gulf countries (particularly Kuwait, UAE, and Saudi Arabia). Foreign-owned companies are eligible for partial financing from the state-owned Bahraini Development Bank (BDB), if they meet certain criteria such as providing training and employment to a significant number of Bahrainis.

- There have been no cases of eminent domain (also known as compulsory purchase or expropriation) in recent years, and no cases in contention. The U.S.- Bahrain Bilateral Investment Treaty (BIT) and the U.S. – Bahrain Free Trade Agreement (FTA) protect U.S. investments by banning the exercise of eminent domain (including "creeping" and "measures tantamount to") except those for a public purpose. For those exceptions, condemnation via eminent domain must be carried out with due process and with adequate compensation.
- No organized economic boycotts took place in Bahrain in 2009 and 2010.
- Bahrain's economic performance improved in 2010 due to higher-than-average oil prices throughout the entire year, and the resulting income in government revenues, which in turn led to continued large scale investments, greater confidence in the banking sector, and the resumption of major private sector projects in Bahrain. Moreover planned government expenditures in 2011 and 2012 will likely ensure steady economic growth.
- The [Commercial Section of the U.S. Embassy](#), encourages U.S. companies interested in coming to Bahrain to consult with them for additional details and guidance.

## Market Entry Strategy

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- In general, establishing a business presence in Bahrain is straightforward. The Government of Bahrain (GOB) actively seeks to increase foreign direct investment in Bahrain.
- A carefully selected local partner can advise U.S. firms on advertising, promotion, and pricing. Due to the difference in culture and conditions, techniques and phraseology that are effective in the U.S. may not be effective in Bahrain.
- Face-to-face contact with importers can significantly increase a company's business prospects. Maintaining business relationships with regular communication is also important. U.S. suppliers should stress U.S. origin, competitive prices, high quality, customer service, customer satisfaction, and new-to-market status if applicable.
- U.S. toll-free (1-800) numbers are normally not toll-free from outside the U.S. American companies that advertise their products and services in Bahrain should consider obtaining international toll-free service.

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## **Chapter 2: Political and Economic Environment**

To read more about the Political and Economic Environment, please click on the link below to the U.S. Department of State Background Notes on Bahrain:

<http://www.state.gov/r/pa/ei/bgn/26414.htm>

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### Using an Agent or Distributor

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Bahrain offers several advantages to U.S. and other foreign investors, including a Bilateral Investment Treaty (BIT) with the United States (in force as of May 2001) and a bilateral Free Trade Agreement (FTA), which entered into force on August 1, 2006.

Because of the National Treatment offered to American firms in the Bilateral Investment Treaty (BIT), American firms interested in selling products exclusively in Bahrain are no longer required to appoint a commercial agent, though they may opt to do so anyway. A commercial agent is any Bahraini party appointed by a foreign party to represent the foreign party's product or service in Bahrain. Local law governs the relationship, whether the relationship is structured as a distributorship, sales agency, or otherwise. Appointing a commercial agent enables the foreign party to achieve significant market penetration without establishing a direct presence.

A company that services even one additional Gulf Cooperation Council (GCC) country qualifies as a regional office. Bahraini law does not require foreign companies to hire a local agent or partner to establish a regional office in Bahrain. Nevertheless, U.S. companies setting up regional offices typically find it useful to have a relationship with a local representative, particularly to deal with the local bureaucracy.

When a contract is being drawn up, the use of the term "agent" often creates difficulties due to definitional differences. The Ministry of Industry and Commerce allows for substitution of the term "agent" with the term "distributor", which can more accurately describe the function intended.

Contracts between the Principal and the Bahraini agent should contain the names, nationalities, and assets of the parties, along with a description of the types of products handled.

A clause in the Commercial Agencies Law requires the agent to provide spare parts and tools needed to maintain and repair any machinery or equipment sold by the agency (Article 3, paragraph h, Legislative Decree No. 10 of 1992).

Appointing a representative agent in Bahrain requires care and a thorough vetting of candidates. The [Commercial Section of the U.S. Embassy](#) can provide assistance. A list of business programs offered by the Commercial Section in Bahrain can also be obtained from our website at <http://www.buyusa.gov/bahrain>.

## **Establishing an Office**

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The Ministry of Industry and Commerce commercial registration law requires a company to register at Bahrain Investors' Center (BIC), located at the Seef Mall in the Seef District, before conducting business in Bahrain. The BIC is a "One-Stop Shop" where there are representatives from all the different ministries involved in the registration of a business, as well as representatives from financial institutions and telecommunication companies. However, some commercial activities such as tourism, entertainment and training institutions may require approval from other government agencies.

The Domestic Trade Affairs Directorate in the Ministry of Industry and Commerce regulates all commercial licenses and activities in Bahrain. The Commercial Registration Department issues commercial licenses, collects registration fees, processes Commercial Registration (CR) applications, publishes announcements in the official gazette, and provides counseling services to potential investors.

Applicants may obtain a Commercial License Application Form from the Bahrain Investors' Center (BIC), located at the Seef Mall, or electronically from the Ministry of Industry and Commerce's [webpage](#).

### **Bahrain Investors' Center (BIC)**

Seef Mall

P.O. Box 5479

Phone: (+973) 17562222

Manama, Kingdom of Bahrain

Hours of business: 07:30-14:00 Sunday-Thursday

Website: <http://www.bahrain.com/bic-e/main.asp>

Email: [investor\\_relations@moic.gov.bh](mailto:investor_relations@moic.gov.bh)

### ***On-Line Commercial Inquiries***

The Ministry of Industry and Commerce has an online registration process. The applicant must first fill out a subscription form at the Bahrain Investors' Center (BIC), located at the Seef Mall, in the Seef District of Manama. Once registered with the Ministry of Industry and Commerce (through the Investors' Center), a company may conduct all dealings with the Ministry via its website: <http://www.commerce.gov.bh/>. The website also provides comprehensive information on domestic commercial affairs.

### **Hot Line for Commercial Inquiries**

The Ministry of Industry and Commerce's hotline is +973 1757 4700. It may be used for commercial inquiries, requesting information about existing companies, renewing Company Registrations, and filing complaints.

### **Assistance in Establishing a Company**

The Government of Bahrain (GOB) encourages potential foreign investors to request assistance from the Economic Development Board (EDB), a government office set up to facilitate foreign direct investment in Bahrain. The Crown Prince took over the chairmanship of the Economic Development Board (EDB), and in 2004 was entrusted with the King's labor, economic, and training reform endeavors. The EDB has the authority to issue permits and licenses, and provide land for certain types of investors. However, foreign companies often find that the EDB does not always facilitate the registration process.

### **Economic Development Board (EDB)**

Tel: +(973) 17-589999

Fax: +(973) 17-589900

Website: <http://www.bahrainedb.com/>

E-mail: [edb@bahrainedb.com](mailto:edb@bahrainedb.com)

### **Registration Agents**

The Ministry of Industry and Commerce accredits Registration Agents to provide commercial registration services for applicants. These agents include law firms, industrial property registration agents, auditing firms, and consulting companies. Applicants may prefer to work through these experienced consultants who often provide legal, financial, and other services. Registration agents generally ensure the best legal protection available in Bahrain in accordance with the size, shape, and activities of the applicant. To obtain a list of accredited Registration Agents, visit the Ministry of Industry and Commerce's website at <http://www.moic.gov.bh/moic/en>.

Although a local attorney is not required to draw up agency and sales agreements, it is advisable to use one. The U.S. Embassy can provide a list of local attorneys. Many well-known international law firms, including U.S. firms, have offices in Bahrain.

## How to Establish a Business in Bahrain

- Log on to the Ministry of Industry and Commerce website:  
<http://www.moic.gov.bh/>
- Click *Inquiry*, then select *Business Activity*.
- Determine what approvals are required for your specific business activity.
- For questions, e-mail [ecom@commerce.gov.bh](mailto:ecom@commerce.gov.bh), or call the Ministry's hotline at +(973) 1752 2911.



- Visit the Bahrain Investors Center (BIC) located at the Seef Shopping Mall and fill out a Commerce Registration application form.



- An Investors Services Center (BIC) representative will direct you to the appropriate Ministry if prior approval is required for your business activity.



- After receiving the necessary approvals, you must provide a BD 2 fee, and a copy of the following documents:
  - Passport
  - CPR (Central Population Registration card)
  - Resumé including educational credentials
  - Certificates substantiating training and experience
  - Statement of Assets



- The company will be registered in 1-5 business days, in most cases (please refer to Chapter 6: Investment Climate).

**Company Registration Options**  
Source: Ministry of Industry and Commerce

<b>Corporate Entity Shares</b>	<b>Public Joint Stock</b>	<b>Closed Joint Stock</b>	<b>W.L.L.</b>	<b>Single person</b>	<b>Partnership</b>	<b>Limited Partnership by Shares</b>	<b>Simple Limited Partnership</b>	<b>Branch</b>	<b>Representative Office</b>
<i>Characteristics</i>									
<i>100% Foreign Ownership Allowed</i>	Refer to Notes - *1	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Banking/Insurance Activity Allowed</i>	Yes	Yes	No	No	No	No	No	Yes	Yes
<i>Local Operations Allowed</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
<i>Minimum Share Capital in Bahraini Dinars</i>	1,000,000	250,000	20,000	50,000	N/A	20,000	N/A	N/A	N/A
<i>Minimum # of Partners Required</i>	7	2	2	1	2	4	2	N/A	N/A
<i>Sponsor Required</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Refer to Notes - *2	N/A
<i>Limited Liability</i>	Yes	Yes	Yes	Yes	No	Refer to Notes - *4	Refer to Notes - *4	Refer to Notes - *3	No
<i>Financial Statement Required</i>	Yes	Yes	Yes	Yes	No	Yes	No	No	No
<i>Ordinary General Assembly Required</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
<i>Operating as a Holding</i>	Yes	Yes	Yes	Yes	No	No	No	No	No

**Notes:**

\*1 The capital for a public joint stock company can be 100% local, 100% foreign or both

\*2 Sponsor is required for some activities such as trading (retail sales)

\*3 Depends on the legal status of the parent company

\*4 Not limited liability for shareholders; limited liability for limited partners

### **Establishing Manufacturing Facilities**

The procedures for establishing manufacturing facilities resemble those for founding any other commercial establishment. Manufacturing enterprises benefit from duty-free imports, long-term land leases, and a tax-free environment with no personal or corporate income, no withholding, and no VAT. When establishing a manufacturing facility in Bahrain, it is advisable to have a local partner with the ability to navigate the incorporation procedure and make necessary arrangements with local authorities.

In principle, private entities may freely establish, acquire, and dispose of interesting business enterprises, subject to the limitations noted in this chapter.

Bahrain permits 100 percent foreign-ownership of new industrial entities and the establishment of representative offices or branches of foreign companies without local sponsors. Wholly foreign-owned companies may be set up for regional distribution services and may operate within the domestic market as long as they do not exclusively pursue domestic commercial sales. Private investment (foreign or Bahraini) in petroleum extraction is permitted only under a production-sharing agreement with BAPCO, the state-owned petroleum company.

### **Ownership of Land**

Since January 2001, foreign firms and GCC nationals may own land in Bahrain. Since March 2006, non-GCC nationals may own high-rise commercial and residential properties, as well as property in the following sectors.

- Commercial
- Industrial
- Tourism
- Banking and Financial Services
- Healthcare
- Education and Training

Foreign investors may own commercial property in the following areas:

- Ahmed Al-Fateh (Juffair) district
- Hooraa district
- Bu Ghazal district
- Seef district
- Northern Manama, including the Diplomatic Area where the main international corporations are located

Foreign investors may own residential property in the following tourist areas:

- Durrat Al Bahrain
- Dammam Hawar
- Riffa Views
- Villamar
- Al Amwaj Islands
- Bahrain Financial Harbor
- Bahrain Bay

The Amwaj Islands project developer Oasis Property Development Company E.C. announced that expatriates and international/foreign investors investing in the Amwaj Islands will be issued special residence permits.

Durrat Al Bahrain, the largest real estate project in the Kingdom of Bahrain with an area of more than 21 square kilometers, allows foreign ownership of residential, commercial, and hospitality investments.

Most of the new development projects in the Kingdom of Bahrain permit expatriates and international investors to own houses, buildings, outlets, or freehold apartments.

### **100% Repatriation of Capital**

Bahrain has no exchange control restrictions on repatriation of capital, profits and dividends, enabling full financial transferability of capital, profits and dividends. The Bahraini Dinar, which is fully convertible, is pegged to the U.S. dollar at the fixed rate of \$1= B.D. 0.377

### **Tax Free**

Bahrain levies no taxes on personal or corporate income. There is no withholding and no value-added tax (VAT).

### **Long-Term Land Leases**

Companies that do not want to purchase land in Bahrain may lease it from the government. The Industrial Area Directorate at the Ministry of Industry oversees long-term land leases, which are available for a maximum of 50 years. Government lease arrangements are governed by Legislative Decree Number 28 of 1999, which addresses the Establishment and Organizing of Industrial Areas by setting out the rights and obligations of contracting parties. To promote industrial leasing, the government has allowed the private sector to develop government owned lands. Examples include the Hidd Industrial Park developed by Kuwait Finance House, and the Tameer-established Bahrain Industrial Wharf.

In January of 2011, the Minister of Commerce announced that a new Industrial Zone will be created to accommodate the increasing demand for industrial land. This initiative is essential to enhance the development of the industrial sector's contribution to the GDP.

### **Industrial Areas Directorate**

P.O. Box 10908

Tel: +(973) 17-731155

Fax: +(973) 17-530939

Website: <http://www.industry.gov.bh/>

### **Average Commercial and Industrial Land Purchasing Rates (2010 figures)**

Industrial Land	\$3.90 per square meter per year
Industrial construction cost (hangar-type structures)	\$352 per square meter
Warehousing (hangar-type structures)	\$5 to 80 per square meter per month

### **Office rents (2010 figures)**

High-end office blocks in downtown Manama and the Diplomatic Area	\$20 to 45 per square meter per month, plus services
Medium range unit space (80 to 120 square meters)	\$500 to 1000 per month

### Residential Rents (2010 figures)

Villa: 3 to 4 bedroom semi-furnished	\$1000 to 4000 per month
Apartments: 2 bedroom semi-furnished	Starting \$900 per month
2 bedroom fully furnished	Starting \$ 1000 per month

### Utilities, Electricity, Water and Municipality Costs (2010 figures)

Utilities	Commercial Rate	Residential Rate
Electricity	BD 0.012 per kilowatt hour	First 2000 units: BD 0.006/unit Next 3000 units: BD 0.012/unit Additional units: BD 0.016/unit
Water	First 450 m3: BD 0.300/m3 Additional amount: BD 0.400/m3	First 450 m3: BD 0.300/m3 Additional amount: BD 0.400/m3
Municipality fee	10 percent of monthly rent	

### Labor Standards

The Labor Law for the private sector promulgated by Amiri Decree, Law Number 23 of 1976, is the main legislation on private sector labor standards in Bahrain. Normal work hours in the private sector are not to exceed 40 hours per week or 8 hours per day (and are not to exceed 30 hours per week and 6 hours per day during Ramadan). No employee may work more than six consecutive hours without a minimum thirty-minute break (not part of the hours of work). A paid maternity leave of 45 days must be granted as well as 21 paid holidays (this includes official holidays, etc.), 21 days of annual leave per year (increasing to a period not less than 28 days after five continuous years of service), and 15 days (full pay) of sick leave. As of March 2009, the Cabinet was reviewing proposed amendments to the Labor Law, but had not yet submitted a proposal to the Parliament. In August 2008, the LMRA Board abolished the classic sponsorship system and permitted the free mobility of labor, allowing expatriate workers to change jobs.

### Wages

There is no national minimum wage labor law. Basic wage rates vary according to location and industrial sector, while supplementary benefits, which may include bonuses, free uniforms, free or subsidized transport, performance incentives and other benefits, vary from company to company. Most companies provide medical benefits (medical insurance) but it is not compulsory.



In June 2010, the Ministry of Labor launched a campaign to increase Bahraini citizens' minimum wage to BD250 per month. In some cases the Ministry and Labor Fund (Tamkeen) subsidized the salaries, and supported training courses in order to increase productivity of the private sector.

### **Guide to the recruitment of non-Bahrainis in the Private Sector**

The objective of this guide is to clarify to employers and citizens the procedures of recruiting non-Bahrainis in accordance with Amiri Decree, Law 33 for 1976 Bahraini Labor Law for the Private Sector Legislation.

#### **General Instructions**

The Ministry of Labor, and the Labor Market Regulatory Authority (LMRA) issued the Bahraini Occupational Specification and Classification Directory, which contains names and codes of occupations that are prevailing in Bahrain. It also helps in drawing up the economic and statistical profiles of the country. According to the Directory, the following instructions shall be observed.

1. Upon the submission of the application of recruitment from abroad, the correct code of the occupation must be registered.
2. Copies of the Occupational Specification and Classification are available at the Foreign Employment Section.
3. In case of inability to get the required occupational code or to reconcile the name and the code, please refer to the Research and Labor Studies Section.
4. The applicants or their representatives shall submit applications or delegates authorized by the Ministry of Justice and Islamic Affairs.
5. If the application is refused, they shall be informed by mail of the reasons of such refusal.

#### **Application Submission Times**

Applications may be submitted daily from 7:15 a.m. to 12:30 p.m.

#### **Procedures for Submitting Applications and the Required Attachments**

Recruitment Applications for expatriates (non-Bahrainis) for Commercial Establishments:

1. Complete the recruitment application form.
2. Provide a copy of the commercial registration.
3. Provide a copy of the CPR of the applicant or his representative with a copy of the official authorization.
4. Attach agreements, contracts, and licenses that show the size of work.

5. Provide a copy of the social insurance inventory if establishment employs ten workers or more.
6. Establishments employing less than ten workers shall employ at least one Bahraini.
7. If there is a difference between the Ministry's information and the social insurance inventory concerning the number of employees, a certificate will be requested from Immigration.
8. When applying for substitution, a certificate of departure will be requested.
9. The last electricity bill paid, or the bills of the last two months, must be submitted.

### **New Labor Work Permits**

In 2006, parliament ratified new labor reforms; although the Executive Board of the LMRA approved a monthly fee of BD10 for every foreign worker, many of the reforms have yet to be implemented, including the requirement for a bi-annual BD100 work permit.

#### **Establishments**

- BD 100/ in addition to BD10 per month a total of (BD220 per annum)
- Local Employment  
BD 100/-

#### **Renewal of Labor Work Permit**

- Establishments  
BD 100/-
- Renewal of local employment  
BD 150/-

#### **Transfers**

- Change of occupation  
BD 35/-
- Local transfer  
BD 35/-

## **Franchising**

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The demand for U.S. restaurant franchises remains strong in Bahrain. As of November 2010, over 93 U.S. franchise restaurants were operating in Bahrain, including: Applebees, Baskin Robbins, Burger King, California Cheesecake, California Pizza, Caribou Coffee, Chili's, Dairy Queen, Domino's Pizza, Donut Inn, Fuddruckers, Gorin's Homemade Ice Cream & Sandwiches, Gyro Wraps, Hardees, Hard Rock Café, Hol'N'One, Johnny Carino's, Kentucky Fried Chicken, Krispy Kreme, Little Caesar's Pizza, McDonald's, NY Fries, Pizza Hut, Ponderosa, Round Table, Romano's Macaroni Grill, Seattle's Best Coffee, Starbucks, Subway Sandwiches, TCBY, Taco Maker, and Trader Vic's.

Bahraini firms are eager to establish new market opportunities and are interested in investing in foreign franchise concepts. Most franchisees finance their franchise purchases through bank loans, personal savings or family investment funds.

## **Direct Marketing**

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A carefully selected local partner can advise U.S. firms on advertising, promotion, and pricing. Due to the difference in culture and conditions, techniques and phraseology that are effective in the U.S. may not be effective in Bahrain.

Face-to-face contact with importers can significantly increase a company's business prospects. Maintaining business relationships with regular communication is also important. U.S. suppliers should stress U.S. origin, competitive prices, high quality, customer service, customer satisfaction, and new-to-market status if applicable.

U.S. toll-free (1-800) numbers are normally not toll-free from outside the U.S. American companies that advertise their products and services in Bahrain should consider obtaining international toll-free service.

## **Joint Ventures/Licensing**

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The demand for joint venture and licensing opportunities remains high in Bahrain as core infrastructure, information and communication technology, electricity and water, tourism, training and education sectors are privatized and identified as key growth sectors.

American companies are attractive to Bahraini partners due to their readily recognized names and the opportunity for technology transfer.

The [Commercial Section of the U.S. Embassy](#) helps match American and Bahraini firms looking to form joint ventures in both the local and regional market.

## **Selling to the Government**

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For government sales, except where an agent is not permitted (e.g., sales to the Bahrain Defense Force), it is generally advisable to have a local agent to serve as a point-of-contact, provide advice on tender preparation, and act as "eyes and ears." It is generally recommended to have a local agent or contact vet tender documents prior to their submission. Bidders must meet the specifications set out in the tender and offer a competitive price in order to be successful. A local agent can provide valuable advice on pricing and timing.

In the past, government-tendering procedures for large projects were not highly transparent. U.S. companies sometimes reported operating at a disadvantage compared to other international firms. Contracts were not always decided solely on the basis of price and technical merit, and selected, pre-qualified firms were sometimes invited to bid on major government tenders. As of January 2003, however, the newly created Tenders Board processes all tender decisions valued at BD 10,000 (\$26,525) or higher. Individual ministries and departments may still process projects valued at less than \$26,525 (BD 10,000). A local representative with strong connections may still be important in the bidding process.

U.S. companies should consider visiting the Embassy's [Commercial Section](#) for a commercial briefing in advance of bidding for a Government project, or before engaging in any local venture. Professional legal advice may also be appropriate, and the [Commercial Section](#) can provide a list of local law firms.

Government procurement regulations are available from the Tenders Board or the Commercial Section in Bahrain. The [Tenders Board](#) also advertises its tenders on their website.

## **Distribution and Sales Channels**

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The U.S.-Bahrain Bilateral Investment Treaty (BIT), signed by both governments in 2001, stipulates national treatment for citizens of both countries in each of their respective territories. This includes the retail industry, for which 51 percent Bahraini ownership was previously required. However, certain exceptions to this ruling are provided under existing Bahraini commercial registration laws.

The Commercial Agencies Law of 1975 (amended in 1992 and 1998) regulates commercial agencies. The 1998 amendment modernized the law considerably, bringing Bahrain into line with its WTO obligations. In place of sole or exclusive agencies, foreign principals may now appoint multiple agents in Bahrain. The law provides for the option of fixed-term agency agreements and the right for a principal to terminate an unproductive agreement through the Ministry of Commerce. The requirement for commissions was lifted in 2003. In 2007, the Ministry of Industry and Commerce and the Ministry of Justice released a ministerial order allowing international legal firms to operate without restriction on foreign ownership or local presence.

### **Services with Restrictions on Foreign Ownership/Participation:**

- Advertising Services
- Publishing and Publication of Local Newspapers and Periodicals
- Freight and Cargo Services
- Customs Clearance Services
- Pilotage and Berthing Services
- Coastal Water Transportation
- Energy Services Towards the Distribution of Petroleum, Electricity, and Water
- Telecommunications Services
- Real Estate Services
- Islamic Pilgrimage Services

### **Services Requiring Local Presence:**

- Accounting, Financial Auditing, Bookkeeping and related Services
- Architectural and Engineering Services
- Car Rental Services
- Census, Market Research and Public Opinion Polling Services
- Construction Services and Construction Related Services
- Debt Collection Services
- Private Security Guard Services
- Publishing and Printing

- Real Estate Services
- Services Incidental to Mining
- Small Business Services
- Terrestrial over the Air Radio, Television, Satellite Subscription Services in the territory of Bahrain
- Tourism Hotel Operations and Management
- Transportation Services
- Travel Agency Tour Operators and Tourist Guide Services
- Wholesale and retail Services

### **Selling Factors/Techniques**

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A carefully selected local partner can advise U.S. firms on advertising, promotion, and pricing. Due to the difference in culture and conditions, techniques and phraseology that are effective in the U.S. may not be effective in Bahrain.

E-commerce is on the rise in Bahrain where computer-literacy rates are high and people recognize the commercial value of the Internet. A number of private businesses with no web presence are realizing the importance of e-commerce websites and are making plans to launch their own websites.

### **Electronic Commerce**

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In September 2002, Bahrain implemented an Electronic Transactions law, recognizing the validity of electronic transactions. In a push to use this technological opening, the Ministry of Industry and Commerce has implemented electronic government. Banks offer electronic banking and Batelco now accepts electronic transactions for bill payments

In 2003, the Ministry of Industry and Commerce established a directorate for electronic commerce to promote e-commerce services. The Directorate of Electronic Commerce's services include:

- Adopting the concept of "internet for business" in order to help commercial institutions in Bahrain benefit from information and communication technology as a major tool for effectively competing in world markets;
- Encouraging the private commercial sector to take up e-commerce as a delivery channel, through developing programs and providing consultancy services and guidance to help small and medium institutions make use of information technology and communication services.

E-commerce is on the rise in Bahrain where computer-literacy rates are high and people recognize the commercial value of the Internet. Bahrain's principal telecommunications company Batelco reports that Internet accounts are increasing rapidly. Almost all government ministries have launched e-commerce websites. The Government is also under the process of integrating and implementing E-Government.

The government initiated an E-Government entity chaired by the Deputy Prime Minister to enhance the services provided by the government to citizens, foreigners, private sector, and investors. The newly established entity has ties with U.S. Information technology companies.

Advertising approaches differ according to the market sector. Extravagant product launches are becoming the norm. Consumer goods and services advertising techniques include the full range of television, radio, newspapers and magazines, internet, outdoor advertisements and other approaches.

**Radio/TV/Cable**

There are three nationwide TV channels and two nationwide radio channels in Bahrain: all of which are government channels. TV channels 44 and 4 broadcast programs in the local language (Arabic) and channel 55 broadcasts in English; Radio Bahrain broadcasts in English on bandwidth 96.5 FM and in Arabic on 93.3 FM.

Bahrain News Agency, Radio Bahrain, Bahrain Television  
Information Affairs Authority  
Chief Executive Officer  
Tel: +(973) 17-686000  
Fax: 17-681544  
Webpage: <http://www.bhaintv.com/>

Bahrain News Agency  
Tel: +(973) 17-689044  
Fax: +(973) 17-683825  
Webpage: <http://www.bhaintv.com/>

**Newspapers and Magazines**

Bahrain has several Arabic-language newspapers, the largest being Al Ayam, Al Wasat, and Akhbar Al Khaleej, Al Watan, and Al Bilad. The primary business oriented paper is Al Ayam newspaper's Economic supplement. There are two English-language newspapers, the Gulf Daily News and the Bahrain Tribune. Business-oriented magazines include Trade Arabia, Gulf Construction, Gulf Industry, Oil and Gas Middle East, and Zawya.

**Arabic Language Newspapers*****Akhbar Al Khaleej***

P.O. Box 5300  
Manama, Kingdom of Bahrain  
Tel: +(973) 17-620111  
Fax: +(973) 17-621566  
Website: <http://www.akhbar-alkhaleej.com/>

***Al-Ayam***

P.O. Box 3232  
Manama, Kingdom of Bahrain  
Tel: +(973) 17-727111  
Fax: +(973) 17-729009  
Website: <http://www.alayam.com/>

***Al-Wasat Newspaper***

P.O. Box 31110

Manama, Kingdom of Bahrain  
Tel: +(973) 17-596999  
Fax: +(973) 17-596900  
Website: <http://www.alwasatnews.com/>

## **English Language Newspapers**

### ***Gulf Daily News***

P.O. Box 5300  
Manama, Bahrain  
Tel: +(973) 17-620222  
Fax: +(973) 17-622141  
Website: <http://www.gulf-daily-news.com/>

### ***Bahrain Tribune***

P.O. Box 3232  
Manama, Kingdom of Bahrain  
Tel: +(973) 17-827111  
      +(973) 17-727111  
Fax: +(973) 17-827222  
Website: <http://www.bahraintribune.com/>

## **Domestic Trade Fairs**

Domestic trade fairs can provide U.S. firms with an opportunity to increase brand awareness, investment opportunities, and locate trade partners.

Bahrain is keen on drawing exhibition and conference participants to Bahrain and expanding its role as a regional expo and conference hub. Bahrain has one government-affiliated conference and exhibition facility. Many hotel chains have conferencing and exhibiting capability. For a listing of conferences and exhibitions, please visit the Bahrain International Exhibition Center's (BIEC) webpage, <http://www.bahrainexhibitions.com/>.

## **Exhibiting facilities**

The Bahrain International Exhibition Center (BIEC) is a modern, air-conditioned facility, featuring 14,000 square meters of internal hall space and 50,000 square meters of total land area. There are also comprehensive under-floor services and 10,000 square meters of space as well as parking for 500 cars. The exhibition center has enhanced Bahrain's position as a venue for trade shows and conferences in the Gulf region. Bahrain is easily accessible by car via the King Fahd Causeway from Dhahran, Saudi Arabia. Frequent air service is also available from the other Gulf States, as well as from major European and South Asian commercial centers.

### **Bahrain International Exhibition Center (BIEC)**

P.O. Box 11644  
Manama  
Kingdom of Bahrain  
Tel: +(973) 17-550111

Fax: +(973) 17-553447  
 Website: <http://www.bahrainexhibitions.com/>  
 E-mail: [biec@batelco.com.bh](mailto:biec@batelco.com.bh)

**Conference Centers at Major Hotels**

Several major hotels also offer first-class facilities for conference and exhibitions:

**Golden Tulip Bahrain Hotel**

P.O. Box 1090

Manama

Kingdom of Bahrain

Phone: +(973) 17-535000

Fax: +(973) 17-532071

Location: 10 minutes drive from the airport and the Bahrain International Exhibition Centre. Walking distance from Bab Al Bahrain (downtown).

Business Services: 250 Rooms, executive floor, business center with phone, fax, computers, conference facilities, and a conference center known as the Gilgamesh Ballroom.

<b>Golden Tulip Bahrain Hotel – Summary of Facilities and Capacities, in square meters (m2)</b>				
Function Rooms	Theatre	Classroom	Banquet	Reception
Gilgamesh Anteroom	120	80	100	125
Gilgamesh A	200	120	130	200
Gilgamesh A and B	500	300	350	500
Gilgamesh A and B and Anteroom	550	380	450	600
Um Nassan	40	20	30	40
Al Ghazal	40	15	15	70
Um Nassan and Al Ghazal	80	35	45	100
Rooms 616 / 716	20	12	16	20

**Diplomat Radisson SAS**

P.O. Box 5243

Manama

Kingdom of Bahrain

Phone: +(973) 17-531666

Fax: +(973) 17-530843

Website: <http://www.diplomatrdsas.com.bh/>

E-mail: [sales.diplomat@radissonsas.com](mailto:sales.diplomat@radissonsas.com)

Location: Business district (Diplomatic Area) in Manama.

Business Services: 243 Rooms, an Executive Floor, business center.



<b>Diplomat Radisson SAS – Summary of Facilities and Capacities (m2)</b>						
Function Rooms	Theatre	Classroom	Conference	Boardroom	Banquet	Reception
Grand Ambassador Suite 1	400	200	90	90	400	400
Grand Ambassador Suite 2	250	100	50	50	250	250
Grand Ambassador Suite 3	250	100	50	50	250	250
Grand Ambassador Suite 4	250	100	50	50	200	250
Grand Ambassador Suite Combined	150	500	300	300	1100	1700
Syndicate Rooms 1, 5, 6			16	16		
Syndicate Rooms 3, 4, 5, 6	25	15	16	16	16	40
Syndicate Rooms 3, 4	50	30	32	32	50	70
Eben Sina	30	15	18	18	30	30
Eben Al Nafis	20	18	18	18	25	30
Eben Roshed	18	10	12	15	20	25

**The Regency Intercontinental Bahrain**

P.O. Box 777

Manama

Kingdom of Bahrain

Phone: +(973) 17-227777

Fax: +(973) 17-229929

Website [www.intercontinental.com/manama](http://www.intercontinental.com/manama)

E-mail [bahrain@interconti.com](mailto:bahrain@interconti.com)

<b>Regency Intercontinental Hotel – Summary of Facilities and Capacities (m2)</b>					
Function Rooms	Theatre	Classroom	Conference	Banquet	Reception
Al Riffa Ballroom Lounge	100	50	30	80	160
Al Riffa Ballroom I	120	60	30	80	180
Al Riffa Ballroom II	300	150	80	220	350
Al Riffa Ballroom III	150	80	40	100	180
Al Riffa Ballroom Combined	670	340	180	480	870

Regents Room	40	35	25	40	60
Hawar	100	60	30	60	60
Onaizah I	40	30	25	12	40
Onaizah II	20	20	12	30	30

**Sheraton Bahrain Hotel**

6 Palace Avenue

P.O. Box 30

Manama

Kingdom of Bahrain

Telephone: +(973) 17-533533

Fax: +(973) 17-534069

Website: [www.sheraton.com/bahrain](http://www.sheraton.com/bahrain)

E-mail: [sheraton@batelco.com.bh](mailto:sheraton@batelco.com.bh)

Business Services: Executive floor, fully equipped business center with phone, fax, computers and conference facilities.

<b>Sheraton Bahrain Hotel – Summary of Facilities and Capacities (m2)</b>						
Function Rooms	Theatre	Classroom	Conference	Buffet	Banquet	Reception
Al Jasra Ballroom	800	400	100	500	600	800
Al Taj Room A	278	148	48	156	180	278
Al Taj Room B	442	224	60	250	300	350
Al Taj Room A and B	705	376	90	376	470	705
Budaiya Room	40	24	12	20	25	35
Zallaq Room	74	50	24	50	60	75
Sakhir Room	40	24	12	20	25	35
Iwan Lounge	150	100	45			200

**The Gulf Hotel Bahrain**

**The Gulf International Convention & Exhibition Centre**

P.O. Box 580

Manama

Kingdom of Bahrain

Phone: +(973) 17-713000

Fax: +(973) 17-712088

Website: <http://www.gulphotelbahrain.com/>

E-mail: [ghres@batelco.com.bh](mailto:ghres@batelco.com.bh)

Location: 20 minutes from the airport, 10 minutes from Bab Al Bahrain (downtown).

Business Services: Two executive floors, 21 meeting rooms, business center with phone, fax and computers and a conference center known as the Gulf International Conference Center.

<b>GULF INTERNATIONAL CONVENTION &amp; EXHIBITION CENTRE - Summary of Facilities and Capacities (m2)</b>							
<b>Function Rooms</b>	<b>Exhibition s 4 m2 stand</b>	<b>Meetings</b>					
		<b>Theatre</b>	<b>Classroom</b>	<b>Conference</b>	<b>Buffet</b>	<b>Banquet</b>	<b>Reception</b>
Al Dana Hall 1	20	500	300	80	360	400	660
Al Dana Hall 2	20	500	300	80	360	400	660
Al Dana Hall 1 and 2	45	1000	600	120	700	810	1500
Al Dana Hall 3	10	200	120	48	160	200	300
Al Dana Hall 4	10	200	120	48	160	200	300
Al Dana Hall 3 and 4	20	500	300	80	360	400	600
Al Dana Hall 5		120	80		60	80	200
Al Dana Hall Combined	75	2200	1200	150	1130	1260	2500
Al Dana Hall Combined +	90	2400	1300	150	1350	1500	3000
Al Amwaj				14			
Al Murjan 1		60	36	20			75
Al Murjan 2		60	36	20			75
Al Murjan 1 and 2		120	80	40			150
Al Mahara				14			
Lulu Suite		20	18	10			25

**Crowne Plaza Bahrain**  
**Bahrain Conference Centre**  
P.O. Box 5831  
Manama

Kingdom of Bahrain

Telephone: +(973) 17-531122

Fax: +(973) 17-530154

Website: <http://www.crowneplaza-bahrain.com/>

E-mail: [crowneplaza@batelco.com.bh](mailto:crowneplaza@batelco.com.bh)

Location: 10 minutes drive from the airport and three minutes from the Museum.

Situated in the heart of Manama's Diplomatic Area.

Business Services: Executive floor, business center known as the Bahrain Conference Center.

<b>Crowne Plaza, Bahrain- Summary of Facilities and Capacities (m2)</b>					
<b>Function Rooms</b>	<b>Theatre</b>	<b>Classroom</b>	<b>Boardroom</b>	<b>Banquet</b>	<b>Reception</b>
Banquet Hall A	170	90	40	100	200
Banquet Hall B	170	90	40	100	200
Banquet Hall C	500	250	90	300	500
Banquet Hall D	600	300	100	500	700
Banquet Hall A, B, C and D	1700	900	170	1200	2000
Board Room 1			20	20	
Board Room 2	60		40	30	100
Board Room 3	50		30	20	75
Meeting Room 4	20	12	10		
Meeting Room 5	20	12	10		
Meeting Room 6	50	30	24		
Meeting Room 7	50	30	24		

### **The Ritz-Carlton, Bahrain Hotel & Spa**

P.O. Box 55577

Manama

Kingdom of Bahrain

Telephone: +(973) 17-580000

Fax: +(973) 17-580333

Website: <http://www.ritzcarlton.com/>

E-mail: [info@ritzcarlton.com.bh](mailto:info@ritzcarlton.com.bh)

Location: 20 minutes from the airport, five minutes from Bab Al Bahrain.

Business Services: Executive Floor, business center with phone, fax and computers, conference facilities.

<b>The Ritz-Carlton, Bahrain Hotel &amp; Spa - Summary of Facilities and Capacities (m2)</b>						
<b>Function Rooms</b>	<b>Theatre</b>	<b>Classroom</b>	<b>Conference</b>	<b>Buffet</b>	<b>Banquet</b>	<b>Reception</b>
Al Ghazal I	250	140	45	130	150	340
Al Ghazal II	210	120	42	90	110	220

Al Ghazal III	260	120	42	110	130	270
Al Ghazal C	220	100	36	100	130	250
Al Ghazal Combined				700	500	1200
Al Noor	750	600				750
Board Room I	40	24	18		24	50
Board Room II	25	12	15		16	25

### **Movenpick Hotel**

P.O. Box 24009

Manama

Bahrain

Phone: +(973) 17-460000

Fax: +(973) 17-460001

Website: <http://www.moevenpick-group.com/>

Location: The Movenpick is the closest hotel to Bahrain International Airport and the only hotel on the island of Muharraq. It is located 15 minutes' drive from downtown Manama.

Business Services: high-speed WiFi in all public areas and rooms.

<b>Movenpick Hotel, Bahrain - Summary of Facilities and Capacities</b>					
<b>Function Rooms</b>	<b>Number</b>	<b>Largest Seating Capacity</b>	<b>Total Space (m2)</b>	<b>Boardroom Capacity</b>	<b>Video Conference Availability (Yes/No)</b>
Meeting Rooms	6	520 people	20	8 person(s)	Yes
Gawwas Boardroom	1	14 people	32	14 person(s)	Yes
Hairat	1	20 people	41	N/A	Yes
	1	250 people	147	N/A	Yes
	1	520 people	462	100 person(s)	Yes
	1	16 people	51	16 person(s)	Yes
	1	100 people	137	N/A	Yes
	1	20 people	41	N/A	Yes

### **Novotel**

P.O. Box 11073

Manama, Bahrain

Tel: +(973) 17-298008

Fax: +(973) 17-298338

Website: <http://www.novotel.com/>

E-mail: [aldana@novotel-bahrain.com](mailto:aldana@novotel-bahrain.com)

Location: Located halfway between downtown Manama and Bahrain International Airport, close to the Diplomatic Area.

**Business Services: 4 meeting rooms.**

**Organizers of International Trade Exhibitions:**

Most international trade exhibitions in Bahrain are organized by Arabian Exhibition Management (AEM), Bahrain Convention and Exhibition Bureau, and Reflections for Events and Exhibitions. Other trade exhibition companies also operate in Bahrain.

Arabian Exhibition Management WLL (AEM)

P.O. Box 20200

Manama, Bahrain

Tel: +(973) 17-550033

Fax: +(973) 17-553288

Website: <http://www.aeminfo.com.bh/>

E-mail: [aeminfo@batelco.com.bh](mailto:aeminfo@batelco.com.bh)

Bahrain Convention & Exhibition Bureau (BCEB)

P.O. Box 11644

Manama

Kingdom of Bahrain

Phone: +(973) 17-558800

Fax: +(973) 17-555513

Webpage: <http://www.bahrainexhibitions.com>

E-mail: [info@bahrainexhibitions.com](mailto:info@bahrainexhibitions.com)

AIFG/International Fairs Group

P.O. Box 5098

Manama, Kingdom of Bahrain

Tel: +(973) 17-244418

Fax: +(973) 17-231600

Website: <http://www.amadeusifg.com>

Email: [info@amadeusifg.com](mailto:info@amadeusifg.com)

AL Hilal Group

P.O. Box 224,

Manama, Kingdom of Bahrain

Tel: +(973) 17-299116

Fax +(973) 17-294458

Website: <http://www.alhilalgroup.com>

Mice Management W.L.L.

P.O. Box 20196

Manama, Bahrain

Tel: +(973) 17-534001

Fax: +(973) 17-534002  
Website: <http://www.mice-management.com/>  
Email: [events@mice-management.com](mailto:events@mice-management.com)

**U.S. Commercial Service advertising and promotion services  
(Provided by U.S. Embassy Manama, Commercial Section)**

**BuyUSA.gov**

**Cost:** \$250

**Delivery:** Within one business week from receipt of payment.

Opportunity for U.S. companies providing services and sometimes products, to gain exposure through an official U.S. Department of Commerce focusing mainly on the Bahraini market and surrounding countries. Average time for a "single company promotion" on the site is 12 months. Exposure on the Bahraini web-site may also be offered in conjunction with a trade promotion program for a limited period. Cost for this exposure will be determined. Payment received in local currency (Bahraini Dinars) for a 12 month period will be B.D. 100. A copy of the application form is available on our office web-site ([www.buyusa.gov/bahrain](http://www.buyusa.gov/bahrain)) for those individuals/organizations who are interested in being considered for this service.

**Single Company Promotion**

**Cost:** Cost varies depending on the services required generally \$1000-\$1500 (plus extra expenses incurred)

**Delivery:** Six weeks after receipt of payment

Assisting a U.S. company organize and host a seminar/presentation to launch/promote its products/services. Service would include organizing logistics including helping client obtain preferential rates at local venues, identifying prospective clients and sending invitations. Service is tailored to the specific needs of the U.S. Company.

**Commercial Contact:**

Ms. Noor Al Hayki, Commercial Specialist

U.S. Embassy Manama

Tel: +(973) 17-242700

Fax: +(973) 17-256717

Email: [AlhaykiNB@state.gov](mailto:AlhaykiNB@state.gov).

Web sites: <http://www.buyusa.gov/bahrain> or

<http://bahrain.usembassy.gov/tradeandcommerce.html>

**Pricing**

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Shipping generally adds considerably to the cost of items manufactured in the U.S., which already face stiff competition from European and Asian suppliers. This disadvantage is periodically counterbalanced by exchange rate shifts between the dollar and European and Asian currencies. The average importer markup on food products is 10-15 percent. Retail food prices are generally 25-30 percent above import prices.

Hard bargaining is common in the local souks of Manama and Muharraq, where buyers usually want a discount and vendors inflate their initial offers accordingly.

**Sales Service/Customer Support**

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After-sales service directly affects product reputation. A good agent/distributor relationship to facilitate quality service is crucial to success in this market. Opening warehouses and after-sales offices in the Gulf to dispatch goods efficiently can help enlarge the client base. Agents who offer superior after-sales service have a competitive advantage over the medium and long term.

## **Protecting Your Intellectual Property**

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The U.S.-Bahrain FTA commits Bahrain to enforce world-class IPR protection. The government has made dramatic progress in reducing copyright piracy, and there are no reports of significant violations of U.S. patents and trademarks in Bahrain. The government's copyright enforcement campaign began late 1997 and was based on inspections, closures, and improved public awareness. The campaign targeted the video, audio, and software businesses with impressive results. The commercially pirated video and audio markets have been virtually eliminated. However, software piracy, which has shifted from retail to end-user violations, remains problematic. A government-organized campaign continues to challenge new technologies from operating outside IPR laws.

Bahrain's current legal system adequately protects and facilitates acquisition and disposition of intellectual property rights (IPR). The concept of a mortgage exists, and there is a recognized and reliable system of recording such security interests. However, there is currently no mortgage law that guarantees lenders the right to repossess property in the case of mortgage non-repayment.

There are no technology transfer requirements that force firms to share or divulge technology to a domestic partner through compulsory licensing, nor are firms forced to commit to research and development activities in Bahrain.

In recognition of improved IPR protection, Bahrain was removed from the U.S. Special 301 Watch List in 1999, and has remained off the list since. The government has made progress in reducing copyright piracy. Patent and trademark protection has always been strong, and there have been no recent reports of significant violations of U.S. patents and trademarks in Bahrain. Software piracy has been much more difficult to eradicate. Bahrain signed the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property in 1996. Although Bahrain argued that it was TRIPS-compliant based on a constitutional clause giving international agreements precedence over local law, the WTO continues to seek legal revisions. Bahrain has drafted, and in the process of passing through the National Assembly (both upper and lower houses), new laws related to intellectual property to bring Bahrain's local laws into compliance with its current TRIPS, WIPO, Berne, and Paris Convention commitments, and to position Bahrain to join the Nice Agreement, Vienna Agreement, Patent Cooperation Treaty, Trademark Law Treaty, Madrid Agreement, Budapest Treaty, WIPO Copyright Treaty, WIPO Performances and Phonograms Treaty, and the Rome Convention.

Eight new IPR laws were ratified in May of 2006, bringing Bahrain's local laws into compliance with its international obligations through WIPO.

- trade secrets;
- copyright and related rights;



- designs of integrated circuits;
- geographic indicators;
- individual drawings and designs;
- patents and utility models;
- plant varieties;
- trademarks.

The Trade Secrets law was passed by the legislative branch and signed into effect by the King in July 2003.

There are no technology transfer requirements that force firms to share or divulge technology to a domestic partner through compulsory licensing, nor are firms forced to commit to research and development activities in Bahrain.

It is recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Bahrain or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- The Ministry of Industry and Commerce has developed an online patent, trademark, and design registration service on the [Ministry of Industry and Commerce](#)'s website.

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

## Due Diligence

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Establishing a business in Bahrain, whether in the services, sales, or manufacturing sector, is best accomplished after the following:

- Carefully researching Bahrain's market, economic, and social systems;
- Carefully choosing a Bahraini partner/advisor/consultant with strong affiliations in the local economy, as well as knowledge of and access to the country's commercial bureaucracy and legal system;
- Conducting due diligence in establishing a business relationship;
- Requiring confirmed Letters of Credit for purchases, especially in the initial stages of a business relationship.

Bahrain is very small by size and the business community is highly interconnected. Establishing and developing contacts is key in Bahraini society and economy.

## U.S. Commercial Service due diligence service (Provided by U.S. Embassy Manama, Commercial Section)

### International Company Profile (ICP)

**Cost:** \$300/500 for small & medium businesses, and \$900 for a large company

**Delivery:** 20 business days from receipt of payment

**Time:** 20 business days from receipt of payment.

**Description:** To assist U.S. companies to enter into international business relationships with confidence, the International Company Profile (ICP) helps U.S. companies evaluate potential business partners by providing a detailed report on overseas companies which have been personally visited, if feasible, by a commercial specialist or commercial officer of the U.S. Commercial Service. Through the service, clients can request answers to detailed questions about overseas companies on a variety of issues and receive expert advice from our commercial specialists about the relative strength of the firm in its market and its reliability, among other things. Upon request, detailed questions will be asked of the overseas companies, beyond those in the standard questionnaire.

**Commercial Contact:**

Ms. Noor Al Hayki, Commercial Specialist  
U.S. Embassy Manama  
Tel: +(973) 17-242700  
Fax: +(973) 17-256717  
Email: [AlhaykiNB@state.gov](mailto:AlhaykiNB@state.gov).  
Web sites: <http://www.buyusa.gov/bahrain> or  
<http://bahrain.usembassy.gov/tradeandcommerce.html>

**Local Professional Services**[Return to top](#)**U.S. Commercial Services****(Provided by U.S. Embassy Manama, Commercial Section)****Screened/ Contact Lists****Cost:** \$300.00**Delivery:** 15 working days from receipt of payment**CS Contact:** Noor Al Hayki

**Description:** Industry-specific Screened Contact List of companies in Bahrain. Includes basic contact information, company names, addresses, telephone, fax numbers, e-mail, related industries, business type (legal type), Commercial Registration Number (CR) if available, business size, business affiliates (represented foreign firms and/or agents/distributors) number of employees, revenue (if available) and year of establishment. Mailing charges via ordinary or courier mail will be additional. If total work days required exceeds fifteen, estimated delivery will be provided before acceptance of the job is undertaken. If more than one sector is requested, costs as follows: two sectors \$400, three sectors \$400, etc.

**Unscreened Contact Lists****Cost:** \$300.00**Delivery:** 7 work days from receipt of payment**CS Contact:** Noor Al Hayki

**Description:** General industry-specific contact list of companies in Bahrain. List includes basic contact information, company names, addresses, telephone, fax numbers, and e-mail. Mailing charges via ordinary or courier mail will be additional. If total work days required exceeds seven, estimated delivery will be provided before acceptance of the job is undertaken. If more than one sector is requested, the costs are as follows: cost for two is \$200, three \$250, four \$300 etc.

**Commercial Contact:**

Ms. Noor Al Hayki, Commercial Specialist  
U.S. Embassy Manama  
Tel: +(973) 17-242700  
Fax: +(973) 17-256717  
Email: [AlhaykiNB@state.gov](mailto:AlhaykiNB@state.gov).  
Web sites: <http://www.buyusa.gov/bahrain>  
or  
<http://bahrain.usembassy.gov/tradeandcommerce.html>

For a complete list of services provided, please contact the [U.S. Embassy Manama, Commercial Section](#).

## **Web Resources**

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Ministry of Commerce (MOH)  
<http://www.commerce.gov.bh/>

Bahrain Investors Center (BIC)  
<http://www.bi.bh>

Bahrain Economic Development Board (EDB)  
<http://www.bahrainedb.com/>

Ministry of Industry (MOI)  
<http://www.industry.gov.bh/>

Bahrain Bourse (Stock Market)  
<http://www.bahrainbourse.com.bh/bb/>

Bahrain Television (BTV)  
<http://www.bahraintv.com/>

Akhbar Al Khaleej Newspaper  
<http://www.akhbar-alkhaleej.com/>

Al Ayam Newspaper  
<http://www.alayam.com/>

Al Wasat Newspaper  
<http://www.alwasatnews.com/>

Gulf Daily News (GDN)  
<http://www.gulf-daily-news.com/>

Bahrain Tribune (BT)  
<http://www.bahraintribune.com/>

Bahrain Convention and Exhibition Center (BCEB)  
<http://www.bahrainexhibitions.com/>

Arabian Exhibition Management  
<http://www.aeminfo.com.bh/>

Reflections  
<http://www.reflectionsbh.com>

AIFG/International Fairs Group  
<http://www.amadeusifg.com>

Mice Management W.L.L.  
<http://www.mice-management.com/>

Golden Tulip Hotel  
<http://www.goldentulip.com/>

Diplomat Radisson SAS Hotel  
<http://www.diplomatrdsas.com.bh/>

Regency Intercontinental Hotel  
[www.intercontinental.com/manama](http://www.intercontinental.com/manama)

Sheraton Hotel  
<http://www.sheraton.com/bahrain>

Gulf Hotel  
<http://www.gulfhotelbahrain.com/>

Crowne Plaza Hotel  
<http://www.crowneplaza-bahrain.com/>

Ritz Carlton Hotel  
<http://www.ritzcarlton.com/>

Movenpick Hotel  
<http://www.moevenpick-group.com/>

Novotel Hotel  
<http://www.novotel.com/>

Commercial Section, U.S. Embassy Bahrain  
<http://www.buyusa.gov/bahrain>  
or  
<http://bahrain.usembassy.gov/tradeandcommerce.html>

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## Chapter 4: Leading Sectors for U.S. Export and Investment

### **Commercial Sectors**

- [Motor Vehicles and Vehicle Parts](#)
- [Medical Equipment/Healthcare](#)
- [Air Conditioning and Refrigeration Equipment](#)
- [Computers and Peripherals](#)
- [Telecommunications](#)
- [Financial Services](#)
- [Education and Training](#)
- [Electrical Power](#)
- [Water Desalination](#)
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### **Agricultural Sectors**

- [Frozen/Chilled Beef](#)
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## Motor Vehicles and Vehicle Parts

### Overview

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<b>Motor Vehicles and Vehicle Parts</b>	<b>2007 (Actual)</b>	<b>2008 (Actual)</b>	<b>2009 (Estimate)</b>
Total Market Size	591	602	611
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	591	602	611
Imports From U.S.	47.2	48.2	48.6

\*In USD\$ millions

Source: Bahrain Central Informatics Organization

The market for American passenger cars, especially for larger model vehicles like mini-vans and SUVs, continues to grow. Compact and economy models are also popular.

### Best Prospects

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It is expected that U.S. automobile exports to Bahrain will remain strong through 2011. U.S. car dealerships in Bahrain attribute strong sales to the FTA and the relatively weakened value of the dollar.

The U.S. dollar value has reduced the cost of U.S. manufactured vehicles in relation to European, and Japanese models. The overall market for U.S.-made auto parts is declining due to Asian and Saudi competition. However, there are opportunities in niche markets (brake pads, oil filters) and auto accessories (wax, lubricants) where American products are preferred for their high quality.

### Opportunities

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Bahrainis value U.S. cars for their safety, comfort, interior design, and capacity to accommodate large families. U.S. car sales also benefit from an overall expanding market. According to the Bahrain General Directorate of Traffic, 311,000 vehicles were registered in Bahrain in 2008, and registration is increasing 7 percent per year on average, suggesting an estimated 332,000 vehicle registrations in 2009.

### Web Resources

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U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>

## Medical Equipment/Healthcare

### Overview

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Medical Equipment	2007 (Actual) *	2008 (Actual) *	2009 (Estimate) *
Total Market Size	64	70	72
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	64	70	72
Imports from U.S.	11.6	13.8	14.1

\*In USD\$ millions

Source: Bahrain Central Informatics Organization

Bahrain has a modern health system. All Bahrainis receive free state health care. Most companies offer their expatriate workers some sort of health coverage, either through insurance companies, in which case rates are negotiable, or through arrangements with one or more of the local private hospitals. There is an \$8 fee for expatriates attending an emergency clinic in a government hospital. In 2006, Bahrain's health services sector showed significant growth, which is likely to continue. Construction of the \$80 million King Hamad Hospital in Muharraq is scheduled to be completed in late 2011.

The Government of Bahrain encourages the private sector to enter the health care market and thus share the cost of services. It is also drawing up plans to attract international hospitals in order to promote health tourism. The government encourages the private sector to play a greater role in the healthcare industry. The Bahrain Development Bank (BDB) assists the healthcare sector through loans, totaling \$17 million in 2010. A "medical city" is under development as part of a \$114 million investment by Ithmaar Investment Bank-- the reclaimed land near Amwaj Island is already under contract.

### Best Prospects

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Current plans for the health services sector include the construction of a third large public hospital, the King Hamad Hospital in Muharraq, due to open in end of 2011. The Royal College of Surgeons will use the medical facilities as a learning hospital. In the private sector, the Boston-based Joslin Diabetes Center (JDC) constructed its first facility outside the United States in Bahrain in 2003. In 2004 the JDC expanded the facility due to increased demand for diabetes treatment in Bahrain and the Gulf. The Ministry of Health's 2011/2012 budget includes funding for the construction of a new Genetic Disease Research Center, a new hospital in the Central Governorate, and additional clinics in highly populated areas in the Northern Governorate.

### Opportunities

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In 2009, the largest hospital in Bahrain – the state-run Salmaniya Medical Complex – spent \$13.8 million to replace its medical equipment. It is looking to replace patient vital-sign monitors, infant incubators, ventilators, infusion pumps, and also to acquire a deep X-ray therapy machine.



In a step towards reducing the load on government health services, the Ministry of Health (MOH) has proposed draft legislation that introduces compulsory health insurance for non-Bahrainis. The current statistical MOH figures indicate that only 10 percent of Bahrain's patients receive private treatment. The MOH has recognized the urgency of investments in the health sector is planning to establish a liaison office, dedicated to attract investment in the health sector.

The MOH has also identified areas for investment, which include: the pharmaceutical industry, drug packaging and distribution, health complementary services (ex. producing of syringes), health support services, health resorts, health education and training, medical research centers, information technology (which includes the MOH's E-health), and biotechnology.

## **Web Resources**

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Ministry of Health (MOH)  
[www.moh.gov.bh](http://www.moh.gov.bh)

Bahrain's Economic Development Board (EDB)  
[www.bahrainedb.com](http://www.bahrainedb.com)

U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>

## Air Conditioning and Refrigeration Equipment

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<b>AC/Refrigeration Equipment</b>	<b>2007 (Actual)*</b>	<b>2008 (Actual)*</b>	<b>2009 (Estimate)*</b>
Total Market Size	59	62	64
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	59	62	64
Imports from U.S.	9.1	9.3	9.5

\*In USD\$ millions

Source: Bahrain Central Informatics Organization

Bahrain's climate requires air conditioning most of the year due to high temperatures and high humidity. Air conditioning equipment breaks down frequently as a result of constant use and lack of maintenance.

### Best Prospects

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The market for air conditioning and refrigeration equipment increased gradually through the years, and U.S market share remained strong in this market. American brands, highly regarded for their reliability, have traditionally done well in Bahrain. Moreover, new construction projects are an important market for American products.

### Opportunities

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Due to the recent global economic downturn, many residential construction projects were delayed or cancelled. Economists anticipate growth in housing appliances, furniture, electrical appliances, and accessories market.

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U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>

## Computers and Peripherals

### Overview

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Bahrain has focused its efforts on the entry of new private firms in specific prospective growth sectors, which includes the information and communications technology service sector. Bahrain has been actively attracting international companies in the information technology sector to invest in Bahrain, with a long-term vision of the formation of an information technology hub. The government established the Central Informatics Organization that oversee the growth of information technology, and seeks to improve government efficiency by using new technologies. To enhance Bahrain's position in information technology, the government established E-Government, an entity that is widely connected to U.S. information technology companies.

### Best Prospects

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Internet use is expanding in Bahrain. The Government launched an E-Government initiative, and the electronic-based technology has overwhelmingly been accepted as an important tool of effective business strategy and good governance.

### Opportunities

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The GOB is revamping the Kingdom's information technology infrastructure. Almost all Ministries have upgraded, or are upgrading their e-services. Microsoft and BDO Jawad Habib, a Bahrain-based consultancy firms, have won the contract to install and run Bahrain's E-Investor Project. A \$6.89 million contract was also signed to take Bahrain's government schools into cyber space, part of the King's Future Schools' project.

King Hamad Future Schools' project is a joint program between the Ministry of Education and UNESCO aimed to develop the Ministry of Education's current knowledge-based curriculum to a knowledge-based economy or K-economy curriculum. The initial five-year agreement, recently extended through June 2011, aims to expand the information technology system at all stages of government education. The Ministry of Education is considering further expanding the project to cover the Kingdom's public universities and medical schools.

The private sector, and especially the financial services sector, has started upgrading their IT systems in order to make them competitive in a global market. Cisco was awarded major tenders from several financial institutions including Gulf Finance House, Standard Charter Bank, Capital House, and Unicorn Bank.

### Web Resources

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Government of Bahrain (GOB)  
[www.bahrain.gov.bh](http://www.bahrain.gov.bh)

Ministry of Commerce (MOC)  
[www.commerce.gov.bh](http://www.commerce.gov.bh)

Ministry of Education (MOE)  
[www.education.gov.bh](http://www.education.gov.bh)

Ministry of Health (MOH)  
<http://www.moh.gov.bh/>

Bahrain's Economic Development Board (EDB)  
<http://www.bahrainedb.com/>

Commercial Section, U.S. Embassy Bahrain  
<http://www.buyusa.gov/bahrain/en>

## Telecommunications

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The telecommunications sector was the first key sector to be liberalized in Bahrain following the government's announced interest in opening traditionally government-controlled industries. The Telecommunications Regulatory Authority (TRA), established in late 2002, awarded a mobile telecommunications services license to MTC-Vodafone, thus ending the monopoly of Bahrain's telecom services provider, Batelco. The license was awarded under the Telecommunications Law, which took effect January 2003. An open framework attracted a second wireless carrier--Zain Telecommunication--to relocate their headquarters from Kuwait to the Kingdom of Bahrain in 2007. TRA awarded a third mobile provider license to STC in 2008. The third operator Viva (Saudi Telecommunication Company) launched their commercial operation in March of 2010. In all, 64 telecommunication companies are currently operating in different sectors throughout Bahrain

### Best Prospects

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Telecommunications liberalization also extended to paging services, very small aperture terminal (VSAT), public access mobile radio services, international telecommunications facilities, international telecommunications services, national fixed services, internet service provider (ISP) and value-added services license following the full liberalization of the sector on July 1, 2004.

### Opportunities

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The TRA most recently announced the provision of five International Telecommunications Facility licenses (IFLs), nine International Telecommunications Services Licenses (ISLs), seven VSAT licenses, 23 value-added Services (VAS) "Class" licenses and eight Internet Service Provider (ISP) licenses.

According to the Central Bank of Bahrain (CBB), in 2009 the number of mobile phone users reached 737,460 up from 723,000 the previous year, representing a growth of 2 percent.

Over 70 percent of Bahrain's 1,234,000 residents are mobile phone users, suggesting one of the highest penetration rates in the Middle East. In 2009, Batelco had 310,000 registered Internet subscribers; personal users accounted for 78 percent and business users 22 percent of the total Internet market. The Telecommunication sector has grown rapidly, largely due to new technologies including use of Voice Over Internet Protocol (VOIP), and mobile phones.

### Web Resources

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Telecommunication Regulatory Authority (TRA)  
<http://www.tra.org.bh/>

Ministry of Transportation (MOT)  
(covers public transportation, telecommunications, postal services, and civil aviation)  
[www.transportation.gov.bh](http://www.transportation.gov.bh)

Bahrain Internet Exchange (BIX)  
[www.bix.bh](http://www.bix.bh)

Central Bank of Bahrain (CBB)  
[www.cbb.gov.bh](http://www.cbb.gov.bh)

Bahrain Economic Development Board (EDB)  
<http://www.bahrainedb.com/>

Bahrain Telecommunications (Batelco)  
[www.batelco.com](http://www.batelco.com)

MTC-Vodafone Bahrain  
<http://www.mtc-vodafone.com.bh/>

U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>

## Financial Services

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Bahrain is a principal financial services hub in the Middle East with the high concentration of Islamic Banks. Legal, regulatory, and accounting systems in the financial sector (onshore and offshore) are transparent and consistent with international norms. International financial institutions operate in Bahrain, both internationally and domestically, without impediments.

The Central Bank of Bahrain (CBB) regulates the banking sector under the provisions of the BMA law (Decree Law No. 23 of 1973). In May 2002, the Government of Bahrain announced that regulatory responsibility for the insurance sector and stock exchange would move to the CBB. This move was completed in late 2002.

To promote the Kingdom's position as a leading financial destination, the government upgraded the legal framework of the Bahrain Monetary Agency creating the Central Bank of Bahrain in September 2006. In October of 2006, the CBB granted offshore banks greater flexibility allowing them to invest locally.

To enhance international and local investments, the Kingdom of Bahrain privatized the Bahrain Stock Exchange in January 2010; it was officially re-launched as Bahrain Bourse in January 2011.

### Best Prospects

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Bahrain's attraction as a financial center is based on its established offshore facilities, free foreign exchange movement, tax-free status, stable Bahraini Dinar-USD foreign exchange rate, established insurance sector, modern telecommunications systems, and prime geographical location among the GCC countries. The financial sector has established itself as a key employment generator for the local population.

In March 2004, in an effort to stimulate the insurance industry and reinforce Bahrain's position as a major insurance center in the Middle East, the BMA lifted the requirement that foreign insurance brokers and loss adjusters must have a local partner in order to operate. These firms, which were previously required to have at least 51 percent Bahraini-ownership, are now permitted to operate with 100 percent foreign-ownership. The CBB is holding consultations on further reform in areas such as captive insurance, solvency, business conduct, risk management and financial crime, enforcement, CBB reporting and public disclosure, intermediaries, and Islamic insurance.

### Opportunities

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Bahrain promotes itself as an international financial center in the Gulf region. It hosts 412 diverse financial institution, including 189 banks, of which 55 are offshore banking unites (OBUs); 43 investment banks; and 26 commercial banks, of which 17 are foreign owned. In addition, there are 342 representative offices of international banks, 22 moneychangers and money brokers, and several other investment institutions, including 89 insurance companies. Bahrain is also a leading Islamic finance center in the region. This sector has grown considerably since the licensing of the first Islamic bank in 1979. Bahrain has 38 Islamic banks and financial institutions.

Bahrain's underdeveloped insurance market possesses significant profit potential for investors. Total insurance premiums for companies operating in Bahrain increased 7.6 percent to \$368 million, up from \$341. As of year-end 2009, the industry included 179 companies, which, compared to 176 in 2009, represents a growth of 1.7 percent.

The Government of Bahrain (GOB) has identified Islamic banking as one of the main economic growth areas in the coming five years. Islamic banking principles are similar to those of conventional banking, with the exception that Islamic banks must conform to Sharia, or Islamic law. Islamic finance prohibits charging interest for the use of money, and disallows dealing in certain commodities. Islamic banking falls under four main categories:

- Murabiha: cost-plus financing – i.e., buying a product from a supplier and selling it to a customer for a profit;
- Musharraka: a profit sharing system that is similar to equity participation;
- Ijara: leasing;
- Istisna: the financing of construction or manufacturing.

Islamic banking attracts investors because of its profit potential, as well as its religious and ethical approach. While the sector is still small, it has registered strong continual growth despite regional uncertainties that hindered growth in conventional banking. Islamic Banking became an engine of growth in the Kingdom of Bahrain and continues to attract high net-worth individual investors from GCC countries. This sector has grown by an average of 8 percent over the past three years. The Crown Prince and other government officials have voiced Bahrain's commitment to developing the sector further.

Due to the financial crisis and shortage of liquidity in the GCC region, growth in the financial and the insurance sector decreased sharply. During the financial crisis, the CBB played a major role in directing, monitoring, and advising Islamic banks to prevent failures.

## Web Resources

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Bahrain Bourse (Stock Exchange)  
<http://www.bahrainbourse.com.bh>

Bahrain Monetary Agency (BMA)  
[www.bma.gov.bh](http://www.bma.gov.bh)

Ministry of Finance (MOF)  
[www.mofne.gov.bh](http://www.mofne.gov.bh)

Bahrain Economic Development Board (EDB)  
<http://www.bahrainedb.com/>

Bahrain Convention and Exhibition Bureau (BCEB)  
[www.bahrainexhibitions.com](http://www.bahrainexhibitions.com)

U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>





## Education and Training

### Overview

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Regionally, Bahrain has been a leader in the field of education, dating back to 1919 when it was the first country in the Gulf to establish a system of formal education. In 2007, Bahrain had a 94.8 percent literacy rate among Bahraini males and an 87.6 percent literacy rate among females, yielding a national literacy rate of 90 percent, the highest in the region. The United Nations Development Program's (UNDP) Human Development Report for 2009 reported Bahrain as the most developed Arab state with a literacy rate of 90 percent in 2009, higher than the GCC literacy rate of 86.7 percent. The issue of education has been crucial for Bahrain since independence. State spending on education is \$728.4 million, representing 12.1 percent of the entire \$8.42 billion state budget for 2009-2010. Ministry of Education employees account for approximately 31 percent of all government employees.

Rising demand has led to deficiencies in the state school system. Most parents who can afford to do so send their children to private schools. A U.S. Department of Defense-affiliated school and a number of private schools offer education in English with an American-style curriculum.

Bahrain is home to three public universities and a number of private universities including the Royal College of Surgeons, New York Institute of Technology (NYIT), Open University, AMA International, Delmon, The Kingdom, Applied Sciences and a number of educational institutions associated with the Bahrain Institute of Banking and Finance (BIBF) (see Chapter 6: U.S. Investments in Bahrain). Bahrain has a wide range of public and private training centers that concentrate on the technical, financial and tourism sectors.

As part of the 2030 Economic Vision to promote human development, the government established Bahrain Polytechnic University, managed and directed by PNZ of New Zealand. In less than three years it has become one of the most popular universities in Bahrain and is evolving into a scientific research center.

### Best Prospects

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Growth in the education sector is driven primarily by the establishment of new private universities, which the Government supports in order to promote private higher education in Bahrain.

The Crown Prince and BDF Commander-in-Chief launched a national reform initiative in 2004 that is aimed at creating a new economic, labor, education and training vision for the Kingdom. The Government of Bahrain is seeking to establish Bahrain as a regional center for human resource development. Bahrain has over 50 training institutes that offer training in a variety of areas such as hospitality, information technology, business studies, English language studies, and banking. Specialist-training institutions include the Gulf College of Hospitality and Tourism, the Bahrain International College of Health & Beauty, the Regional Institute of Advertising & Marketing, and the Bahrain Institute of Banking & Finance. Major training institutes include the Bahrain Institute for Banking and Finance (BIBF), Bahrain Training Institute (BTI), KPMG, and the British Council.

## Opportunities

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The Government of Bahrain is promoting Bahrain as a regional education and training hub, since the educational and vocational training curricula have been recently criticized recently for not adequately preparing Bahrainis for the workforce. The government is making concerted efforts to turn this situation around. As a part of this initiative the Ministry of Labor and Tamkeen are actively encouraging international education and training organizations to set up bases in Bahrain. With a total investment of approximately \$65 million, six new private universities have opened since late 2006 including Bahrain Polytechnic. The high growth in private education can be attributed to several factors, including: an increased number of full-time working adults seeking part-time internationally accredited degrees, private businesses looking for specialized courses for their employees, and greater demand for private education from neighboring countries like Saudi Arabia.

## Web Resources

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Ministry of Education (MOE)  
<http://www.education.gov.bh/>

Ministry of Labor (MOL)  
<http://www.mol.gov.bh/mol/default.aspx>

Bahrain Center for Studies and Research (BCSR)  
<http://www.bcsr.gov.bh/>

Bahrain Civil Service Bureau (CSB)  
<http://www.csb.gov.bh/>

University of Bahrain (UoB)  
<http://www.uob.bh/>

Bahrain Polytechnic University  
<http://www.polytechnic.bh/>

Arabian Gulf University (AGU)  
[http://www.agu.edu.bh/Default\\_en.aspx](http://www.agu.edu.bh/Default_en.aspx)

Royal College of Surgeons Ireland (Bahrain Medical School)  
<http://www.rcsi-mub.com/>

Bahrain Institute for Banking and Finance (BIBF)  
<http://www.bibf.com/>

New York Institute of Technology (NYIT) Bahrain  
<http://www.nyit.edu.bh/>

Bahrain Training Institute (BTI)  
<http://www.bti.com.bh/>

U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>

## Electrical Power

### Overview

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For the past several years, the government was forced to implement a program of organized, rolling brown-outs during the peak summer months due to a lack of capacity. A one-day countrywide power failure occurred in summer of 2004 due to mismanagement of power flow near the Alba aluminum manufacturing plant. A Canadian firm was awarded the contract to investigate the power failure. The study showed that both the Ministry of Electricity and Alba were both at fault for summer 2004's power-outage, while discrediting the Ministry's capability in crisis management circumstances.

In June 2003, Ministry of Finance and National Economy (MOFNE) awarded Ernest & Young a contract to study the privatization of the power and water sectors. The current installed government power generation capacity in Bahrain is 1,839 MW.

The government is moving towards liberalizing electrical production. In 2006, the government sold their biggest power plant, Al Hidd for \$738 million. In 2004, the first tender was awarded to establish the first private electrical plant called Al Ezzal, an 800MW per day facility. In August 2008 the government awarded a tender to develop Al Dur Power Station to Gulf Investment Company.

In September 2009, the government awarded the tender to purchase Electrical Producing Turbines from General Electric in a deal worth \$231 million.

### Best Prospects

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Alba provides another 275 MW on standby from its 1,505 MW power station. Demand during the peak summer months forces the government to draw on this regularly. Electricity consumption per capita in Bahrain is about 481 units a year. In 2007, domestic consumption accounted for 60 percent of demand, industries 19 percent, and commercial establishments 21 percent. Some industries use natural gas to produce their own power. Demand is growing by an average of 7.3 percent annually, and is projected to outstrip even the expanded capacity from power upgrades and the second phase expansion of Al Hidd power station. Already, plans have been announced for the third phase, in which the Government will invest more than \$400 million.

### Opportunities

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The Government created an Electricity & Water Commission to oversee the expansion of power production.

In November 2004, Bahrain's new and only private power plant, Al Ezzel Power Company, completed a \$380 million limited-recourse financing for the construction of the first-ever private power plant in Bahrain. The \$500 million plant produces more than 950MW of power per day. HSBC and Societe Generale led the loan, which also included ANZ, Bayerische Landesbank, Calyon, Gulf International Bank, ING, Mashreqbank,

Mizuho, RBS and Standard Chartered. In August 2008, a tender was awarded for the Development of Al Dur Electric and Water Plant to Gulf Investment Company.

Demand is growing by an average of 6.8 percent annually. The demand power creates offers ample opportunities in Bahrain's power sector.

## **Web Resources**

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Government of Bahrain (GOB)

<http://www.bahrain.gov.bh/>

Ministry of Finance (MOF)

<http://www.mof.gov.bh/>

Aluminum Bahrain (Alba)

<http://www.albasmelter.com/>

Bahrain Convention and Exhibition Center (BCEB)

<http://www.bahrainexhibitions.com/>

Bahrain National Gas Company (Banagas)

<http://www.banagas.com/>

Bahrain's Economic Development Board (EDB)

<http://www.bahrainedb.com/>

U.S. Embassy Bahrain Commercial Section

<http://www.buyusa.gov/bahrain/en>

## Water Desalination

### Overview

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Bahrain is a desert island on the Zone C aquifer stretching all the way to Riyadh. Many years of heavy demand in Saudi Arabia and Bahrain have significantly depleted the aquifer, threatening its long-term viability and allowing seawater to infiltrate. The "sweet water" for which Bahrain was long famous is now brackish and requires treatment before use as drinking water or as process water for industry.

Bahrain currently uses more than 109 million gallons of water per day, or 39.1 billion gallons per year. The local water supply comes mainly from non-renewable groundwater extraction. Supply barely exceeds demand; when routine maintenance work was performed in March 2007, there were rolling water shortages for several weeks. Two-thirds of Bahrain's water is supplied through desalination, and the remaining third comes from the underground aquifer. Approximately 82 million gallons, desalinated and blended, are for drinking purposes. Industries, agriculture, and private gardens use the rest. Pilot projects are underway to use treated effluent for irrigation. The Government aims to have all agricultural water produced this way in the future.

In September 2009, the Higher Commission of Electricity and Water announced that it expected water consumption in Bahrain to reach an estimated 135 million gallons per day by 2015. Current water project initiatives in the Commission budget involve the new Dour water production plant, a water pipeline from ALBA, and plant expansion for the Ras Abu Jarjur water desalination facility. The Ras Abu Jarjur expansion is expected to yield an additional 16 million gallons of water per day. ALBA already supplies an estimated 7 million gallons per day to the national water network, and is expected to increase its supply to 9 million gallons by the end of next year.

### Best Prospects

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The Commission program to upgrade Bahrain's desalination and effluent treatment infrastructure provides opportunities for U.S. companies. Increasingly, water and power production are being integrated through the construction of dual-use plants like those in Hidd and Manama. Water production through desalination is an energy intensive procedure, making it ideal for integration with power generation facilities. The Government subsidizes 55-60 percent of the cost of water to consumers.

Bahrain aims to reduce the abstraction of its scarce ground water resources by building a new water plant in the Hidd area, which will have the capacity to produce 60 million gallons per day. The current production at Hidd is 30 million gallons per day. The second phase of the Al Hidd desalination plant will be completed in 2011.

### Opportunities

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The Commission program to upgrade Bahrain's desalination and effluent treatment infrastructure provides opportunities for U.S. companies. Increasingly, water and power production are being integrated through the construction of dual-use plants like those in Hidd and Manama. Water production through desalination is an energy intensive

procedure, making it ideal for integration with power generation facilities. The Government subsidizes 55-60 percent of the cost of water to consumers.

## **Web Resources**

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Government of Bahrain (GOB)

<http://www.bahrain.gov.bh/>

Bahrain Economic Development Board (EDB)

<http://www.bahrainedb.com/>

Bahrain Convention and Exhibition Center (BCEB)

[www.bahrainexhibitions.com](http://www.bahrainexhibitions.com)

U.S. Embassy Bahrain Commercial Section

<http://www.buyusa.gov/bahrain/en>



## Construction

### Overview

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The construction sector has witnessed a slowdown due to the global financial crisis. A lack of liquidity and demand has resulted in a 30 percent drop in the real estate market. Many luxury residential projects have been placed delayed or cancelled. However, large-scale government infrastructure projects continue to stimulate the sector and had a spillover effect in supply industries.

In 2009/2010, the Government approved a strategic budget of \$4.12 billion for special infrastructure projects. The projects include a new bridge to connect the Northern City to Manama, flyovers, new hospitals, clinics, housing projects, new roads and the expansion of Bahrain International Airport. The government has also increased transportation expenditure in 2010 to build new flyovers near Al Zinj, Sitra, Seef District, and near the Bahrain International Circuit racetrack.

### Best Prospects

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Ministry of Finance (MOF) reported a 3.2 percent growth in the construction sector, from \$318 Million in 2009 to \$328.1 million in 2010. The construction sector faced many challenges due to the credit crunch, particularly in the residential real estate market. Many development projects have been delayed or cancelled. The construction sector requested the government intervene to prevent companies or projects from failing.

### Opportunities

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The government of Bahrain's 2011-2012 budget is the largest in the country's history. As part of Economic Vision 2030, the budget includes funding for major construction initiatives including the Northern Bridge City, a new industrial city, new roads, flyovers, hospitals, and clinics.

The Economic Development Board is taking an initiative to modernize the infrastructure in the kingdom to attract foreign direct investments.

### Web Resources

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Government of Bahrain (GOB)  
<http://www.bahrain.gov.bh/>

Ministry of Commerce (MOC)  
<http://www.commerce.gov.bh/>

Ministry of Industry (MOI)  
<http://www.industry.gov.bh/>

Ministry of Finance (MOF)  
<http://www.mofne.gov.bh/>

Bahrain Economic Development Board (EDB)  
<http://www.bahrainedb.com/>

Ministry of Municipalities and Agriculture (MOMA)  
<http://www.municipality.gov.bh/>

Bahrain Ports Directorate  
<http://www.bahrainports.gov.bh/>

Bahrain International Circuit (BIC)  
<http://www.bahraingp.com.bh/>

Bahrain Financial Harbour (BFH)  
<http://www.bfharbour.com/>

Bahrain Convention and Exhibition Center (BCEB)  
<http://www.bahrainexhibitions.com/>

U.S. Embassy Bahrain Commercial Section  
<http://www.buyusa.gov/bahrain/en>

## Agricultural Sectors

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High value U.S. food and beverage products with strong market potential in Bahrain include, in decreasing order: frozen poultry parts; snack foods; processed fruits and vegetables; frozen beef; fresh apples and pears; beer; tree nuts, particularly almonds; dairy products, particularly cheeses; seafood, particularly crab; fruit and vegetable juices; breakfast cereals; prepared meats; packaged rice; dry pulses; and miscellaneous food products, particularly hot sauces, salad dressings, catsup, mayonnaise, vinegar, iodized salt, frozen dough mixes and coffee whiteners. In addition, growth in the local food processing industry will continue to spur demand for beverage bases. Growth in the hotel/restaurant sector may lead to increased demand for U.S. beef products, bakery ingredients, wines and beer.

## Frozen/Chilled Beef

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<b>Beef*</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
A. Total Market Size	4.6	4.9	5.1
B. Total Local Production	**	**	**
C. Total Exports	0	0	0
D. Total Imports	4.6	4.9	5.1
E. Total Imports from U.S.	0.9	1	1.06

\* Estimates in thousand metric tons

Source: ATO-Dubai estimates

\*\* Negligible

The rapidly expanding hotel/restaurant (HRI) sector, including American fast food/quick service restaurants, prompted a notable increase in imports of U.S. beef. India and Australia dominate the frozen beef market, while imports from Europe, specifically from Ireland, France and the Netherlands, have been curtailed due to the incidence of BSE in that region. Bahrain did not impose a ban on U.S. beef imports after a case of BSE was reported in late 2003.

## Poultry Meat

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<b>Poultry Meat*</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
A. Total Market Size	30	30.5	31
B. Total Local Production	4	4	4
C. Total Exports	0	0	0
D. Total Imports	26	26.5	27
E. Total Imports from U.S.	2.6	2.6	2.8

\* Estimates in thousand metric tons

\*Source: ATO-Dubai estimates

U.S. poultry meat, particularly chicken parts and to a lesser degree whole chickens and turkey, are well known for their high quality. This past year witnessed a large influx of brand-name chicken parts at very competitive prices. Brazil, France, Saudi Arabia and Denmark dominate the market for frozen whole chickens. Brazil and the U.S. dominate the market for chicken parts. Whole chickens represent 90 percent of total chicken meat imports. The preferred size for chicken ranges from 900-1,200 grams per bird. Chicken

parts are imported in two-pound trays. The presence of U.S. and allied forces in Kuwait and Iraq, as well as the flow of aid and other commercial shipments to Iraq, should continue to sustain or even increase demand from all sources including the U.S. in 2008 and 2009.

## Resources

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The U.S. Agricultural Trade Office (ATO) in Dubai administers U.S. Agricultural interests in the GCC countries of Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates. Contact details:

U.S. Agriculture Trade Office - Dubai  
American Consulate General  
P.O. Box 9343  
Dubai, U.A.E.  
Tel: +971-4311-6183  
Fax: +971-4311-6189  
E-mail: [atodubai@usda.gov](mailto:atodubai@usda.gov)  
Work Hours: Sunday-Thursday, 08:30-17:00

\*Note: The American Consulate General in Dubai is scheduled to move to a new location in 2011. For current contact information, visit <http://dubai.usconsulate.gov/>

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## Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
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### Import Tariffs

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In January 2003, Bahrain took a step toward further GCC integration by ratifying the GCC Unified Customs Union. The agreement eliminated tariffs for GCC member states on 421 items (primarily food and medical products), and lowered to five percent its import duties on all other commodities except alcohol (125% duty) and tobacco (100% duty). Over the next three years, the GCC countries plan to implement a unified tariff standard and a single-point-of-entry system. According to the GCC Secretary General for Economic Affairs, intra-GCC trade rose from \$58.6 billion in 2008 to approximately \$62.9 billion in 2009, an increase of 7.35 percent. The Government made several changes to its customs duties regime to comply with the newly-established GCC Unified Customs Union. New customs classifications are as follows:

▪ Duty Exempt	Includes 421 listed commodities, mostly food and medical products
▪ 5 percent import duty	All other commodities, except tobacco and alcoholic beverages
▪ 100 percent import duty	Tobacco
▪ 125 percent import duty	Alcoholic beverages

In principle, no tax or duty is payable on raw material imports, semi-manufactured goods to be used in manufacturing, imports required for development projects (not including spare parts), transshipments, and re-exports.

Bahrain has phased out most subsidies for export industries, but permits duty-free importation of raw materials for export products and of equipment and machinery for newly established export industries. All industries in Bahrain, including foreign-owned firms, benefit from government-subsidized utilities.

Foreign products entering or already in the GCC are dealt with as follows:

- Goods imported to the GCC after January 1, 2003 will be granted entry if the importer presents certificates issued by the first single-entry point as a proof that his customs duties have been paid after the establishment of the customs union;
- Goods imported to the GCC after January 1, 2003, and for which the importer fails to prove payment of customs duties after the establishment of the customs union, shall have their customs duty collected at the customs point of the country of final destination;
- The customs declaration for statistical purposes shall be prepared manually by the owner of the goods or the person who acts on his behalf, or by computer, and shall be approved at the customs exit point and have the local invoices attached to it. Invoices are required to detail the correct value and origin of the goods;
- The importer must ensure that the customs authority has made the necessary endorsements that justify the entry and exit of the goods on the basis of the statistical declaration.

## **Trade Barriers**

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For health and religious reasons, alcoholic beverages are assessed a 125 percent customs duty and tobacco products a 100 percent duty. There is no local production of these goods. In 2008, GCC Health Ministers including Bahrain agreed to impose a tobacco "health tax," increasing the effective duty on tobacco by 200 percent. In March 2010 GCC Health Ministers also proposed increasing tariffs on alcohol products. The GCC proposal to increase tariffs on tobacco and alcohol is now pending with all GCC-member country legislatures and is expected to be approved by the end of 2011. As a result of the FTA, prior restrictions on the foreign provision of engineering, legal and construction services have been lifted; restrictions on pilotage services remain in effect.

## **Import Requirements and Documentation**

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### **Customs Procedures**

Following the completion of the Customs Bill of Entry by the importer or representative agent, the customs authority stipulates the beginning of the clearing process, composed of the following:

- Statistics Office
- Restriction on import and export (Imports and Exports Restriction Office)
- Auditing the customs charges and other charges
- Payment to Cashier of related charges
- Inspection and checking of documents

### **Customs regulation**

In general, the following will apply:

- No customs duty is payable on goods imported in transit or for trans-shipment;
- No customs duty is payable on exports;

- Raw materials and equipment for use in manufacturing are exempt from duty under the Protection and Support Law;
- Duty exemption for qualified goods is available under the GCC Trade Exchange, the Bilateral Trade Agreement, and the Arabian Free Trade Area Agreement;
- Exemption is available for goods stored in bonded warehouses;
- All other imports are subject to customs duty at rates set in the customs tariff. These apply on CIF Bahrain value.

For imports, Bahraini Customs requires the following documents:

- A Delivery Order issued by the Shipper or the Liner's Agent;
- A Supplier's commercial invoice in duplicate (in Arabic or English);
- A Packing List in duplicate;
- A Certificate of Origin in Arabic or English (produced by a Chamber of Commerce and endorsed by an Arab Embassy);
- A copy of the Insurance Certificate, if applicable;
- A Bill of Lading (four copies), including gross weight and dimensions;
- A bank payment voucher or bank receipt;
- A statistical declaration if the final destination for the goods is in one of the GCC states.

For food items, the Bahraini Customs Directorate Handbook requires importers to present a manufacturer's certificate stating that goods do not contain cyclamates.

Imported and exported goods are classified according to the Standard International Trade Classification (SITC), Revision 3.

For more information or inquiries please contact:

### **Bahrain Customs**

P.O. Box 15

Manama

Kingdom of Bahrain

Tel: +(973) 17-725333

Fax: +(973) 17-727556

Website: <http://www.bahraincustoms.gov.bh/>

E-mail: [customs@batelco.com.bh](mailto:customs@batelco.com.bh)

### **U.S. Export Controls**

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U.S. companies exporting to Bahrain need to apply for an export license from the Bureau of Industry and Security (BIS) if their products or services are controlled for any of the following reasons: CB1, CB2, CB3, NP1, NS1, NS2, MT1, RS1, RS2, CC1, and CC3. If a firm does not know its export commodity control number, it should contact its local [U.S. Export Assistance Center \(USEAC\)](#) for more information on BIS commodity classification. Additional information about the types of products covered may be obtained from the [State Department's Directorate of Defense Trade](#) or the [Commerce Department's Bureau of Industry and Security \(BIS\)](#).

### **Temporary Entry**

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The government of Bahrain will start operating a Free Trade Zone in 2011, located near Khalifa Bin Salman Port. Facilities located in Mina Salman and Mina Khalifa may be used for the temporary import of goods for re-export.

## **Labeling and Marking Requirements**

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By law, food labels must include product and brand names, production and expiration dates, country of origin, name and address of manufacturer, net weight in metric units, and a list of ingredients in descending order of magnitude. All fats and oils used as ingredients must be specifically identified on the label. Labels must be in Arabic or in Arabic/English. Stickers are not accepted. Small quantities of products in English-only labels may be approved for import on a case-by-case basis for test marketing purposes. Pork products, or products containing pork or pork lard, should be clearly identified as such on the label. Products found to contain traces of pork that are not so labeled will be confiscated and possibly banned from future import for a specified period of time.

## **Prohibited and Restricted Imports**

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According to the Bahrain Customs Handbook, a number of items are prohibited from import including:

- Irradiated food products;
- Weapons, except under special license;
- Pornography and materials considered salacious;
- Wild animals;
- Radio-controlled model airplanes;
- Children's toys containing methyl chloride and other articles declared injurious by the Ministry of Health (MOH);
- Foodstuffs and sweets containing cyclamates.

Manufacturers must present a certificate verifying that foods do not contain cyclamates. Drugs and medicines may only be imported by a drug store or pharmacy licensed by the Ministry of Health (MOH).

Bahrain requires that pharmaceutical products be imported directly from a manufacturer with a research department and that the products be licensed in at least two other GCC countries, one of which must be Saudi Arabia. Drugs and medicines may be imported only by a drug store or pharmacy licensed by the Ministry of Industry and Commerce after approval by the Ministry of Health. Bahrain prohibits the importation of weapons (except under special license), pornography, wild animals, radio-controlled model airplanes, foodstuffs containing cyclamates, and children's toys containing methyl chloride (and other articles declared harmful by the Ministry of Health). Bahrain is also taking steps to ban the import of 136 chemicals based on a memorandum passed by the Ministry of Health in May of 2010.

All imported beef and poultry products require a health certificate issued by the country of export, and a Halal slaughter certificate issued by an approved Islamic center in that



country.

For an up-to-date copy of the prohibited items list, please visit Bahrain's Customs website: <http://www.bahraincustoms.gov.bh>.

**Sanctions imposed on imports**

As a member of the Arab League, Bahrain is officially committed to enforcement of the primary aspect of the Arab League's boycott of Israel, but enforcement is lax. Bahrain does not enforce the secondary or tertiary aspects of the boycott. Occasionally, U.S. citizens and firms encounter tender documents that specify participation in the boycott, which U.S. firms cannot legally sign. Document language in such instances is usually quickly adjusted. The government of Bahrain has made efforts to withdraw all old tender documents, and new articles were drafted in harmony with WTO requirements.

**Export Subsidies**

Bahrain has phased out most subsidies for export industries, but permits duty-free importation of raw materials for export products and of equipment and machinery for newly established export industries. All industries in Bahrain, including foreign-owned firms, benefit from government-subsidized utilities.

Bahrain Customs Directorate  
<http://www.bahraincustoms.gov.bh/>

Bahrain Ports Directorate  
<http://www.bahrainports.gov.bh/>

Ministry of Commerce (MOC)  
<http://www.commerce.gov.bh/>

Ministry of Health (MOH)  
<http://www.moh.gov.bh/>

Ministry of Industry (MOI)  
<http://www.industry.gov.bh/>

Dr. Salman Abdulnabi  
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Kingdom of Bahrain  
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Fax: +(973) 17-279253

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Kingdom of Bahrain  
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Ms. Mona Al-Zeera  
Acting Director of Standards & Metrology  
*(For all standards, including food standards)*  
Ministry of Industry and Commerce

P.O. Box 5479  
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Kingdom of Bahrain  
Tel: +(973) 17-523030  
Fax: +(973) 17-530730

Mr. Mohamed Ali Ajoor  
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Ministry of Industry and Commerce  
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Kingdom of Bahrain  
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Fax: +(973) 17-530180

Dr. Mohamed Foda  
Plant Protection Advisor  
*(For plant and seed licensing)*  
Ministry of Municipalities Affairs and Agriculture  
P.O. Box 251  
Manama  
Kingdom of Bahrain  
Tel: +(973) 17-691251  
Fax: +(973) 17-695734

### **USDA Contact Information**

Trade Assistance and Promotion Office (TAPO)  
Foreign Agricultural Service (FAS)  
U.S. Department of Agriculture  
Ag Box 1052  
Washington, D.C. 20250-1052  
Tel: +1(202) 7207420  
Fax: +1(202) 6904374  
Website: <http://www.fas.usda.gov/>

### **Standards**

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- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

As part of the GCC Customs Union, member countries are working toward unified food standards –targeted for adoption by 2011. However, each country currently applies either its own standard or a GCC standard, which can cause confusion for businesses.

Bahraini standards are required to meet national requirements (safety, quality, and fitness for purpose), as prepared by the respective technical committees. Most often, Bahraini standards are adoptions of international or Gulf standards and the development of standards in Bahrain is based on the following principles: a) no Bahraini standard is to be developed if there is an identical draft Gulf standard in existence, b) developing new Bahraini standards must not create trade barriers.

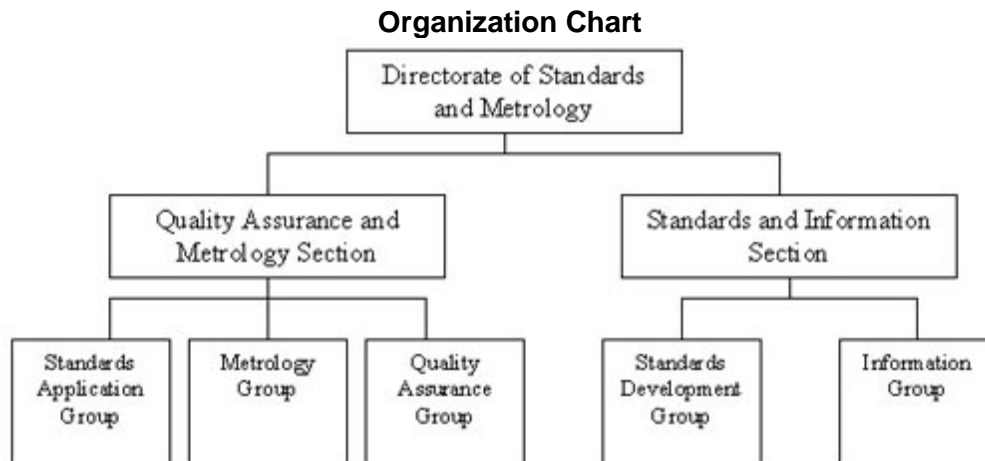
The total number of Gulf standards adopted as Bahraini standards currently stands at 1,020, out of which 520 are mandatory and 500 are voluntary. There are also approximately 206 draft Gulf standards in the pipeline. In March 2010, GCC Finance Ministers agreed to establish a committee to oversee and speed up the process to unify Gulf Standards.

Bahrain's Standards and Metrology Directorate (BSMD) is a government institution within the Ministry of Industry and Commerce. It is responsible, in accordance with Legislative Decree No. 16 of 1985 on Standards and Metrology, as amended by Legislative Decree No. 13 of 1992, for issuing Bahrain's standards, either by adopting as national standards the international or Gulf standards issued by the Gulf Cooperation Council (GCC) Standards and Metrology Organization, or by preparing standards to meet national requirements.

The BSMD is led by a National Committee that acts as the Board of Directors. This board, made up of representatives from relevant ministries and the Chamber of Commerce as well as individual experts, is the highest authority on standards and metrology. The BSMD consists of two sections: the Standards & Information section and Quality Assurance & Metrology section.

Standardization in Bahrain can be traced back to the late 1960s when traffic was shifted from the left to the right side of the road, and liquid measures were converted from the imperial gallon to the liter. The pound was used for mass measurements, and the foot, yard, and mile for length and area measurements. The changeover to the metric system set the pace for standardization in Bahrain.

The Directorate of Standards and Metrology consists of two Sections. The functions and operations of each section are graphed in the Organization Chart below:



*Source: Standards and Metrology Directorate  
Ministry of Industry and Commerce*

According to the Ministry of Industry and Commerce, the Standards and Metrology Directorate's major responsibilities are to control and monitor the quality of products and to ensure that trade and industry use accurate measurements. It is also responsible for protecting consumers from commercial fraud and goods of inferior quality, and for protecting the environment from ecologically hazardous goods. It actively promotes standardization, quality-management systems, and the use of accurate measurements in the Kingdom.

The Standards and Metrology Directorate's services include:

1. An information center;
2. Standards development;
3. Standards implementation;
4. Quality development and metrology.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

**Conformity Assessment**

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The Standards and Metrology Directorate has established an office in Khalifa Bin Salman Port in the Customs Department to check and approve all regulated products before they enter the market. Currently, controlled products include the following:

1. Tires
2. Car batteries
3. Asbestos
4. Toys

5. Plastic bags
6. Tissue papers
7. Electric Appliances
8. Cosmetics, etc.

**Product Certification** [Return to top](#)

No.	Name	Contact Person	Telephone	Fax	Mobile	Address
1-	BVQI – Dubai	Shaker Rasheed	+ (973) 17-725010	+ (973) 17-727913	+ (973) 3-9461542	P.O. BOX.45 Manama Kingdom of Bahrain
2-	DNV – Bahrain	Majdi Burgun	+ (973) 17-212552	+ (973) 17-211696	+ (973) 3-9410907	P.O. BOX.783 Manama Kingdom of Bahrain
3-	BSI – London	John Giakin	+ (44) 208996325	+ (44) 208967852	+ (44) 7768251156	BSI-389 Chinwick High Road – 15 <sup>th</sup> floor East - London WA 4AL – UK
4-	* Moody International – KSA (U.S. Firm)	Wayne Bamford	+ (971) 4-2284808	+ (971) 4- 2283843	-	-
5-	Lloyds – KSA	-	+ (966) 3-8335356	+ (966) 3-8321395	-	P.O.BOX 299 Dammam Kingdom of Saudi Arabia
6-	Lloyds – Jordan	-	+ (962) 6-5865750	+ (962) 6-5864286	-	-
7-	TUV – Bahrain	Naji A. Aziz	+ (973) 17-531147	+ (973) 17-532548	-	P.O.BOX. 21384 Manama Kingdom of Bahrain
8-	National Quality Assurance		+ (971) 2-785696	+ (971) 2-761636	-	P.O. BOX. 245 Manama Kingdom of Bahrain
9-	* KPMG Auditors & Management Consultants (U.S. Firm)		+ (973) 17-224807	+ (973) 17-227443		P.O. BOX. 710 Manama Kingdom of Bahrain

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In 1977 a law for measures of mass, length, and volume was published making the use of the kilogram mandatory. In 1979, the use of the meter in the textile trade and land registration was also made mandatory.

In 1978, Bahrain joined the Arab Organization for Standardization and Metrology (ASMO), now the Arab Center for Standards and Metrology within the Arab Organization for Industrial Development and Mining (AIDMO). Bahrain and the other Gulf States then established the Standardization and Metrology Organization for GCC States (GSMO) in 1984.

At the International level, Bahrain joined the International Organization for Standardization (ISO), and the International Organization for Legal Metrology (OIML) in 1984 as a correspondent member.

In 1985, a law for Standards and Metrology was passed giving the primary responsibility for standards to the Ministry Of Commerce. In 1988, the Directorate of Standards and Metrology at the Ministry of Commerce was officially established in Bahrain to act as a national Standards body.

The Directorate has been implementing quality development activities since 1996. An ongoing project in collaboration with the United Nations Industrial Development Organization (UNIDO) aims to provide assistance and consulting to local companies as they implement the ISO 9001 Standard. In 1999, the Directorate began implementing Total Quality Management (TQM) for small and medium sized enterprises (SMEs). In July 2009, the Directorate enhanced their communication with other ministries including the MOH, General Organization for Ports (GOP) and Customs, and conducted training and seminars to enhance and speed up the process.

### **Quality Unit**

In accordance with the agreement between the Ministry of Commerce and the United Nations Development Program (UNDP), the Quality Unit of the Directorate of Standards and Metrology provides consulting services to small and medium sized enterprises to meet the requirements for ISO 9000 certification. Quality Unit staff, with the assistance of a UNIDO expert, provided guidance to six service companies involved in phase two of the quality project. The guidance involved the final documentation of quality systems, and the pre-assessment process. Four out of six of these companies have documented and implemented their quality system.

<b>Publication of Technical Regulations</b>	<a href="#">Return to top</a>
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The National Committee of the Directorate of Standards and Metrology approves and issues procedures for the implementation of national standards. The National Committee has approved several GCC standards as mandatory. It issued these in the form of a ministerial order, and also published them in the Official Gazette.

(Note: The Official Gazette is available on the [Ministry of Industry and Commerce's E-Gazette](#) link: located on the top right-hand corner.)

<b>Labeling and Marking</b>	<a href="#">Return to top</a>
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Bahrain has replaced its product shelf-life requirements – a major impediment to U.S. processed food exports to the Gulf region, with international (Codex) standards. Food labels must include product and brand names, production and expiration dates, country

of origin, name and address of the manufacturer, weight in metric units, and a list of ingredients and additives in descending order of importance.

Arabic labels are required on all products sold in Bahrain. U.S. companies willing to print Arabic labels and provide bilingual promotional and marketing assistance have a competitive edge. All fats and oils used as ingredients must be listed in Arabic or Arabic and English. Documents and labels must not contain any reference to Israel, including flags or other icons that refer to Israel.

Although stickers providing such information are not legally accepted, if they provide required labeling information exceptions are normally made.

Small quantities of products with English-only labels may be approved for import on a case-by-case basis for test marketing purposes. Pork products, or products containing pork or pork lard, should be clearly identified as such on the label. Products found to contain traces of pork that are not so labeled will be confiscated and possibly banned from future import for a specified period.

## Contacts

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Standards and Metrology Directorate,  
Ministry of Industry and Commerce  
P.O. Box 5497  
Tel: +(973) 17-523030  
Fax: +(973) 17-530730  
Website: [www.commerce.gov.bh](http://www.commerce.gov.bh)  
E-mail: [bsmd@batelco.com.bh](mailto:bsmd@batelco.com.bh)

## Trade Agreements

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Bahrain is a member of the Gulf Cooperation Council (GCC). Duty-free access from Bahrain to other GCC countries is granted provided exported products have a minimum of 40 percent local value-added. According to the Bahraini Ministry of Finance, Bahrain signed 32 bilateral trade agreements with Arab and non-Arab countries around the world, categorized as follows:

- Agreements on the promotion and protection of investments
- Agreements on the avoidance of double taxation and prevention of income tax evasion
- Agreements on reciprocal exemption from income tax in the business of international air transport
- Agreements on economic, trade, and technical co-operation

Bahrain and the U.S. signed a bilateral investment treaty (BIT) in September 1999, the first BIT between the United States and a GCC state. The agreement entered into force in May 2001.



In August 2006, the U.S.-Bahrain Free Trade Agreement came into force. Bahrain was the first and remains one of only two GCC countries with a U.S. FTA. High government officials have promoted the FTA as a way to increase Foreign Direct Investment.

As of November 2010, Bahrain had bilateral investment protection agreements in place with Algeria, Singapore, Thailand, Tunisia, Belgium, Luxembourg, China, Egypt, Jordan, Malaysia, Morocco, Syria, the Philippines and the UK. Bahrain has economic and commercial cooperation agreements with Italy, Germany, France, Norway, Australia, Bangladesh, Belgium, Denmark, the Philippines, China, Egypt, France, Greece, India, (Iraq), Jordan, Morocco, the Netherlands, Russia, Singapore, South Korea, Syria, Tunisia, Turkey and the UK.

Bahrain has air transportation tax agreements with Italy, Luxembourg, Germany, China, France, Greece, Singapore, Turkey, UK, U.S. and Yemen, and two transportation agreements with Syria. Bahrain has concluded double taxation agreements with Egypt, Belgium, Norway, Indonesia Germany, Italy, Russia, France, India, Jordan, Malaysia, Morocco, the Philippines, Thailand and Tunisia.

## **Web Resources**

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Standards and Metrology Directorate,  
Ministry of Industry and Commerce  
<http://www.commerce.gov.bh>

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## Chapter 6: Investment Climate

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- [Right to Private Ownership and Establishment](#)
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### Openness to Foreign Investment

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The Government of Bahrain has a generally liberal approach to foreign investment and actively seeks to attract foreign investors and businesses. The growth of foreign direct investment (FDI) is one of the government's top priorities. A Free Trade Agreement between the U.S. and the Kingdom of Bahrain went into effect in 2006.

The World Bank's "Doing Business 2011" report ranks Bahrain at No. 28 out of 183 countries in the world for "ease of doing business" for foreign investors. The 2011 Heritage Foundation Index of Economic Freedom ranked Bahrain 10 out of 183 countries, with a score of 77.7, or "mostly free." Bahrain ranked 48 on Transparency International's Corruption Perceptions Index in 2010, with a score of 4.9.

The government has focused its efforts on the entry of new private firms, particularly in the information and communications technology, education and training services, tourism, financial services, business services, healthcare services and downstream industries. Bahrain's Crown Prince is also an outspoken proponent of privatization in Bahrain, and took over the chairmanship of the Economic Development Board (EDB), with a stated goal to provide a "one-stop-shop" for potential investors.

In an economy largely dominated by parastatals (outside of the financial services sector), the Government of Bahrain seeks to foster a greater private sector role in economic growth. Following the creation of a Supreme Privatization Council in the spring of 2001, the King of Bahrain, Sheikh Hamad bin Isa Al-Khalifa, issued a decree

on October 2002 laying out guidelines for privatizing tourism, telecommunications, transport, electricity and water, ports and airport services, oil and gas, stock exchange, and postal service sectors. In June 2006, the government formed the Bahrain Mumtalakat Holding Company to manage all of the government's investments. Mumtalakat has an official objective to reduce their shares in any company to less than 50%. At the end of 2010, Mumtalakat held a 100% share in the following companies:

- Al-Awali Real Estate Company
- Bahrain Airport Company
- Bahrain Food Holding Co.
- Bahrain International Circuit
- Bahrain Real Estate Company (Edamah)
- Gulf Air
- Gulf Air Group Holding Company
- Howar Island Development Company
- Tourism Projects Company
- @ Bahrain

Mumtalakat reduced its share of Aluminum Bahrain (ALBA) to 59%, following an IPO in November of 2010; all of its other holdings are below a 50% share.

The telecommunications sector was the first key sector to be liberalized in Bahrain following the government's announced interest in opening traditionally government-controlled industries. The Telecommunications Regulatory Authority (TRA), established in late 2002, awarded a mobile telecommunications services license to MTC-Vodafone, thus ending the monopoly of Bahrain's telecom services provider, Batelco. The license was awarded under the Telecommunications Law, which took effect January 2003. Telecommunications liberalization extended to paging services, very small aperture terminal (VSAT), public access mobile radio services, international telecommunications facilities, international telecommunications services, national fixed services, internet service provider (ISP) and value-added services license following the full liberalization of the sector on July 1, 2004. By November 2010, the TRA announced the provision of five International Telecommunications Facility licenses (IFLs), nine International Telecommunications Services Licenses (ISLs), seven VSAT licenses, twenty-three value-added Services (VAS) "Class" licenses and eleven Internet Service Provider (ISP) licenses. Also under the new Telecommunication Law, mobile provider Zain International relocated their headquarters from Kuwait to Bahrain. In January 2009, the TRA awarded a third mobile telecom license to Saudi Telecom Company (STC) that began operating in March 2010. The TRA claims more than 1.5 million mobile lines are operating in the Kingdom of Bahrain with a market penetration of 107 percent.

The public transportation service was also privatized in 2003. CARS, a Bahraini-UAE joint venture, started operating in May 2003 with 41 new, air-conditioned, 52-seat buses. The CARS Company completed its plan to acquire 20 new buses by the end of 2003, the total fleet in 2009 increased to 84 air-conditioned buses. The government renewed the contract with CARS until April 2012. Its total investment in the public transportation privatization project is approximately USD 21 million.

The Kingdom's first independent power plant project (IPP) was also successfully tendered and awarded to Bahraini-based Al Ezzel Independent Power Producer (IPP), which is equally owned by a Belgian-Gulf consortium of Tractebel EGI and Gulf

Investment Corporation. In 2006, the government sold their biggest electrical plant Al Hidd Power Station for USD 728 Million to the consortium. In 2008, the Tender Board awarded a USD 2.2 billion contract to build a new electrical power plant in Bahrain—the Al Dur Water and Power Station—to Kuwait-based Gulf Investment Corporation(GIC) and France's GDF Suez. In September 2009 the Higher Commission of Electricity awarded a \$240 million contract to General Electric purchase new gas turbines as part of a plan to expand the existing Al Dur Power Plant.

In 2008, the government founded the General Organization of Ports to oversee all port activities, including both marine and air. In 2006, Denmark's Muller was awarded a contract to manage Mina Salman and the new Mina Khalifa ports. The new port officially started operating in November 2009.

In 2006 the Bahrain Monetary Agency transformed into the Central Bank of Bahrain (CBB). Seeking to maintain Bahrain's status as the Gulf region's preeminent financial center, the CBB changed its licensing practices in 2006 to give banks greater opportunities to invest domestically and regionally. The CBB has been active in developing regulations for the Islamic Banking sector, and has been instrumental in making Bahrain a recognized center of Islamic Banking.

In January 2011, the Bahrain Stock Exchange was transformed to a closed shareholding company. The newly-branded Bahrain Bourse is wholly owned by the GOB and regulated by the Central Bank of Bahrain. Bahrain Bourse now plans to increase its number of listed companies, boost share turnover and attract new domestic and foreign investors. The Bahrain Bourse allows GCC firms and GCC citizens to own up to 100 percent of listed Bahraini companies. Non-GCC firms/citizens may own up to 49 percent of listed Bahraini companies, and 100 percent of foreign companies.

In March 2004, as part of an effort to stimulate the insurance industry and reinforce Bahrain's position as a major insurance center in the Middle East, the Bahrain Monetary Authority --now the Central bank of Bahrain (CBB) --loosened ownership restrictions. Insurance firms, which were previously required to have at least 51 percent Bahraini-ownership, are now permitted to operate with 100 percent foreign-ownership. The CBB is holding consultations on further reform in areas such as captive insurance, solvency, business conduct, risk management and financial crime, enforcement, BMA reporting and public disclosure, intermediaries, and Islamic insurance. Taxation and import laws apply equally to Bahraini and foreign-owned companies, and foreign investors must comply with the same requirements and legislation as local firms.

Bahrain requires that pharmaceutical products be imported directly from a manufacturer with a research department and that the products be licensed in at least two other GCC countries, one of which must be Saudi Arabia. Drugs and medicines may be imported only by a drug store or pharmacy licensed by the Ministry of Commerce after approval by the Ministry of Health.

Bahrain prohibits the importation of weapons (except under special license), pornography, wild animals, radio-controlled model airplanes, foodstuffs containing cyclamates, and children's toys containing methyl chloride (and other articles declared harmful by the Ministry of Health).

Bahrain has phased out most subsidies for export industries, but permits duty-free importation of raw materials for export products and of equipment and machinery for newly-established export industries. All industries in Bahrain, including foreign-owned firms, benefit from government subsidized utilities.

Bahrain offers several advantages to U.S. and other foreign investors, including a Bilateral Investment Treaty with the United States--in force as of May 2001--and a bilateral Free Trade Agreement (FTA) in force as of August 2006.

The government actively seeks Bahraini and foreign private investments in large infrastructure projects. Previously, most of these activities were funded by development agencies from other Gulf countries (particularly Kuwait, UAE, and Saudi Arabia). Foreign-owned companies are eligible for partial financing from the state-owned Bahraini Development Bank (BDB) if they meet certain criteria such as providing training and employment to a significant number of Bahrainis.

The use of official travel bans -- prohibiting a person in Bahrain from leaving until a business or legal dispute is resolved -- is a cause for concern. In 2010, the Embassy received several reports of travel bans imposed on Americans and other foreign citizens over business disputes. Under current law, any party can request a travel ban on another by filing a request in court and paying a nominal fee. The process can take months or years to resolve.

Periodically, foreign firms experience difficulty obtaining required work permits and residence visas for expatriate employees due to the Bahraini government's efforts to promote greater numbers of Bahraini citizens in the workforce. However, this does not appear to be a matter of high-level policy, and often can be resolved on a case-by-case basis. Where problems occur, U.S. businesses are encouraged to apply to the highest levels of the concerned ministries, and to consult the U.S. Embassy.

## **Conversion and Transfer Policies**

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Bahrain has no restrictions on the repatriation of profits or capital and no exchange controls. Bahrain's currency, the Bahraini Dinar (BD), is fully and freely convertible at the fixed rate of USD 1.00 = BD 0.377 (1 BD = USD 2.659). There is no black market or parallel exchange rate.

Foreign exchange is readily available and a devaluation of the Bahraini Dinar over the next year is unlikely.

There are no restrictions on converting or transferring funds, whether or not associated with an investment.

## **Expropriation and Compensation**

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There have been no expropriations in recent years, and no cases in contention. The U.S.-Bahrain Bilateral Investment Treaty (BIT) protects U.S. investments by banning all expropriations (including "creeping" and "measures tantamount to") except those for a public purpose. In which case, it must be carried out in a non-discriminatory manner, with due process, and prompt, adequate, effective compensation.

Bahrain has a long-established framework of commercial law. English is widely used, and well-known international (including U.S.) law firms, working in association with local partners, provide expert legal services both nationally and regionally. Fees are charged according to internationally accepted practices. Although only a Bahraini lawyer can argue in a Bahraini court of law, lawyers of other nationalities can and do work on cases. In April 2007, the government allowed the establishment of International Law Firms that provide services such as commercial and financial consultancy in legal matters. In November 2009, the Ministry of Justice launched the Bahrain Chamber for Disputes specialized in financial, commercial, and economic issues.

The U.S.-Bahraini BIT provides for three dispute settlement options:

- Submitting the dispute to a local court;
- Invoking dispute-resolution procedures previously agreed upon by the national or company and the host country government;
- Submitting dispute for binding arbitration to ICSID (International Center for Settlement of Investment Disputes) or any arbitral institution agreed upon by both parties.

The GCC Commercial Arbitration Center, established in 1995, serves as a regional specialized body providing arbitration services. It assists in resolving disputes between GCC countries or between other parties and GCC countries. The Center implements rules and regulations in line with accepted international practice. Thus far, few cases have been brought to arbitration. The Center conducts seminars, symposia, and workshops to help educate and update its members of any new arbitration related matters. The Center's contact details are:

GCC Commercial Arbitration Center  
P.O. Box 2338  
Manama, Kingdom of Bahrain  
Tel: + (973) 17-214-800  
Fax: + (973) 17-214-500  
Email: [arbit395@batelco.com.bh](mailto:arbit395@batelco.com.bh)

The independent Bahrain Chamber for Dispute Resolution (BCDR) was established in May 2010. The BCDR was established in partnership with the America Arbitration Association (AAA), and aims to provide services to a global audience. Their contact details are:

Bahrain Chamber for Dispute Resolution  
Suite 401, Park Plaza  
Bldg 247, Road 1704  
P.O. Box 20006  
Manama, Kingdom of Bahrain  
Tel: + (973) 17-511-311  
Website: [www.bcdr-aaa.org](http://www.bcdr-aaa.org)

Arbitration procedures are largely a contractual matter. Disputes are historically referred to an arbitration body as specified in the contract, or to the local courts. Increasingly, Bahraini companies, in dealings with both local and foreign firms, include arbitration

procedures in their contracts. Most commercial disputes are resolved privately without recourse to the courts or formal arbitration. Bahraini law is generally specified in all contracts for the settlement of disputes that reach the stage of formal resolution, but is optional in those designating the BCDR. Occasional lawsuits against individuals or companies for nonpayment of debts have been adequately handled by Bahrain's court system.

The guidelines laid down by the International Chamber of Commerce (ICC) in Paris are generally respected, and disputes have been occasionally referred to arbitration at the ICC in Paris. Bahrain is a signatory to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitration Awards.

## **Performance Requirements and Incentives**

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There are no special performance requirements imposed on foreign investors. This is reinforced by the U.S. - Bahraini BIT, which forbids mandated performance requirements as a condition for the establishment, acquisition, expansion, management, conduct or operation of a covered investment. Foreign and Bahraini-owned companies must meet the same requirements and comply with the same environmental, safety, health, and other labor requirements. Officials at the Ministries of Labor, and Commerce and Industry supervise companies operating in Bahrain, on a non-discriminatory basis.

Industries must be set up in identified industrial areas. An Environmental Impact Statement (EIS) must be filed by all manufacturing facilities. After one complete year of operation, a manufacturing facility is eligible for relief from tariffs imposed by other GCC states on imported goods.

## **Right to Private Ownership and Establishment**

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In principle, private entities may freely establish, acquire, and dispose of interests in business enterprises, subject to the limitations noted in this chapter.

The U.S.-Bahrain FTA entered into force in August 2006. The agreement significantly expanded the scope of economic, commercial, and trade relations between the two countries. The FTA does not have a separate investment chapter.

The U.S.-Bahrain Bilateral Investment Treaty (BIT) provides benefits and protection to U.S. investors in Bahrain, such as most-favored-nation treatment and national treatment, the right to make financial transfers freely and without delay, international law standards for expropriation and compensation cases, and access to international arbitration. The BIT guarantees national treatment for U.S. investments across all sectors, with exceptions for ownership of television, radio or other media, fisheries, and privatization of oil dredging or exploration. Bahrain also provides most-favored nation or national treatment status to U.S. investments in air transportation, the buying or ownership of land, and the buying or ownership of shares traded on the Bahrain Bourse (previously known as the Bahrain Stock Exchange).

Because of the national treatment offered American firms in the BIT, American firms interested in selling products exclusively in Bahrain are no longer required to appoint a commercial agent, though they may opt to do so anyway. A commercial agent is any

Bahraini party appointed by a foreign party to represent the foreign party's product or service in Bahrain.

Bahrain permits 100 percent foreign-ownership of new industrial entities and the establishment of representative offices or branches of foreign companies without local sponsors. Wholly foreign-owned companies may be set up for regional distribution services and may operate within the domestic market as long as they do not exclusively pursue domestic commercial sales. Private investment (foreign or Bahraini) in petroleum extraction is permitted only under a production-sharing agreement with BAPCO, the state-owned petroleum company.

Since January 2001, foreign firms and GCC nationals may own land in Bahrain. Non-GCC nationals may own high-rise commercial and residential properties, as well as property in tourism, banking, financial and health projects, and training centers, in specific geographic areas.

## **Protection of Property Rights**

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The Bahraini legal system adequately protects and facilitates acquisition and disposition of property rights. The concept of a mortgage exists, and there is a recognized and reliable system of recording such security interests. However, there is currently no mortgage law that guarantees lenders the right to repossess property in case of mortgage non-repayment. In June 2008, the CBB began drafting a new mortgage law that remained in the consultation process at the end of the year.

Under the U.S.-Bahrain FTA, Bahrain committed to enforce world-class Intellectual Property Rights (IPR) protection. Bahrain signed the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property in 1996. Revised legislation to implement Bahrain's obligations under the TRIPS Agreement was ratified in May 2006. Bahrain joined the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. In May 2006, Bahrain passed laws related to intellectual property to bring Bahrain's local laws into compliance with its current Paris Convention commitment and to position it to join the Nice Agreement, Vienna Agreement, Patent Cooperation Treaty, Trademark Law Treaty, Madrid Agreement, Budapest Treaty, and the Rome Convention.

The government has made dramatic progress in reducing copyright piracy, and there are no reports of significant violations of U.S. patents and trademarks in Bahrain. The government's copyright enforcement campaign began late 1997 and was based on inspections, closures, and improved public awareness. The campaign targeted the video, audio, and software industries with impressive results. Commercially-pirated video and audio markets have been virtually eliminated. However, audio, video and software piracy by end-users remain a problem.

There are no technology transfer requirements that force firms to share or divulge technology through compulsory licensing to a domestic partner, nor are firms forced to commit to undertake research and development activities in Bahrain.

## **Transparency of Regulatory System**

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In October 2002, Bahrain implemented a new government procurement law that establishes the basic framework for a transparent, rules-based government procurement system. It provides that certain procurements may be conducted as international public tenders open to foreign suppliers. To implement this law, a tender board chaired by a Minister of State was established in January 2003 to oversee all government tenders and purchases. In the past, government-tendering procedures for large projects were not highly transparent. U.S. companies sometimes reported operating at a disadvantage compared with other international firms. Contracts were not always decided solely based on price and technical merit, and selected, pre-qualified firms were occasionally invited to bid on major government tenders.

Since January 2003, however, the Tenders Board has processed all tender decisions valued at USD 26,525 (BD 10,000) or higher. Individual ministries and departments may still process projects valued at less than USD 26,525 (BD 10,000). U.S. firms report that the process is greatly improved over the previous system, though some challenges remain. A local representative with strong connections may still be important in the bidding process.

In the case of manufacturing enterprises, bureaucratic procedures and red tape created stumbling blocks mainly due to the lack of coordination between government ministries, which must sign off at one stage or another of the licensing procedure.

In an attempt to streamline licensing and approval procedures, the Ministry of Industry and Commerce opened the Bahrain Investors Center (BIC) in October 2004 for both local and foreign companies seeking to register in Bahrain. Moreover the government decreased the fees of registrations in most of the commercial activities to promote growth in this sector.

This high-tech, customer-friendly and easy to find facility, located in one of Bahrain's largest malls is part of a larger effort by the GOB to attract firms to use Bahrain as their "Gateway to the Gulf" by setting up regional operations here. The BIC is designed as a "one-stop shop" providing all commercial licensing and registration services. It houses representatives from more than a dozen relevant ministries and private sector representatives from the telecommunication, legal, banking, and consulting industries under one roof.

Officials from the Ministry of Commerce note that the BIC can process and issue 80% of commercial registration applications within 24 hours, and 10% of commercial registrations within five working days. The remaining 10%, mostly those having to do with health, environment, and power and or other essential services, are processed separately according to sector specific regulations and licenses are issued on a case-by-case basis.

#### **Legislation Process:**

Draft legislation may be proposed by the Cabinet and by both the lower house (Council of Representatives) and upper house (Shura or Consultative Council) of the National Assembly. Once a draft law has been produced and submitted to the lower and upper houses of the National Assembly for approval, it is then passed to the Cabinet for the King's signature. After the King signs the law, the law is published in the Public Gazette and is promulgated.

Entrenched local business interests with government influence can cause problems for potential competitors. Interpretation and application of the law sometimes varies by ministry, and may be dependent on the stature and connections of an investor's local partner. Departures such as these from the consistent, transparent application of regulations and the law remain rare, and investors are usually well pleased with government cooperation and support.

## **Efficient Capital Markets and Portfolio Investment**

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Consistent with the government of Bahrain's liberal approach to foreign investment, government policies facilitate the free flow of financial resources. Foreigners and Bahrainis alike have ready access to credit on market terms. Generally, credit terms are variable, but often are limited to 10 years for loans under USD 50 million. For major infrastructure investments, banks will often offer to assume a part of the risk, and Bahrain's wholesale and retail banks have shown extensive cooperation in syndicating loans for larger risks.

There is an effective regulatory system that encourages portfolio investment, and the Central Bank has fully implemented Basel II standards. Bahrain has over 400 financial institutions with total assets exceeding USD 204 billion at the end of 2010.

## **Competition from State Owned Enterprises**

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Established in June 2006, the Bahrain Mumtalakat Holding Company manages all of the government's state non-oil & gas enterprises. Mumtalakat holds minority and majority stakes in more than 35 commercial enterprises, representing a portfolio value of approximately USD 9.1 billion. Mumtalakat's portfolio of companies spans a variety of sectors, including aluminum production, financial services, telecommunications, real estate, tourism, transportation, and food production. These include:

- Aluminum Bahrain (ALBA)
- Arab Satellite Communications Organization (ARABSAT)
- Arab Shipbuilding & Repair Yard (ASRY)
- Bahrain Airport Company
- Bahrain Food Holding Co.
- Bahrain International Circuit
- Bahrain Real Estate Company (Edamah)
- Bahrain Telecommunications Company (BATELCO)
- Gulf Air Company
- Hawar Island Development Company
- McLaren Group
- National Bank of Bahrain (NBB)
- Tourism Projects Company

## **Political Violence**

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Bahrain is generally stable, though recent years have seen periodic outbursts of street violence, including clashes between rioters and police, arising from issues such as housing, employment, and sectarian discrimination. Such violence is normally confined

to specific neighborhoods and villages, and has not involved damage or injury to foreigners.

In late summer 2010, the government undertook a campaign of arrests of prominent anti-government activists accused of inciting violent street protests, which fueled political tensions. Though the trial of 25 leading “rejectionist” activists continues (as of January 2011), the security situation has stabilized. National, parliamentary elections in October 2010 were conducted peacefully.

In February 2011, The GOB experienced its worst political crisis in decades when government police and military forces cracked down on demonstrators, resulting in at least six deaths. The Department of State has advised American citizens to defer all non-essential travel to Bahrain. At the time of this writing, the situation was still in flux.

## **Corruption**

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According to U.S. firms, high-level corruption is sometimes an obstacle to foreign direct investment and contracting, particularly in the contract-bidding process and in operating notably successful investments. In the case of some high-value contracts, government-tendering procedures have not always been transparent and contracts have not always been decided on the basis of price and technical merit. Petty corruption is relatively rare in Bahrain. The bureaucracy is sometimes inefficient but it is generally honest. Giving or accepting a bribe is illegal, although the relevant laws are rarely enforced. Officials have been dismissed for blatant corruption, but it is never so stated officially; no one has been tried in court for corruption. The King and Crown Prince have come out publicly in favor of reducing corruption and some Ministries have initiated clean-up efforts to reduce the problem. The expatriate business community is cautiously optimistic that there is growing transparency in the government procurement process. A new law to thoroughly revamp government procurement procedures went into effect in January 2003. Bahrain is not a signatory to the OECD Convention on Combating Bribery.

In September of 2007 the Crown Prince publicly launched an official campaign against corruption. As a result, several executives in state-owned companies were removed from their positions. In April 2008, Bahraini government officials were accused of accepting bribes from the American firm Alcoa. The case is still under investigation in the U.S. A similar case was filed by ALBA against a Japanese company, of Executive Directors accepting bribes to sell the Japanese company below the international price.

## **Bilateral Investment Agreements**

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Bahrain and the U.S. signed a bilateral investment treaty (BIT) in September 1999, the first BIT between the United States and a GCC state. The agreement entered into force in May 2001. The U.S.-Bahrain FTA does not include a separate investment chapter.

As of November 2009, Bahrain had bilateral investment protection agreements in place with Algeria, China, Egypt, Jordan, Malaysia, Morocco, Syria, Philippines and the UK. Bahrain has economic and commercial cooperation agreements with Australia, Bangladesh, China, Egypt, France, Greece, India, (Iraq), Jordan, Morocco, the Netherlands, Russia, Ukraine, Belgium, Ireland, Greece Singapore, South Korea, Syria, Tunisia, Turkey and the UK.

Bahrain has air transportation tax agreements with China, Russia, Ukraine, France, Belgium, Luxembourg, Italy, Thailand Greece, Singapore, Turkey, UK, U.S. and Yemen, and two transportation agreements with Syria. Bahrain has concluded double taxation agreements with Egypt, Germany, United Kingdom, Russia, Spain, Italy France, India, Jordan, Russia, Slovakia, Czech Republic, Turkey, Malaysia, Belgium, Luxembourg, Algeria, Morocco, the Philippines, Thailand and Tunisia.

## **OPIC and Other Investment Insurance Programs**

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On April 25, 1987, Bahrain and the U.S. Government signed an agreement regarding activity in Bahrain by the Overseas Private Investment Corporation (OPIC). The agreement opened the way for extension of such OPIC facilities as investment insurance, reinsurance, and investment guarantees to U.S. private investors interested in doing business in Bahrain.

## **Labor**

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The Bahrain labor force is estimated at 448,000, nearly two-thirds of whom are expatriates. The GOB publicly states that unemployment, which official statistics put at 4.6 percent of Bahrainis in Bahrain's workforce, is the country's foremost domestic political problem. The United Nations Development Program (UNDP) estimates real unemployment among Bahrainis to be 15 to 20 percent and as high as 30 percent in some Shi'ite villages.

One of the government's primary initiatives for combating unemployment is "Bahrainization," or the replacement of expatriate workers by national ones. In 2002 the Government of Bahrain reserved certain professions, including heavy vehicle drivers, for Bahraini nationals.

In January 2006, the King initiated that National Unemployment Project with a budget of USD 32 Million to combat unemployment by providing training and a guaranteed job from the Ministry of Labor's Job Bank. The Labor Minister also introduced an unemployment allowance, to be paid from a general labor fund. The fund is financed by deducting one percent from the wages of all workers. The unemployment allowance program began in August of 2007, and is the first such program in the GCC.

The Crown Prince launched a national debate in 2004 aimed at creating a new labor vision for the Kingdom. This new reform effort seeks to promote employment and training of Bahraini workers. The initiative is likely to result in some legal changes in the labor field. The government seeks to establish Bahrain as a regional center for human resource development. Bahrain has over 50 training institutes that offer training in a variety of areas such as hospitality, information technology, business studies, English language studies, and banking. Major training institutes include the Bahrain Institute for Banking and Finance (BIBF), Bahrain Training Institute (BTI), KPMG, and the British Council. Both educational and vocational training curricula have been criticized recently for not adequately preparing Bahrainis for the workforce. The government is making concerted efforts to turn this situation around.

In August of 2006 the King ratified the new Labor Reforms Law, establishing two entities: the Labor Market regulatory Authority (LMRA), and the Labor Fund. The law imposed a monthly fee of BD10 (USD 26.60) on each expatriate employed by a company. The

revenues collected under this program are earmarked to provide job training for Bahrainis. Job training programs and "Bahrainization" programs in general are run through a new official organization named Tamkeen. In July 2009, the Chairman of the LMRA modified the sponsorship system, allowing greater mobility of foreign workers between employers.

Another major step that the government of Bahrain has undertaken is the formation of trade unions. Government officials developed a labor union law to allow trade unions and to establish a system that would ensure and protect workers' rights. The labor union law went into effect in fall 2002.

In September 2010, the U.S. Department of Labor (DOL) and the Bahrain Ministry of Labor (MOL) convened the first meeting of the U.S.-Bahrain Sub-Committee on Labor Affairs, as established in the U.S.-Bahrain FTA, and reaffirmed their obligations under the FTA related to internationally recognized labor rights, including their obligations as members of the International Labor Organization (ILO) and commitments stated in the ILO Declaration on Fundamental Principles and Rights at Work (1998). In March 2010, the government signed a three-year memorandum of understanding with the ILO to execute the Decent Work Program.

## **Foreign-Trade Zones/Free Ports**

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Khalifa bin Salman Port, Bahrain's major sea port, provides a free transit zone to facilitate the duty-free import of equipment and machinery. The North Sitra Industrial Estate is an industrial free zone and another one is planned for Hidd. Foreign-owned firms have the same investment opportunities in these zones as Bahraini companies.

A 1999 law requires that investors in industrial, or industry-related, zones launch a project within one year from the date of receiving the land, and development will have to conform to the specifications, terms and drawings submitted with the application. Changes are not permitted without approval from the Ministry of Industry and Commerce.

In January 2011, the Ministry of Commerce & Industry announced that Sheikh Salman Industrial Area in Hidd was fully occupied and revealed plans for a new, larger industrial zone to be built in Northern Bahrain.

## **Foreign Direct Investment Statistics**

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Foreign investments in Bahrain range from partial foreign ownership of large parastatals in the oil and telecommunications sectors to small restaurant franchises. Although the government does not maintain detailed statistics on foreign direct investment flows, the 2009 U.N. World Investment Report indicates a 2008 FDI stock of USD 14.2 billion, or 74% of GDP, for inward investment, and USD 8.4 billion, or 44.4% of GDP, for outward investment. These stocks include a 2008 outward flow of USD 4.1 billion, and an inward flow of USD 1.2 billion. These flows represent 96.1% and 41.2% of gross capital formation respectively.

By value, the largest foreign holdings and projects in Bahrain include:

-Tatweer Petroleum, a joint venture formed in 2010 between BAPCO and Occidental Petroleum to revitalize Bahrain's only active oil field through enhanced-recovery technologies.

-Aluminum Bahrain (ALBA) and the Gulf Petrochemical Industries Complex (GPIC), each of which are owned as joint investments by several Gulf States.

-Bahrain National Gas Company (BANAGAS) is owned by Bahrain, a Saudi investment firm, and Caltex Bahrain.

-Durrat Al Bahrain, a major real estate project valued at USD 3.4 billion, being developed by Bahrain Kuwait Finance House.

-Amwaj Islands, a tourism project is jointly owned by Bahraini, Kuwaiti and Saudi corporate and individual investors.

-A USD 600 million tourism project of Al Areen Desert Spa and Resort is owned by the Government of Bahrain, various private investors and Gulf Finance House.

-The development of the USD 1.3 billion Bahrain Financial Harbor project, owned by Gulf Finance House, personal and corporate G.C.C. investors.

-A USD 398 million (BD 150) mall and USD 26.4 new Bahrain City Center cinema complex was opened in 2008 by Dubai, U.A.E.-based Al Futtaim Investments.

-Construction on a Saudi investment of a USD 199 million (BD 75 million) tourism resort called Marina West.

According to U.S. Embassy records, approximately 180 U.S. companies were operating, in one form or another, in Bahrain as of January 2010. Many of the U.S. firms are in the services sector and thus do not have a large capital investment in Bahrain despite a significant local presence. Among the larger U.S. investments are the following:

-Citibank's new regional headquarters building, opened in 2001, valued at nearly USD 30 million.

-Shaw-Nass, a manufacturing plant owned by Shaw Industries, a U.S. pipeline manufacturer, in partnership with a Bahraini firm, A.A. Nass.

-National Hotels Company, owners of the Diplomat Radisson SAS Hotel and Executive Apartments has injected USD 18 million for the expansion project.

-U.S. operational headquartered Foster Wheel Energy Limited, a subsidiary of Foster Wheeler Limited, were awarded a front-end engineering design (FEED) contract to revamp Bahrain National Gas Company's (BANAGAS) liquefied petroleum gas (LPG) facilities.

-Joint venture between Bahrain-based Ithmaar Bank, U.S.-based Overland Capital Group, Bahrain-based Gulf Finance House BSC, and Kuwait-based Gulf Investment House with an authorized capital of USD 50 million and paid-up capital of USD 10 million establish First Leasing Bank.

-Joslin Diabetes Center Affiliate - Bahrain (a partnership between the Joslin Diabetes Center and local businessmen) have invested a value of USD 9 million in the local economy.

-Kraft Foods opened a USD 40 million production plant in 2008.

American firms are also heavily involved in large-scale consulting and construction projects in Bahrain, including:

-Cisco Systems have signed an agreement with Bahrain's Central Informatics Organization (CIO) establishing a regional Cisco networking academy.

-Binnie, Black and Veatch International Limited are the consultants of Phase 3 of the Hidd (Power) and Desalination Complex. The project was estimated to cost USD 400 million.

-Kuljian Corporation, are consultants for Ras Abu Jarjur desalination plant expansion that is estimated to cost USD 26.5 million.

## **Web Resources**

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Bahrain.com: <http://www.bahrain.com>

Tamkeen: <http://www.tamkeen.bh/en/>

Bahrain Mumtalakat Holding Company: <http://www.bmhc.bh/>

Bahrain Center for Dispute Resolution: [www.bcdr-aaa.org](http://www.bcdr-aaa.org)

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## Chapter 7: Trade and Project Financing

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### How Do I Get Paid (Methods of Payment)

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Letter of Credit (L/C) is the preferred method of payment for exports. The L/C should conform to international guidelines established by the International Chamber of Commerce (ICC), as published in the Uniform Customs and Practice for Documentary Credits (UCP). Letters of Credit offer certain advantages to the seller who depends on the creditworthiness of the opening (issuing) bank rather than that of the buyer. For the buyer, an L/C ensures that all of the seller's documents are correct before payment is made.

Other possible methods of international commercial payments include cash, open credit, and documentary credit sales.

According to a post-conducted telephone/fax/emails survey of local companies that regularly import a wide range of products from the U.S., the most commonly used method of payment is open accounts, followed by commercial letters of credit.

The breakdown of payment methods is estimated to be as follows:

4.5 percent cash in advance  
32 percent commercial letter of credit  
55.5 percent open account  
5 percent documentary collections  
0 percent consignment sales  
10 percent bankers acceptances  
0 percent barter transactions  
0 percent trade factoring  
10 percent other methods

### How Does the Banking System Operate

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Bahrain is a principal financial services hub in the Middle East. Legal, regulatory, and accounting systems in the financial sector (onshore and offshore) are transparent and consistent with international norms. International financial institutions operate in Bahrain, both internationally and domestically, without impediments.



The Central Bank of Bahrain (CBB) regulates the banking sector under the provisions of the BMA law (Decree Law No. 23 of 1973). In May 2002, the Government of Bahrain announced that regulatory responsibility for the insurance sector and stock exchange would move to the CBB, formerly known as the Bahrain Monetary Authority (BMA.) This move was completed in late 2002.

The global financial crisis has limited the numbers of financial institutions registered by the CBB. The CBB's new policies and regulations are in line with Basel II. They created guidelines, workshops, and seminars to ensure that risk management and diversifying of investment portfolios are essential methods to overcome future financial turbulence.

Major U.S. banks and financial services firms in Bahrain include Citibank, JP Morgan Chase, American Express, and Merrill Lynch. Bahrain recently announced that it hopes to attract more investment funds and 'special purpose companies' by re-assessing the fees.

In March 2004, in an effort to stimulate the insurance industry and reinforce Bahrain's position as a major insurance center in the Middle East, the BMA lifted the requirement that foreign insurance brokers and loss adjusters must have a local partner in order to operate. These firms, which were previously required to have at least 51 percent Bahraini-ownership, are now permitted to operate with 100 percent foreign-ownership. The CBB is holding consultations on further reform in areas such as captive insurance, solvency, business conduct, risk management and financial crime, enforcement, CBB reporting and public disclosure, intermediaries, and Islamic insurance.

In 2006, as part of an effort to maintain their position as a leading financial center of the Middle East, the government of Bahrain implemented new regulations and licensing requirements to allow Offshore Banks (wholesale) to operate and invest locally. In the same year the government of Bahrain transformed the BMA to a Central Bank.

## **Foreign-Exchange Controls**

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There are no foreign exchange controls or other obstacles to the free movement of funds.

## **U.S. Banks and Local Correspondent Banks**

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### **Citibank/Citicorp**

P.O. Box 548

Manama, Kingdom of Bahrain

Tel: +(973) 17-588588

Fax: +(973) 17-588595

Citibank operates as a full commercial bank, OBU, representative office, and as an Islamic-banking subsidiary.

### **J P Morgan Chase**

P.O. Box 368

Manama, Kingdom of Bahrain

Tel: +(973) 17-535388

Fax: +(973) 17-535135  
Chase operates as an offshore bank.

**Merrill Lynch International Bank**

P.O. Box 10399  
Manama, Kingdom of Bahrain  
Tel: +(973) 17-530260  
Fax: +(973) 17-530245  
Merrill Lynch operates as an investment bank.

**Project Financing**

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For major infrastructure investments, Bahrain's onshore and offshore banks have extensive experience with syndicated loans for larger risks. The Bahrain Development Bank (BDB) promotes industrial development in Bahrain. It also lends funds in some cases to local projects it considers appropriate, but funding is not limited to projects of Bahraini-owned companies. It is allocated on market terms and is available to foreign investors. Generally, credit terms are variable, but usually are limited to 10 years with a maximum grace period of 2 years.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Bahrain Development Bank (BDB): <http://www.bdb-bh.com/background.htm>

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### **Business Customs**

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Personal contact, frequently renewed, is key to doing business successfully in Bahrain. Visiting business professionals should be prepared to spend a portion of any business call socializing and getting to know their counterparts.

Most government offices operate Sunday through Thursday, and many companies are also open half-days on Saturdays. Most commercial banks are open Sunday through Thursday. Employees of offshore (Wholesale Banks) financial institutions often follow a more Western workweek.

To encourage the financial sector, commercial banks started operating even in Weekends to service their enormous client base.

### **Travel Advisory**

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The crime rate in Bahrain is low and violent crime is rare. However, burglary, petty theft, and robberies do occur. Visiting U.S. citizens are urged to take the same security precautions in Bahrain that one would practice in the United States. There are occasionally minor civil disturbances in various parts of the country. The U.S. Embassy advises American citizens to avoid any disturbances or large gatherings in the streets, and to avoid travel into villages, if it is not necessary. Americans in Bahrain, as elsewhere, should maintain a high level of security awareness while following their daily business or social routines in light of the global threat of terrorism.

For the latest travel advisories, please visit the U.S. Embassy Bahrain's website at <http://bahrain.usembassy.gov/> or the Department of State's Bahrain Country Specific Information page at [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1001.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1001.html)

### **Visa Requirements**

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Entry visas for American citizens may be obtained upon arrival at Bahrain International Airport. U.S. passport holders can obtain a two-week visa at the airport for 5 BD (USD

\$15) payable in a variety of currencies including U.S. Dollars, Bahraini Dinars, Euros and British Pounds. Entry visas can also be obtained from the Bahraini Embassy in Washington, D.C., where a 5-year visa costs \$50.

An Israeli entry stamp in a passport is not a bar to obtaining a Bahraini visa or to entering Bahrain, but not all airline personnel are aware that this former prohibition no longer applies.

Non-Bahrainis wishing to live and legally work in Bahrain will need to apply for a work visa and residency permit from the Labor Market Regulatory Authority and the General Department for Nationality & Passport Residence. For details visit <http://www.bahrain.com/work-permits.aspx>

U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Visa applicants should go to the following links.

U.S. Department of State visa information source  
[http://travel.state.gov/visa/visa\\_1750.html](http://travel.state.gov/visa/visa_1750.html)

Consular Section, U.S. Embassy Bahrain  
<http://bahrain.usembassy.gov/visas.html>

## Telecommunications

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Hotel accommodations are excellent, with a large selection of five-star hotels available. All hotels are equipped with reliable phone and fax service, and many hotels also provide Internet, wire services, and business and conference centers.

The majority state-owned Bahrain Telecommunications Company (Batelco) provides excellent telecommunications services for all sectors of the economy. In 2008 new technologies were introduced by Zain and Mena Telecom that allows usage of telephones and faxes through wireless boxes commonly known as telephony.

Telecommunications services in Bahrain employ fully digitized systems and state-of-the-art technology. Services provided by Batelco, MENA Telecom, and Zain include direct dialing and fax transmission to almost anywhere in the world, GSM mobile telephony, high-speed data circuits, integrated service digital networks (ISDN), and corporate messaging facilities. In a move to liberate the telecommunications sector, the Government of Bahrain in April 2003 awarded a 15-year mobile telecommunications license to Zain formerly known as MTC-Vodafone. Zain Telecommunication (a consortium owned by UK's Vodafone and Kuwaiti and Bahraini investors) began operations in late 2003, and in April 2007 announced that it had captured 30 percent of Bahrain's mobile market with plans to dominate 40 percent by the end of the year. In light of the high mobile penetration in Bahrain (84 percent in 2010), and the growth in mobile customers after the introduction of competition, Batelco announced plans in April 2010 to invest \$21.4 million in the company's mobile network, increasing its mobile line capacity to over 650,000.

As of September 2006, the TRA broke Batelco's monopoly as the sole Internet Service Provider (ISP) in Bahrain. New companies such as Menatelecom (in association with Motorola) have introduced new technologies such as WiMax.

In March 2010 Viva (owned by Saudi Telecommunication Company) launched mobile and Internet services, heightened the competition. In April 2010, small and medium telecommunication companies requested TRA to intervene to prevent a price war that might affect the small and medium companies.

The Telecommunications Regulatory Authority (TRA), established in late 2002, awarded the second mobile telecommunications services license to MTC-Vodafone, thus ending the monopoly of Bahrain's telecom services provider, Batelco. The license was awarded under the Telecommunications Law, which took effect January 2003. In January of 2009 the TRA were successful in awarding a third mobile provider STC (Saudi Telecommunication Company) with a paid capital of \$231 Million. Viva announced that they will invest more than \$50 million in the Kingdom of Bahrain in the next three years to attract a bigger share of the market. The company used a mass marketing strategy and package deals that has quickly attracted a large share of the market.

Telecommunications liberalization also extended to paging services, very small aperture terminal (VSAT), public access mobile radio services, international telecommunications facilities, international telecommunications services, national fixed services, internet service provider (ISP) and value-added services license following the full liberalization of the sector on July 1, 2004.

For a listing of companies that have been granted licenses to operate in the Kingdom of Bahrain, or more information on the Telecommunication Regulatory Authority's regulations and services, visit [www.tra.org.bh](http://www.tra.org.bh).

## Transportation

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Bahrain has a well-developed road network with well-lit, multi-lane highways. Construction continues on a \$530.9 million master plan to improve the road transportation network with new highways, bridges and overpasses. Most major roads are three to six lanes wide and are well maintained. In older parts the country, many streets are unpaved or in poor condition. Bahrain and Saudi Arabia are connected by the 25 km (16 mile) King Fahad Causeway, which opened in November 1986. The long-delayed, 40 km (25 mile) road and rail causeway that would connect Bahrain and Qatar remains in the planning stages.

Driving in Bahrain requires extreme caution. Accidents are common. Drivers often flout traffic regulations and police rarely enforce rules of the road. Speed cameras and radar are installed at some intersections. Driving on weekend nights can be hazardous. Bahrain has a zero-tolerance policy on drunk driving. Traffic congestion is common in Manama, exasperated by ongoing construction projects and weekend traffic from neighboring countries.

Rental cars are readily available at Bahrain International Airport and other locations, including companies such as Budget and Avis. Taxis are plentiful but expensive.

Bahrain has a limited bus transportation network. Passenger ferry boats connect Bahrain with Hawar and Al Dar islands.

Bahrain's only public airport, Bahrain International Airport (airport code: BAH), is a regional hub for several airlines including the country's two national carriers, Gulf Air and Bahrain Air. United Airlines offers daily, direct flights between Bahrain and Washington, D.C. Several international airlines including Lufthansa, British Airways, KLM and Turkish Airlines service Bahrain and the United States, via connections in Europe.

## Language

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English is widely spoken in Bahrain government and business sectors. It is the standard language of conducting business.

## Health

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Bahrain has a modern health system. All Bahrainis receive free state health care. Most companies offer their expatriate workers some sort of health coverage, either through insurance companies, in which case rates are negotiable, or through arrangements with one or more of the local private hospitals. There is a \$8 fee for expatriates attending an emergency clinic in a government hospital.

Hospitals, clinics, and pharmacies--including several 24-hour pharmacies--are widely available and of high quality. Certain pharmaceutical products may be unavailable, or sold under a European name. Medical Insurance: The Department of State strongly urges U.S. citizens to consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as medical evacuation.

Other Health Information: Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers of Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747; fax 1-888-CDC-FAXX (1-888-232-3299), or via the CDC's internet site at <http://www.cdc.gov/travel>. For information about outbreaks of infectious diseases abroad consult the World Health Organization's (WHO) website at <http://www.who.int/en>. Further health information for travelers is available at <http://www.who.int/ith>.

## Local Time, Business Hours, and Holidays

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Bahrain is seven hours ahead of Eastern Standard Time (or eight hours ahead during Eastern Daylight Savings Time).

The private sector normally operates from 8:00 a. m. – 5:00 p.m., Sunday-Thursday. Financial institutions operate from 8:30 a.m. – 5:30 p.m., Sunday-Thursday. The public sector operates from 7: 15 a.m. – 2:15 p.m., Sunday- Thursday.

The private sector follows the Bahrain Chamber of Commerce and Industry's (BCCI) local, national, and religious observations. Financial institutions follow the Central Bank

of Bahrain (CBB), and the public sector follows the GOB's local and religious holiday observations.

**U.S. Embassy, Bahrain 2011 Holiday Schedule**

	U.S. Holiday	Bahraini Holiday
January 1	New Year's Day	
January 18	Martin Luther King's Birthday	
February 13	President's Day	Prophet's Bithday
February 20	President Day	
May 24	Memorial Day	
July 5	Independence Day	
September 6	Labor Day	
September 20 - 22		Eid-al-Fitr/Ramadan*
October 11	Columbus Day	
November 11	Veterans Day	
November 26	Thanksgiving Day	
November 29 - 30		Eid-al-Adha/Hajj*
December 16 – 17**		Bahrain National Day and Accession Day
December 17 **		Hijra-Islamic New Year*
December 24	Christmas Day	

\* Local religious holidays are governed by the lunar calendar and are subject to change. The Government of Bahrain announces exact dates a few days before the actual holiday.

Business travelers to Bahrain seeking appointments with U.S. Embassy Bahrain officials are encouraged to schedule an appointment with the Commercial Section prior to departure from the U.S. The [Commercial Section](#) may be reached by telephone at +(973) 17-242746, fax at +(973) 17-256717, or e-mail at [alHaykiNB@state.gov](mailto:alHaykiNB@state.gov).

The Bahrain International Airport has no restrictions or temporary entry of personal electrical equipment such as laptops, software, or exhibit materials.

Civil Aviations Authority and Bahrain International Airport  
[http://www.bahrainairport.com/index\\_web.htm](http://www.bahrainairport.com/index_web.htm)

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Bahrain International Airport  
<http://bahrainairport.com/bia/index.htm>

Telecommunication Regulatory Authority  
<http://www.tra.org.bh/>

Ministry of Transportation  
<http://www.transportation.gov.bh/>

Centers of Disease Control and Prevention  
<http://www.cdc.gov/travel>.

World Health Organization's (WHO) Infectious Disease Outbreaks  
<http://www.who.int/en>

World Health Organization's (WHO) Traveler Health Information  
<http://www.who.int/ith>

Bahrain Ministry of Health (MOH)  
<http://www.moh.gov.bh/>

Embassy of the Kingdom of Bahrain in Washington, D.C.  
<http://www.bahrainembassy.org/>

Commercial Section, U.S. Embassy Bahrain  
<http://www.buyusa.gov/bahrain>

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## Chapter 9: Contacts, Market Research and Trade Events

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### Contacts

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#### U.S. Government websites

Commercial Section, U.S. Embassy Bahrain  
<http://www.buyusa.gov/bahrain>

U.S. Embassy, Bahrain  
<http://bahrain.usembassy.gov>

U.S. International Trade Administration (ITA)  
<http://www.ita.doc.gov/>

U.S. Commercial Service  
[http://www.export.gov/comm\\_svc/](http://www.export.gov/comm_svc/)

Department of Commerce  
<http://www.export.doc.gov/>

Department of Energy  
<http://www.energy.gov/>

Export-Import Bank  
<http://www.exim.gov/>

Overseas Private Investment Corporation  
<http://www.opic.gov/>

Small Business Administration  
<http://www.sba.gov/>

Department of State  
<http://www.state.gov/>

U.S. Trade and Development Agency  
<http://www.tda.gov/>

Department of Transportation  
<http://www.dot.gov/>

Department of the Treasury  
<http://www.treasury.gov/>

United States Trade Representative (USTR)  
[www.ustr.gov](http://www.ustr.gov)

Agriculture Trade Office (ATO), Embassy of the United States of America in Dubai,  
U.A.E.  
<http://www.usembabu.gov.ae/atodubai.htm>

Foreign Agriculture Service (FAS), U.S. Department of Agriculture  
<http://www.fas.usda.gov/>

### **Government of Bahrain websites**

Government of Bahrain (GOB)  
<http://www.bahrain.gov.bh/>

Bahrain Economic Development Board (EDB)  
<http://www.bahrainedb.com/>

Ministry of Finance (MOF)  
<http://www.mofne.gov.bh/>

Ministry of Transportation (MOT)  
(Covers public transportation, telecommunications, postal services, and civil aviation)  
<http://www.transportation.gov.bh/>

Telecommunication Regulatory Authority (TRA)  
<http://www.tra.org.bh/>

Ministry of Municipalities and Agriculture (MOMA)  
<http://www.municipality.gov.bh/>

Bahrain Tenders Board  
<http://www.bahraintenders.gov.bh/>

Bahrain Tourism Directorate  
<http://www.bahraintourism.com/>

Bahrain International Circuit (BIC)  
<http://www.bahraingp.com.bh/>

Bahrain Convention and Exhibition Center (BCEB)  
<http://www.bahrainexhibitions.com/>

Survey and Land Registration Bureau  
<http://www.slr.gov.bh/>

Immigration and Passport Directorate, Ministry of Interior (MOI)  
<http://www.immigration.gov.bh/>

General Traffic Directorate  
<http://www.traffic.gov.bh/>

Civil Aviations Directorate and Bahrain International Airport  
[http://www.bahrainairport.com/index\\_web.htm](http://www.bahrainairport.com/index_web.htm)

Bahrain Customs Directorate  
<http://www.bahriancustoms.gov.bh/>

Bahrain E-Visa Services  
<http://www.evisa.gov.bh/>

Shura or Consultative Council (Upper House of the National Assembly)  
<http://www.shura.gov.bh/>

Al Nuwab or Council of Representative (Lower House of the National Assembly)  
<http://www.nuwab.gov.bh/>

Legal Affairs Directorate  
<http://www.legalaffairs.gov.bh>

Ministry of Education (MOE)  
<http://www.education.gov.bh/>

Pension Fund Commission (PFC)  
(Public Sector Retirement Planning Commission)  
<http://www.pfc.gov.bh/>

General Organization for Social Insurance  
(Private Sector Retirement Planning Organization)  
<http://www.gosi.org.bh/>

Bahrain Center for Studies and Research (BCSR)  
<http://www.bcsr.gov.bh/>

Bahrain Civil Service Bureau (CSB)  
<http://www.csb.gov.bh/>

University of Bahrain (UoB)  
<http://www.uob.bh/>

Bahrain Training Institute (BTI)  
<http://www.bti.com.bh/>

Bahrain Television (BTV)  
<http://www.bahraintv.com/>

Bahrain Ministry of Labor

<http://www.mol.gov.bh>

Bahrain Ministry of Industry & Commerce  
<http://www.moic.gov.bh>

Bahrain General Ports Authority  
<http://www.gop.org.bh>

Bahrain Central Bank of Bahrain  
<http://www.cbb.gov.bh>

### **Private Sector**

Akhbar Al Khaleej Newspaper  
<http://www.akhbar-alkhaleej.com/>

Al Ayam Newspaper  
<http://www.alayam.com/>

Al Wasat Newspaper  
<http://www.alwasatnews.com/>

Gulf Daily News (GDN)  
<http://www.gulf-daily-news.com/>

Bahrain Tribune (BT)  
<http://www.bahraintribune.com/>

Arabian Exhibition Management (AEM)  
<http://www.aeminfo.com.bh/>

AIFG/International Fairs Group  
<http://www.amadeusifg.com>

Golden Tulip Hotel  
<http://www.Golden Tulip.com/>

Diplomat Radisson SAS Hotel  
<http://www.diplomatrdsas.com.bh/>

Regency Intercontinental Hotel  
[www.intercontinental.com/manama](http://www.intercontinental.com/manama)

Sheraton Hotel  
<http://www.sheraton.com/bahrain>

Gulf Hotel  
<http://www.gulfhotehbahrain.com/>

Crowne Plaza Hotel

<http://www.crowneplaza-bahrain.com/>

Ritz Carlton Hotel

<http://www.ritzcarlton.com/>

Movenpick Hotel

<http://www.moevenpick-group.com/>

Novotel Hotel

<http://www.novotel.com/>

Aluminum Bahrain (Alba)

<http://www.albasmelter.com/>

Bahrain Telecommunications (Batelco)

<http://www.batelco.com/>

Bahrain Financial Harbour (BFH)

<http://www.bfharbour.com/>

Zain Telecommunications

<http://www.bh.zain.com>

## **Market Research**

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

## **Trade Events**

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

Commercial Section, U.S. Embassy Bahrain

<http://www.buyusa.gov/bahrain>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.buyusa.gov/bahrain>.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

**We value your feedback on the format and contents of this report. Please send your comments and recommendations to:** [Market\\_Research\\_Feedback@trade.gov](mailto:Market_Research_Feedback@trade.gov)

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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