

U.S. Country Commercial Guides



Bahrain
2019

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Doing Business in Bahrain

Market Overview

- Bahrain and Oman are the two Gulf Cooperation Council (GCC) members to have a Free Trade Agreement (FTA) with the United States.
- Bahrain permits 100 percent foreign-ownership of a business or branch office, without the need for a local partner.
- Bahrain has no tax on corporate income, personal income, wealth, capital gains, withholding, or death/inheritance.
- Bahrain has no restrictions on repatriation of capital, profits or dividends.
- The Heritage Foundation ranked Bahrain as the world's 54th freest economy in its 2019 Index of Economic Freedom, behind only Qatar and the UAE among GCC member states. Bahrain's overall score in the 2019 decreased by 1.3 points from 2018 due to declines in business freedom, labor freedom, judicial effectiveness, and government spending.
- The World Bank ranked Bahrain 62nd out of 190 countries for ease of doing business in its "Doing Business 2018" report.
- Many U.S. businesses have done well in Bahrain and are dominant in major sectors such as oil and gas, engineering, and information and communications technology (ICT).
- Bahrain's real GDP grew by 3.9 percent in 2017, up from 3 percent in 2016. Although real GDP growth rates have slowed considerably since 2013, mostly due to declining revenues from hydrocarbons sales, real GDP growth in non-hydrocarbons sectors grew from 3.2 percent in 2016 to 5 percent in 2017.
- For the second year in a row, Bahrain has been ranked by Internations, the largest international community for people who live and work abroad, as the first preferred destination for expatriates worldwide in 2018. The number of foreign workers in the Kingdom was estimated to be 600,857 in the second quarter of 2018. A large segment of those are Third Country Nationals, primarily from South Asian nations, working in the construction, services, health, and transportation sectors.

Market Challenges

- Although foreign companies are not required to have local partners, local businessmen with strong government contacts can sometimes influence government decision-making.
- Interpretation and application of the law sometimes varies by ministry and may depend on the stature and connections of an investor's local partner.
- The "Bahrainization" of the labor force – a quota system requiring employers to employ a minimum percentage of Bahrainis – can sometimes lead to delays and confusion over work permit issuance and renewal. In February 2019, Bahrain launched the National Employment Program, which aims to give employment preference to Bahrainis increases fees on foreigners' work permits in the Kingdom.
- Many of the largest infrastructure projects in Bahrain are funded by Bahrain's wealthier GCC neighbors through the so-called GCC Stabilization Fund. Although those projects are tendered via the Bahrain Tender Board, final award decisions often are made by the country that funds the project, which may override the Tender Board's recommendation.

Market Opportunities

- The Bahraini Government announced in April 2018 the discovery of the largest oil and gas discovery since the Kingdom's first oil was discovered in the 1930s. The deposits are estimated to consist of at least 80 billion barrels of tight oil and between 10 and 20 trillion cubic feet of deep natural gas. If the oil deposits prove to be viable, government and industry officials anticipate a significant increase in Bahrain's oil production. The development and commercialization of the find presents opportunities for U.S. oil companies and for firms that provide related support.
- The non-petroleum sector of Bahrain's economy continues to grow at rates above historic trends. Growth areas include: high-value manufacturing and industrial services, information technology, health care and medical equipment, construction and engineering, ports, professional services, renewable energy, and tourism.

- Financial technologies (FinTech) is also a growing sector in Bahrain. As part of the Bahraini Government's push to reinforce its position as a financial center in the region, the Bahrain Economic Development Board and Singapore's FinTech Consortium inaugurated the MENA region's largest FinTech hub, Bahrain FinTech Bay. Bahrain FinTech Bay hosts companies involved in digital banking, e-wallets, blockchain, smart contracts, artificial intelligence, risk management, and other FinTech specializations. The hub aims to further the development and acceleration of FinTech firms as well as the interaction between investors, entrepreneurs, government bodies and financial institutions.
- The Bahraini Government plans to increase Bahrain's land area by more than 15 percent in the coming years by reclaiming land for commercial development.
- The Bahraini Government has initiated major development projects in the infrastructure and transportation sectors, including quadrupling the size of Bahrain International Airport, building a second causeway to Saudi Arabia, expanding roads to less developed parts of the island, and connecting all citizens to the fiber-optic network.
- Plans to expand and upgrade production lines at state-owned enterprises, including Aluminum Bahrain (ALBA), Gulf Petrochemicals Industries Company (GPIC), and Bahrain Petroleum Company (BAPCO), are in process. In May 2019 the Bahraini Government completed construction of an LNG import terminal.
- Companies that produce qualifying manufactured products in Bahrain can access Gulf Cooperation Council (GCC) markets duty free under the GCC Customs Union.

Market Entry Strategy

- The Bahrain Investors' Center provides a one-stop-shop for setting up a business in Bahrain. For information, visit: <https://www.moic.gov.bh/en/Tiles/Pages/default.aspx?tagId=6>
- An American company may register as a fully U.S.-owned company under the FTA.
- It is advantageous to maintain an on-the-ground presence in Bahrain, if possible.
- Though not required, a carefully selected local partner can help advise U.S. firms on advertising, promotion, and pricing. Personal relationships can significantly increase a company's business prospects. Maintaining business relationships with regular communication and face-to-face contact also is important.

Political and Economic Environment

For background information on the political and economic environment of Bahrain, please read U.S. Department of State Background Notes at <https://www.state.gov/countries-areas/bahrain/>.

Selling U.S. Products and Services

Using an agent or distributor

The U.S.-Bahrain Free Trade Agreement (FTA) and Bilateral Investment Treaty (BIT) ensure American companies no longer need to appoint a local commercial agent, though they may opt to do so. A commercial agency arrangement enables foreign investors to access the market without having to establish a direct presence in Bahrain. 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. As in other Gulf countries, regular, personal contact is the key to success in trade relationships.

A company's office qualifies as a regional office if the company services even one additional GCC country from the 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.

The law governing the relationship between a Bahraini agent and foreign principal is the Commercial Agencies Law promulgated by Legislative Decree No. 10 of 1992 and its Implementing Regulations, Ministerial Order No. 2 of

1993. The law was amended by Legislative Decree No. 8 of 1998 and Legislative Decree No. 49 of 2002 (also known as the 'Agency Law').

Establishing a local office

Companies wishing to open an office in Bahrain must first register at the Bahrain Investors' Center (BIC), located in the Bahrain Financial Harbor in Manama. Operated by the Ministry of Industry, Commerce and Tourism (MoICT), the BIC is a "One-Stop Shop" where representatives from all the different ministries involved in the registration of a business, as well as representatives from financial institutions, legal entities, and telecommunication companies, come together to support registrants. Some commercial activities such as tourism, entertainment, schools, nurseries (daycare), and training institutions, however, may require approval from other government agencies.

MoICT's Domestic Trade Affairs Directorate regulates all commercial licenses and activities in Bahrain. MoICT's Commercial Registration (CR) Department issues commercial licenses, collects registration fees, processes 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 BIC in the Bahrain Financial Harbor, or electronically from MoICT's website: www.sjilat.bh.

Bahrain Investors' Center

Bahrain Financial Harbor

Harbor Gate

PO Box 2210

Manama, Kingdom of Bahrain

Tel : +973 1756-2222

Email: customer_relations@moic.gov.bh

Business hours: 7:30 a.m. -2:00 p.m. Sunday-Thursday

Website: <https://www.moic.gov.bh/en/Pages/default.aspx>

Email: customer_relations@commerce.gov.bh or invest@bahrainedb.com

Franchising

The demand for U.S. franchises remains strong in Bahrain, particularly in the fast food, restaurant, and retail sectors. More than one hundred U.S. franchise restaurants and outlets operate in Bahrain, with new ones opening regularly. Many major brands are present in Bahrain, among them: Baskin Robbins, Burger King, Caribou Coffee, Chili's, Cold Stone Creamery, Dairy Queen, Domino's, Dunkin Donuts, Elevation Burger, Five Guys, Fuddruckers, the Great American Bagel Co., Hardee's, IHOP, Kentucky Fried Chicken, Krispy Kreme, Little Caesar's, McDonald's, Nestle Toll House, Papa Johns, Pizza Hut, Potbelly, Romano's Macaroni Grill, Roundtable Pizza, Seattle's Best Coffee, Starbucks, Subway, TCBY, Texas Chicken, Texas Roadhouse, Tony Roma's, and ZPizza. Although Bahrain's market seems to be very receptive to new franchising opportunities, it is a competitive medium with a variety of local and international franchises and many of them utilize broadly popular internet and app-based food delivery services, including Talabat and Carriage, to advertise and compete.

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. Local businesses increasingly view franchising as an opportunity to establish additional consumer-oriented businesses. The franchise market is growing rapidly in several sectors, among them fast food and restaurants, hospitality, automotive services and spare parts, high-end fashion, printing, and convenience stores.

The Bahraini Government has yet to develop a specialized body of legislation to regulate franchising activities. Franchise agreements are governed by standard commercial laws. Bahrain's legislation for regulating patents and trademarks constitutes the most specialized body of commercial laws that apply to franchising activities. Bahrain is a member of the World Trade Organization (WTO) and has ratified the WTO TRIPS agreement. The Bahraini Government has brought its national laws and regulations into compliance with the principles of both these agreements. Bahrain is also a member of the World Intellectual Property Organization (WIPO) and a signatory of the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property. Registered patents are valid for 15 years, renewable for an additional period of five years. Trademark registration is valid for ten years.

The Investment and Technology Promotion Office in Bahrain, operating under the UN Industrial Development Organization (UNIDO), has been promoting franchising as a model for helping grow small and medium-sized enterprises (SMEs) and attracting local and foreign investment. A major step towards reaching this objective has been the establishment of the Franchise Association for the Middle East (FAME), co-founded by the OECD MENA Investment Center and the Lebanese Franchise Association (LFA).

Direct Marketing:

Businesses in Bahrain mainly use traditional advertising methods, such as printed ads in local newspapers and magazines, fairs and exhibitions, signboards and billboards. Advertising also is possible on Bahraini television and radio. Many businesses distribute flyers in residential neighborhoods. It is possible to advertise on the internet and via text messaging on cellular networks. The major mobile phone service providers are Batelco, Viva, and Zain. Bahrain regularly hosts trade shows, which provide good opportunities to market to importers and distributors.

Joint Ventures/Licensing

The demand for joint ventures and licensing opportunities remains strong in Bahrain. The infrastructure, ICT, electricity, water, tourism, training and education sectors have been privatized and are important growth sectors in the economy.

American companies are attractive to Bahraini partners due to their brand recognition and potential opportunities for technology transfer.

Bahrain's Commercial Companies Law permits joint ventures between parties. A joint venture agreement must specify the parties' rights and obligations and determine the division of profits and losses. There are no other specific formalities for parties to enter into a joint venture (such as registration). Joint ventures in Bahrain have no corporate identity. Since all business activity in Bahrain must be conducted through a company or an individual establishment, third parties have recourse against a company or individual establishment, not directly against the joint venture.

In practice, individuals from a foreign company and a local business who want to engage in a joint venture are likely to set up a new company. Establishing a limited liability company is the most popular business vehicle for this purpose. The parties' relationship is governed by the constitutional documents of the new company, in particular the memorandum of association. However, some parties also draw up additional agreements to govern their relationship. These are enforceable only to the extent that they are not contrary to the laws of Bahrain.

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

Many governments finance public works projects through borrowing from multilateral development banks. Please refer to "*Project Financing*" Section in "*Trade and Project Financing*" for more information.

In October 2002, Bahrain implemented a government procurement law to establish the basic framework for a transparent, rules-based government procurement system. The law requires certain procurements to be conducted as

international public tenders open to foreign suppliers. The law established a tender board to oversee all government tenders and purchases.

All major civilian projects and government acquisitions valued at BD 10,000 (\$26,667) or more are posted on the website of Bahrain's Tender Board, www.tenderboard.gov.bh. The Tender Board determines the terms of bidding, invitations for bids and selection of firms for awards. The Tender Board advertises its tender openings and decisions on its website, and in local media. Tender opportunities are published in English and Arabic. Contracts are generally, but not necessarily, awarded to the lowest bidder.

Government procurement contracts are subject to the requirements of the U.S.-Bahrain Free Trade Agreement (FTA). The FTA, however, does not govern military procurement and other procurements deemed a matter of Bahrain's national security. For government sales, except where an agent is not permitted (e.g., sales to the Bahrain Defense Force or Ministry of Interior), it is generally advisable to have a local agent serve as a point-of-contact, provide advice on tender preparation, and act as "eyes and ears" on the ground. Bidders must meet the specifications set out in the tender and offer a competitive price to be successful. A local agent can provide valuable advice on pricing, timing, and key contacts.

The Government of Bahrain is not a signatory to the OECD Convention on Combating Bribery.

For GCC Development Plan-funded projects, Bahrain must honor financial agreements with the GCC country funding the project. Although tenders for these programs often are issued by the Bahrain Tender Board, they may be subject to tendering rules of the GCC country funding the project. U.S. companies should carefully research tenders they pursue to determine whether the project is subject to GCC Development Plan funding requirements.

In addition to several key oil and gas projects the Bahraini Government offers a variety of business opportunities, mainly in real estate and housing, power and renewable energy, transport and public works and manufacturing. In 2018, the Bahraini Government hosted its first Gateway Gulf Investor Forum to showcase major projects in the kingdom open for investment. More information about the projects showcased in the 2018 Gateway Gulf can be found at: <https://www.gatewaygulf.com/en/home>.

Distribution and sales channels

Most goods enter Bahrain through Khalifa bin Salman Port (Mina Khalifa, <http://mtt.gov.bh/content/khalifa-bin-salman-port>) in the Hidd Industrial Area, Bahrain's main import/export hub. The port is located in northeast Bahrain, approximately 13 km from Bahrain International Airport and 55 km from the Eastern Province of Saudi Arabia. Since beginning operations in 2009, the Khalifa Bin Salman Port has established itself as a leading transshipment hub in the region.

The adjacent [Bahrain Logistics Zone](http://www.caa.gov.bh/content/pma-bahrain-logistics-zone) (www.caa.gov.bh/content/pma-bahrain-logistics-zone) has the potential to make the Kingdom a major air-sea cargo hub and a center for industrial development. The Government offers a number of incentives to attract foreign direct investment to this customs-free zone.

Bahrain benefits from good road infrastructure, providing the ability to transport throughout the region with easy access to other Gulf markets. The much larger economy of Saudi Arabia is located just a 25 km drive away across the King Fahd Causeway.

Port: Khalifa bin Salman Port (www.caa.gov.bh/content/khalifa-bin-salman-port)

Airport: Bahrain International Airport (www.bahrainairport.com)

Sea Transportation: Ministry of Transportation and Telecommunications, Ports and Maritime Authority (www.caa.gov.bh/directorates/ports-and-maritime)

Air Transportation: Ministry of Transportation and Telecommunications, Civil Aviation Affairs (www.caa.gov.bh/directorates/civil-aviation)

Road and Rail Transportation: Ministry of Transportation and Telecommunications, Land Transport Affairs (www.caa.gov.bh/directorates/land-transport)

In recent years, companies sometimes have experienced delays in transporting their products across the Causeway into Saudi Arabia. We encourage American companies to notify the U.S. Embassy's Commercial Section when there are significant delays on the Causeway.

The Bahrain retail sector has been experiencing strong growth in the last decade but remains modest compared to those in neighboring Gulf countries. Traditional markets (souks) and corner shops comprise a significant segment of the retail market, many of which sell traditional goods and services such as gold, textiles, and sweets. Modern distribution channels are nevertheless becoming more prominent, with the appearance of large malls, supermarkets, and hypermarkets. The Kingdom's retail sector is dynamic thanks in part to a growing tourism sector – tourists from Saudi Arabia flock to Bahrain on the weekends to dine in local restaurants and shop in local malls.

Express Delivery

Major global express delivery companies, such as DHL, FedEx, UPS, ARAMEX, Sky Net, and others, operate in Bahrain. Transit times vary but for packages shipped from the United States to Bahrain, the average time is two to three days, not including the customs clearance process. Customs procedures and requirements are standard and can be found on the Bahrain Customs website at www.bahraincustoms.gov.bh/customs_procedures.php?SID=WWxRd01nPT0%253D. De minimis amounts are not applicable in Bahrain.

Selling factors and techniques

A carefully selected local partner can advise U.S. firms on advertising, promotion, and pricing. Due to differences in culture, techniques and marketing language that are effective in the United States may not be effective in Bahrain. A local partner can help navigate language and cultural issues.

eCommerce

E-commerce is rapidly expanding in Bahrain. Computer-literacy rates are high and businesses recognize the commercial value of the internet. Bahrain has an internet penetration rate above 96 percent, which has led to higher online shopping rates than in other GCC states.

Bahrain has an Electronic Transactions law that recognizes the validity of electronic transactions. In a push to use this technological opening, MoICT operates an electronic governance program and a directorate for electronic commerce to promote e-commerce services. Banks offer electronic banking, and many utility companies now accept electronic transactions for bill payments.

Legislative Decree No. 28 of 2002 covers:

- The application of electronic records and signatures.
- Electronic transactions, records.
- Legal recognition of electronic records in evidence.

Bahraini authorities have yet to register any accredited certification service providers; therefore, documents signed electronically will not automatically benefit from the presumption of authenticity and thus they cannot be considered legally equivalent to handwritten signatures.

Bahrain's Information and eGovernment Authority (IGA) enhances the services provided by the government to citizens, foreigners, the private sector, and investors.

Bahrain's digital strategy focuses on eight pillars: increased participation and engagement; increased partnerships and private sector ICT readiness; improved national e-literacy and government IT skills; heightened protection of

information and user rights; a higher-performing, collaborative, integrated, and efficient government; comprehensive and effectively managed quality service; enhanced e-government channels and user experience with increased service uptake; and greater innovation and entrepreneurship. MoICT permits online commercial registration to companies with 100-percent Bahraini ownership, in part to encourage the development of e-commerce activities in the Kingdom.

There are many obstacles to the growth of online businesses, among them low adoption rates of online retail by local businesses, the predominance of cash on delivery payments and low consumer acceptance of online shopping, compared to international benchmarks.

The ICT sector constitutes a major pillar of Bahrain's economy. It is one of the core sectors the Bahrain Economic Development Board has focused on developing, both to attract direct foreign investment and to expand local employment. Recent years have seen a significant expansion in the ICT landscape, as well as a push towards cutting-edge technologies, including FinTech.

Travel bookings have been the leading product category purchased online, and shoppers are increasingly beginning to purchase physical products online as well, particularly electronics, computers, and jewelry. Online shopping for clothing also has begun to gain in popularity. Online food delivery services are also growing in popularity and present market opportunities.

Bahrain's National E-Government Strategy 2020 falls in line with the government's previous strategic plans, focusing on advancing the living standards of Bahraini nationals, and reducing of government expenditures by expanding online government services.

E-Commerce is expanding rapidly in Bahrain. PR Newswire reports that online sales in Bahrain will quadruple between 2015 and 2020.

The main challenges faced by the e-commerce sector in Bahrain are:

- Finding the required funds to start a business;
- Compliance with legal, regulatory and governmental requirements;
- Finding skilled human capital;
- Identifying proper investment opportunities.

According to surveys, social media, followed by websites and retailers, are the most effective distribution channels for e-commerce businesses.

The kingdom's main e-Industries include:

- Telecommunications
- Financial Services
- Government Services
- Information Technology
- Tourism
- eWholesaler / eRetailer

International websites such as Souq.com, Amazon, and eBay are among the most popular shopping destinations for online consumers in the Middle East.

Local merchants have largely kept their products off online platforms, so Bahrain-based customers often purchase goods online from other GCC states or markets farther afield. Cross-border internet shopping is common and the main products purchased online are electronics, clothes, beauty products and jewelry, including watches.

The top enabling factors for cross-border shopping are:

- Free shipping;
- Safe payment portals;
- Items that are not available locally.

The main deterrents to cross-border shopping are:

- Delivery / shipping fees;
- Identity theft / fraud;
- Items that do not arrive in the mail as described at purchase.

The Most Popular e-commerce websites in Bahrain are:

- Souq.com
- Genuineclassifieds.com
- Amazon.in
- Jadopado.com
- opensooq.com
- eBay
- Alibaba.com
- Talabat.com

The BENEFIT Company (Bahrain's Electronic Network for Financial Transactions) is the national gateway that handles payments or electronic money transfers in Bahrain and is the backbone of the Kingdom's financial services industry. It is licensed by the Central Bank of Bahrain as a provider of ancillary services to the financial sector. Services include managing the national ATM switch system and switching local debit card transactions at the point of sale, as well as operating the Kingdom's credit reference bureau, internet banking shared platform, direct debit, payments gateway, check clearinghouse, and dispute management systems.

By the mid-2000s and due to the increased demand for online payment facilities in Bahrain, the BENEFIT Company and ACI Worldwide created a national payments gateway that enabled members to process online transactions made with all locally issued debit cards, as well as VISA, MasterCard, Amex and JCB credit cards.

Mobile commerce has high potential in the Middle East, as smart phone and tablet penetration is high. Social media has become a popular medium for advertising, and for personal purposes. According to the latest figures from 2017 usage penetration rates in Bahrain were 85 percent for WhatsApp, 93 percent for Facebook, Instagram at 61 percent for Instagram, 72 percent for Twitter, and 44 percent for YouTube.

Trade promotion and advertising

Bahrain-based trade shows can provide U.S. firms with an opportunity to increase brand awareness, identify investment opportunities, and locate trade partners, importers and distributors. The Government of Bahrain wants to attract new exhibition and conference participants and expand Bahrain's role as a regional exposition and conference hub. Plans are underway to complete a new exhibition hall near the Bahrain International Circuit in 2022.

The Bahrain Tourism and Exhibitions Authority (www.beca.bh/), Hilal Conferences & Exhibitions (<http://hilalce.com/>), and Arabian Exhibition Management (www.aemallworld.com/) are Bahrain's leading

organizations for organizing local and international trade shows and exhibitions. Leading exhibitions in Bahrain include:

- The Bahrain International Air Show: www.bahraininternationalairshow.com/
- The Gulf International Industry Fair: <http://www.gulfindustryfair.com/>
- Jewellery Arabia: www.jewelleryarabia.com
- The Middle East Oil & Gas Show & Conference: <https://meos19.com/>
- The Bahrain International Defense Exhibition and Conference: <https://www.bahraindefence.com/>

Bahrain hosted the Global Entrepreneurship Congress (GEC) for the first time in 2019. The event highlighted Bahrain's efforts to become a regional conference and entrepreneurship hub. More than 3,000 delegates from 170 countries attended the conference.

Radio and Television

Bahrain Television (BTV) is the country's national network, with separate Arabic and English broadcast channels. Radio Bahrain is the main radio station, broadcasting in English on bandwidth 96.5 FM and 99.5, and in Arabic on 92.3 FM. Dubai-based OSN is the primary provider of subscription (cable) television in Bahrain.

Newspapers and Magazines

There are two daily English-language newspapers in which companies can advertise: the [Gulf Daily News](#) and the [Daily Tribune](#). Each has a business section that is predominantly read by expatriates. Bahrain has several Arabic-language newspapers. The largest are [Al Ayam](#), [Akhbar Al Khaleej](#), [Al Watan News](#) and [Al Bilad](#). The primary business-oriented publication is Al Ayam's economic supplement. Business-oriented magazines include [Trade Arabia](#), [Gulf Construction](#), [Gulf Industry](#), [Arabian Oil & Gas](#) and the business intelligence website [Zawya](#). English-language lifestyle magazines include [Time Out Bahrain](#), [bizbahrain](#), [Bahrain This Month](#), [Woman This Month](#), and [FACT Bahrain](#).

Pricing

The Bahraini Government does not levy sales tax on goods or services and there are no corporate taxes. However, the Bahraini Government introduced an excise tax in 2017 that imposes taxes of 100 percent on tobacco and energy drinks and 50 percent on soft drinks. The Bahraini Government introduced a Value Added Tax (VAT) in early 2019 in conjunction with other GCC member governments. Under the VAT, most goods and services are taxed at a rate of 5 percent. No tax is levied on several categories of products and services, including basic foodstuffs, medications, healthcare services, books, new building construction, education, local transportation, and oil and gas. Businesses that sell these goods and services are entitled to claim a credit for VAT paid on related expenditures.

Most restaurants charge a ten percent hospitality tax, plus an additional ten to twelve percent "service charge," a fee that is rarely passed on to wait staff.

Shipping generally adds a considerable cost to items manufactured in the United States, 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.

Hard bargaining is common and expected in the local souqs (traditional markets) of Manama and Muharraq, where buyers generally ask for discounts and vendors inflate their initial offers accordingly.

Sales Service/Customer Support

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

Protecting Intellectual Property

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles, please link to our articles on protecting intellectual property at www.export.gov/article?id=Protecting-Intellectual-Property and www.stopfakes.gov.

Under the U.S.-Bahrain FTA, the Bahraini Government committed to enforce world-class intellectual property rights (IPR) protections. The Bahraini Government has signed the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property. The Bahraini Government ratified revised legislation to implement Bahrain's obligations under the WTO/TRIPS Agreement in 2006. The Bahraini Government has joined the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performances and Phonograms Treaty and was ranked the 50th country on the World's Economic Forum 2018 Global Competitiveness Index. The Bahraini Government also has passed laws designed to bring Bahrain's local legislative framework into compliance with its Paris Convention commitments.

Intellectual property rights in Bahrain are protected under the following national laws:

- Trademarks Law No. 11 of 2006
- Patents and Utility Models Law No. 1 of 2004, as amended by Law 14 of 2006
- Industrial Design Law No. 6 of 2006
- Designs of Integrated Circuits Law No. 5 of 2006
- Copyright and Neighboring Rights Law No. 22 of 2006
- Trade Secrets Law No. 7 of 2003, as amended by Law No. 35 of 2005.

The Bahraini Government has made progress in reducing copyright piracy. The government's copyright enforcement campaign began in late 1997 and was based on inspections, closures, and improved public awareness. The campaign targeted the video, audio, and software industries with impressive results. Most commercially pirated video and audio markets have been eliminated. However, audio, video, and software piracy by end-users remains a problem.

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

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at www.wipo.int/directory/en/.

Several general principles are important for effective management of intellectual property rights in Bahrain:

- First, it is important to have an overall strategy to protect your IPR.
- Second, IPR may be protected differently in Bahrain than in the United States.
- Third, rights must be registered and enforced in Bahrain, under local laws.

Your U.S. trademark and patent registrations will not protect you in Bahrain. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. Companies should therefore consider how to obtain patent and trademark protection before introducing products or services to the Bahrain market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Bahrain. It is the responsibility of the rights holders to register, protect, and defend their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or intellectual property consultants who are experts in Bahraini law. The U.S. Commercial Service can provide a list of local lawyers upon request.

There are no specialized IPR courts in Bahrain. However, various administrative and judicial methods protect and enforce rights of intellectual property holders. Intellectual property rights holders may file a petition with the court to

stop or prevent infringement. Infringers found guilty by the court are punishable by fine and/or imprisonment, and any counterfeit goods identified will be seized and destroyed.

While the U.S. Government stands ready to assist, little can be done if the rights holders have not taken the fundamental steps necessary to secure and enforce their intellectual property in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to pursue its case promptly.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IPR. Consider carefully, however, whether to permit your partner to register your IPR on your behalf. Doing so may create a risk that your partner will list itself as the IPR owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Work with legal counsel familiar with Bahrain laws to create a solid contract that includes non-compete clauses and confidentiality/non-disclosure provisions.

Small and medium-sized enterprises should work together with trade associations and organizations to support efforts to protect IPR and prevent counterfeiting. There are a number of such organizations, both Bahrain and U.S. based. These include the:

- [U.S. Chamber](http://www.uschamber.com) of Commerce (www.uschamber.com) and local American Chambers of Commerce
- [National Association of Manufacturers](http://www.nam.org) (www.nam.org)
- [International Intellectual Property Alliance](https://iipa.org) (<https://iipa.org>)
- [International Trademark Association](http://www.inta.org) (www.inta.org)
- [The Coalition Against Counterfeiting and Piracy](https://acacap.org) (<https://acacap.org>)
- [International Anti-Counterfeiting Coalition](http://www.iacc.org) (www.iacc.org)
- [Pharmaceutical Research and Manufacturers of America](https://www.phrma.org) (<https://www.phrma.org>)
- [Biotechnology Industry Organization](http://www.bio.org) (www.bio.org); and
- [Arabian Anti-Piracy Alliance](http://www.aaa.co.ae).(www.aaa.co.ae).

Due Diligence

Due diligence is essential to avoid fraud. Any legitimate business in Bahrain will operate under a valid Commercial Registration (CR), with a validity date of less than two years. All U.S. companies should check a company's CR before doing business with them through the Government of Bahrain's Commercial Registration Portal, www.sijilat.bh/. The U.S. Commercial Service also provides a fee-based due diligence service for U.S. companies, called International Company Profile (ICP). For more details contact

U.S. Embassy Manama – Commercial Section

P.O. Box 26431

Manama, Kingdom of Bahrain

Tel: (973) 1724-2700

Fax: (973) 1725-6717

Email: ManamaCommercial@state.gov

Website: <https://bh.usembassy.gov/business/>

Local Professional Services

Professional service firms are available in the Bahrain market to help companies set up their businesses seamlessly and in a timely manner. Foreign companies normally use the services of:

- Lawyers
- Business establishment consultants
- Business centers
- Banks, which in some cases can set up a company's operations in Bahrain.

The [Bahrain Economic Development Board \(http://bahrainedb.com\)](http://bahrainedb.com) and the Bahrain Investors Center) offer guidance and support to foreign investors, especially throughout the early stages of business establishment.

U.S. Embassy Manama's Commercial Section offers [commercial services \(www.trade.gov/cs/services.asp#tradecounseling\)](http://www.trade.gov/cs/services.asp#tradecounseling) such as trade counseling, market intelligence, business matchmaking and commercial diplomacy to assist U.S. companies in taking advantage of lucrative business opportunities.

Principal Business Associations

The main business associations in Bahrain are the:

- American Chamber of Commerce (AmCham): www.amchambahrain.org/
- Bahrain Economic Development Board (EDB): www.bahrainedb.com/en/Pages/default.aspx#.WRBXM_n5haQ
- Bahrain Businessmen's Association: www.bbma.bh/
- Bahrain Businesswomen's Association: www.bahrainbusinesswomen.com/
- US-Bahrain Business Council: www.usbahraincouncil.com/

Limitations on Selling U.S. Products and Services

The U.S.-Bahrain Bilateral Investment Treaty (BIT) provides benefits and protection to U.S. investments in Bahrain, such as "most-favored nation" and "national treatment". The following are the only limitations on selling U.S. products and services in Bahrain:

- Gambling
- Alcoholic drinks
- Narcotics
- Weapons
- Cigarettes
- Import of all types of waste and treatment, storage and dumping of radioactive materials and toxic waste in Bahrain
- Import, manufacturing and dealing of asbestos and its by-products (not including asbestos removal)
- Import and industrial use of restricted chemicals
- Import of automatic cigarette vending machines

- Letter post (exclusive to Bahrain Post)

MoICT maintains a small list of business activities that are restricted to Bahraini ownership. These include: press and publications, Islamic pilgrimage, clearance offices, workforce agencies, fisheries, and dredging or oil exploration.

The U.S.-Bahrain Free Trade Agreement outlines all activities in which the two countries restrict foreign ownership.

Web resources

Ministry of Industry, Commerce and Tourism

www.moic.gov.bh

www.sijilat.bh/

Bahrain Investors Center (BIC)

www.moic.gov.bh

Bahrain Economic Development Board

www.bahrainedb.com

Bahrain Bourse (Stock Market)

www.bahrainbourse.net

U.S. Commercial Service

<http://trade.gov/cs/>

U.S. Embassy Bahrain – Commercial Section

<https://bh.usembassy.gov/business/>

Office of the United States Trade Representative

www.ustr.gov

Tamkeen (private sector development organization)

<https://www.tamkeen.bh/>

Bahrain Social Insurance Organization

www.sio.bh

The Labor Market Regulatory Authority

<http://lmra.bh/portal/en/home>

Ministry of Water and Electricity

<http://www.ewa.bh/en>

Ministry of Health

www.moh.gov.bh/

Leading Sectors for U.S. Exports and Investment

Economic growth in Bahrain is driven by a variety of strongly performing industries, led by tourism. The Bahrain Economic Development Board (EDB) identifies financial services, manufacturing, ICT, tourism, real estate, education, healthcare, logistic and transport sectors as particularly ripe for investment. The renewable energy, engineering and construction sectors, among others, also offer potential opportunities for U.S. firms. The EDB attracted 830 million in foreign direct investment to Bahrain in 2018, a record year for the organization that represented an increase of 13 percent over 2017. In 2018, 63 percent of new investments were in the tourism, real estate, education, and healthcare sectors. The manufacturing, transport, and logistics sectors accounted for 25 percent of new investments, while the financial services and ICT sectors accounted for eight percent and five percent, respectively.

In May 2018, the Bahrain Economic Development Board held the Gateway Gulf Investor Forum, the first foreign direct investment promotion event of its kind in Bahrain. The forum highlighted the following sectors as the leading opportunities for foreign direct investment in Bahrain:

- Oil & Gas
- Real Estate and Tourism
- Power & Renewable Energy
- Affordable Housing
- Transport and Public Works
- Manufacturing

U.S. exports to Bahrain in 2018 reached \$2 billion. The top categories included:

- Aircraft and parts: \$955 million
- Boilers, machinery, and parts: \$251 million
- Special classification provisions: \$247 million
- Vehicles and parts: \$136 million
- Ships, boats, and floating structures: \$86 million
- Electrical machinery: \$79 million

Bahrain's exports to the United States in 2018 amounted to \$991 million. The top export categories included:

- Aluminum and related products: \$669 million
- Mineral fuel and oil: \$126 million
- Textiles: \$78 million
- Special classification provisions: \$38 million
- Plastics: \$20 million
- Fertilizers: \$13 million

Construction & Infrastructure

Overview

The International Trade Administration identifies construction as a leading market for opportunities for U.S. firms. According to Bahrain's Information and E-Government Authority (IGA), Bahrain's construction sector grew by over 7 percent in 2018. A key driver of this growth is a \$32 billion infrastructure investment pipeline comprised of \$10 billion in government funding, \$7.5 billion from the GCC Development Fund, and \$15 billion from the private sector. According to EDB, the total value of Bahrain's construction projects in the pipeline stood at \$87.3 billion as of the third quarter of 2018, representing an increase of over 3 percent year over year. This emphasis on construction is consistent with the Kingdom's Vision 2030 economic development strategy. The strategy seeks to improve infrastructure, industry, housing and connectivity and that calls for a more diverse economic base, with broader privatization, industrialization, training, and education of the Bahraini workforce.

Large-scale government infrastructure projects continue to stimulate the sector and have positive spillover effects in supply industries. The Government's major projects include:

- The \$3.5 billion sixth production line at Aluminum Bahrain (ALBA) and associated \$800 million power station project
- A \$1.1 billion airport modernization program
- A new \$355 million gas plant
- Major housing projects valuing \$2.2 billion
- Electricity and water projects valuing \$1.1 billion
- Roads and sewerage projects valuing \$900 million
- An airport expansion project valuing \$1.1 billion
- Rail line development that links with other GCC states
- A public transport network
- Construction of infrastructure for three planned cities
- A new state of the art exhibition center
- Industrial development.

A number of other projects underway focus on education, health, social development, youth, sports and industry, many of which will be funded by grants received from Bahrain's wealthier neighbors via the GCC Development Fund. The government is currently implementing the National Development Strategy 2019-2022 to ensure economically and ecologically sustainable growth and to better respond to the needs of the citizenry and the economy.

Leading Sub-Sectors

The demand for small housing units for medium-income families has increased dramatically in recent years. There are approximately 60,000 Bahraini families on the government's waitlist for subsidized housing. The government is pursuing an ambitious program of developing 40,000 housing units within a decade. Close to 20,000 units are under construction. The major housing projects are East Hidd City, Diyyar Al Muharraq, Tubli Gardens, Argan, East Sitra, and the Naseej project in Northern City. The Ministry of Housing has also launched a social housing financing program to support home purchases by nationals.

In the private sector, major new freehold projects have been launched in Diyar al Muharraq, Dilmunia, and Durrat al Bahrain. Among others, a 3,000-unit Deerat al Oyun project has commenced in Diyar al Muharraq. Construction

work on the \$650 million Villamar project at the Bahrain Financial Harbour in central Manama is also resuming. Government-funded projects in the fields of energy, industry, and transportation are also been major drivers in the construction sector.

Opportunities

One of the largest projects within this pipeline is the \$1.1 billion airport modernization project. The airport project is designed to double the passenger capacity of the facility to 14 million passengers a year by 2020. The main contract was awarded to a consortium led by Arabtech Construction and TAV Construction in early 2017. A number of U.S. firms have won contracts in the expansion.

A new rail and road causeway project between Saudi Arabia and Bahrain is also planned. The project is a 25km-long rail and road that will connect to the main GCC railway and existing Saudi rail network.

State-owned companies also are proceeding with major projects. In the manufacturing sector, landmark projects underway in downstream hydrocarbons and aluminum include the:

- Bahrain Petroleum Company (BAPCO) modernization and expansion program
- Bahrain LNG terminal construction
- Bahrain National Gas Expansion Co. (BNGEC)
- ALBA Line 6 expansion project.

The retail and hospitality sector is also witnessing rapid growth, evident in the number of five-star hotels and shopping malls planned for the kingdom such as Dilmunia Mall and the Marassi Galleria shopping complex, to join the recently opened \$159 million Avenues Mall at Bahrain Bay. This retail expansion has branched out geographically to the west of the island, presumably to attract the many tourists coming from Saudi Arabia each week. Other projects include the opening of IKEA in September 2018, the opening of the Atrium Mall in December 2018, and the construction of the Kingdom Mall, due in 2019.

Bahrain's tourism strategy also extends to medical-tourism projects in expansions at King Abdullah Medical City and in mixed-use real estate projects such as Bahrain Bay, Bahrain Marina, Diyar Al Muharraq, Water Garden City, Dilmunia, and Marassi Al Bahrain.

Other key tourism developments expected to be completed in the near future include:

- The \$120 million Muharraq Water Front Project (Saada), consisting of retail establishments, a marina, entertainment facilities, a 4-star hotel, a multi-story car park, and a traditional souq.
- The mixed-use Bahrain Marina in Manama, consisting of a five-star hotel and hotel suites, apartments, villas, a shopping mall, entertainment and educational facilities, retail space, and a yacht club with space for 250 boats.

Web Resources

<https://bahrainedb.com/>

www.trade.gov/topmarkets/

www.data.gov.bh<https://oxfordbusinessgroup.com>

Oil and Gas

Overview

Despite the success of economic diversification, the oil and gas sector remains a strong component of Bahrain's economy. As a small non-OPEC Gulf oil producer with approximately 124.6 million barrels of proven reserves, Bahrain receives its oil revenues from two fields: the onshore Bahrain field and the offshore Abu Safah field, which is shared with Saudi Arabia. The Government of Bahrain announced in April 2018 its biggest oil and gas discovery since the 1930s, representing a significant boost to Bahrain's economic outlook. The extensive tight oil and deep gas field discovered off the west coast of the Kingdom is estimated to contain some 80 billion barrels of tight oil resources in shale. The 2,000 sq. km. Khalij al Bahrain field, which could begin production by 2023, is mainly composed of shale oil and natural gas in quantities far exceeding Bahrain's current reserves.

The Government of Bahrain launched an energy fund in 2018 that seeks to raise \$1 billion from local, regional, and international investors to develop the Kingdom's energy assets. The fund will invest in a range of energy projects across the downstream, mid-stream, and upstream sectors, including developments in the newly discovered oil and gas fields.

Leading Sub-Sectors

With revenues from oil exports accounting for approximately 75 percent of government income in since 2007, the Bahraini Government is seeking to diversify the economy and income sources from other sectors. Targeted areas for manufacturing include plastics, fiberglass, chemicals, petrochemicals, and food processing. The Bahraini Government is placing particular emphasis on developing the petrochemical industry. Five petrochemical sub-sectors have grown rapidly in recent years: construction chemicals, water treatment chemicals, polymer and plastic additives, paints and coating additives, and oil field chemicals.

Opportunities

- Bahrain reached an agreement with U.S. firm Halliburton to drill two appraisal wells that will enable the Kingdom to evaluate the commercial viability of Bahrain's new oil fields. The GOB also signed MOUs with French firm Total and Italian firm Eni to conduct exploration in the newly discovered fields.
- Bahrain is carrying out a modernization of the Bahrain Petroleum Company (BAPCO) refinery with TechnipFMC. The expansion will boost BAPCO's processing capacity to 360,000 barrels per day (bpd) from 267,000 bpd. BAPCO has also announced the creation of the Bahrain Gasoline Blending joint venture with UK-based Greenergy to establish a regional gasoline-blending hub.
- Bahrain LNG, jointly owned by Bahrain's National Oil and Gas Holding Company (Noga Holding) and a consortium consisting of Teekay LNG Partners, Gulf Investment Corporation (GIC) and Samsung C&T (Samsung), is completing the construction of Bahrain's first LNG import terminal. The terminal will be located offshore approximately four kilometers east of the onshore receiving facility at the Khalifa Bin Salman port. The project is being developed to supplement local gas production in Bahrain and ensure capacity to meet peak seasonal gas demand and industrial growth. The project will have a capacity of 800 million standard cubic feet per day and an expected funding requirement of \$900 million.
- Bahrain National Gas Expansion Co. (BNGEC) has awarded a contract to an affiliate of Japan's JGC Corporation to build additional gas pipelines and storage tanks in an expansion project at BNGEC's and Bahrain National Gas Co.'s (Banagas) shared gas processing plant. The plant will process 350 million cubic feet of additional associated gas. The project will also involve the installation of a new pipeline system to transport gas from the compressor stations to the new gas processing train; a pipeline system to return residue gas for reinjection, and an additional 21km butane pipeline to its Sitra facility.

- Bahrain has a well-developed aluminum industry with downstream aluminum manufacturing occupying a significant share of the secondary sector in the economy. There are several investment opportunities in the downstream aluminum value chain, including opportunities to manufacture and supply components for the GCC railway network.

Web Resources

www.bahrainedb.com

www.oxfordbusinessgroup.com

www.cnn.com/2018/05/08/bahrain-discovery-of-80-billion-barrels-of-oil.html

Petrochemicals

Overview

Seeking further diversity in its economy, the Bahraini Government has worked to identify alternatives to the oil and gas sector for generating exports. The development of Bahrain's petrochemicals industry is the top priority for industrial development in Bahrain. The Bahraini Government established the Gulf Petrochemical Industries Company (GPIC) in 1980 to produce ammonia and methanol. By 1988, GPIC produced 1,700 tons of petrochemicals daily, which led to the creation of new downstream industries in Bahrain. Within the petrochemical sector, five sub-sectors have grown quickly in recent years: construction chemicals, water treatment chemicals, polymer and plastic additives, paints and coating additives, and oil field chemicals.

Leading Sub-Sectors

Among the leading industries in Bahrain are the aluminum, iron, petrochemicals, plastics, glass, food and pharmaceutical, shipbuilding and repair, iron pellets, among others. Bahrain Petroleum Company (Bapco) refines 270,000 barrels per day of crude oil to produce: Gasoline, kerosene, jet fuel, low-sulfur diesel, heavy distillates, fuel oil, asphalt, liquefied petroleum gas, propane, and butane. Gulf Petrochemical Company (GPIC) converts natural gas to ammonia and ammonia chemical fertilizers and methanol with a production capacity of about 1.5 million tons per year. Aluminium Bahrain (Alba) produces liquid aluminum (molten), as well as rolling and drawing molds and standard alloys for local industries and alloy wheels, with a production capacity of more than one million metric tons per annum, of which 50 percent is allocated to local customers by supplying them with various types of products such as liquid metal, rolling molds, and drag rods.

Opportunities

To optimize the utilization of smelter products in Bahrain, several manufacturing plants have been established based on Alba products as a major source of raw materials. The establishment of Alba resulted in the founding of small and medium-sized factories utilizing aluminum for the production of doors, windows, kitchens, and other products. Main local manufacturers include Midal Cables Co., manufacturer of aluminum cables and electrical connectors; Gulf Aluminum Rolling Company (GARMCO), producer of rolled products, rolled metal sheets, and aluminum circuits; Bahrain Aluminum Extrusions Company (BALEXCO), which produces aluminum profiles, metal coating, smelting and fabrication; and Bahrain International Metal Spray Company, producer of powder and aluminum pellets used in the manufacture of dyes and spare parts.

Post assesses that opportunities for U.S. firms exist in the manufacturing of basic chemicals, fertilizers, nitrogen compounds, plastics and synthetic rubber in primary forms. Opportunities also exist in the manufacturing of pesticides, cosmetics, and synthetic fibers.

Bahrain also presents opportunities for manufacturing in the following subsectors: construction chemicals, water treatment chemicals, polymer and plastic additives, paints and coating additives, and oilfield chemicals.

The Government of Bahrain also plans several new production facilities that could present potential opportunities for U.S. firms. These include:

- A urea plant expansion under GPIC
- An ammonia plant expansion under GPIC
- An aromatics plant under NOGA
- A polyethylene & polypropylene plant under NOGA
- A naphtha cracking refinery plant under NOGA.

Web Resources

<https://gpca.org.ae/2017/06/05/bahrain-oil-minister-to-inaugurate-gpca-fertilizers-convention/www.encyclopedia.com/places/asia/arabian-peninsula-political-geography/bahrain>

www.worldsrichestcountries.com/top-bahrain-imports.html

<http://atlas.media.mit.edu/en/profile/country/bhr/#Imports>

www.oxfordbusinessgroup.com

Customs, Regulations and Standards

Trade Barriers

The Bahraini Government prohibits domestic production of alcohol and tobacco. For health and religious reasons, non-GCC alcoholic beverage imports are assessed a 125 percent customs duty and non-GCC imported tobacco products are assessed a 200 percent duty.

The following items are restricted and their import into the Kingdom of Bahrain is allowed only with a valid permit or approval document from the relevant regulatory authority:

- Live wild animals (for circus only) - horses
- Animals, birds and their by-products
- Animal or vegetable fertilizers
- Insecticides and fungicides
- Meat and meat products
- Fish and seafood products
- Fruit and vegetables
- Plants
- Radioactive chemicals and active isotopes
- Food products (processed and unprocessed)
- Pharmaceuticals
- Medicines
- Unadulterated ethyl alcohol, iso-propanol

- Pedestrian-controlled four-wheel mini cars
- Handcuffs made from iron/steel
- Arms, ammunition, explosives and military weapons
- Magazines and publications
- Films and video
- Optical and magnetic audio-visual media
- Items infringing intellectual property rights
- Telecommunications, radio and television receiving and broadcasting equipment

Import tariffs

Under the U.S.-Bahrain Free Trade Agreement (FTA), bilateral trade in industrial and consumer products, with the exception of some agricultural items, may be conducted duty free. Goods manufactured outside the FTA region may be imported according to Bahrain’s tariff schedule, listed below. Bahrain is party to the GCC Unified Customs Union agreement. The agreement eliminated tariffs for GCC member states on 426 items (primarily food and medical products), and lowered to five percent import duties on all other commodities except alcohol (125 percent) and tobacco (100 percent). The Customs authorities of the Gulf Cooperation Council (GCC) countries finalized the Unified GCC Customs Tariff of 2017, which entered into force on January 1, 2017. In February 2017, the GCC states, including Bahrain, ratified the Unified Selective Tax Agreement for the GCC States. It imposes a tax on goods harmful to human health and the environment, as well as luxury goods. Tax rates are determined by the Committee for Financial and Economic Cooperation of the GCC States.

Customs rates for intra-GCC trade are as follows:

Duty Exempt	Includes 428 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

To incentivize foreign direct investment, the Bahraini Government does not levy duties on imports of raw materials or of semi-manufactured goods, provided that the final products assembled using these inputs will be exported out of Bahrain. The Bahraini Government also allows items imported for development projects (excluding spare parts), and transshipments to be imported duty free.

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

- Goods imported to the GCC region are granted duty-free 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 for which the importer fails to prove payment of customs duties 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 entry 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.

Import requirements and documentation

Customs Procedures

Importers or their local agents must complete a Customs bill of entry before importing goods to Bahrain. Importers should strongly consider using a registered, licensed clearing agent to ensure import procedures are completed expeditiously. The customs clearance process includes the following steps:

- Statistics Office
- Imports and Exports Restriction Office
- Auditing the customs charges and other charges
- Payment to cashier of related charges
- Inspection and checking of document

The importer is required to submit the Customs declaration in addition to the following documents for the importation of goods.

- Import Customs declaration form
- Shipping agent delivery Order from shipping agent line to importer/consignee (with valid commercial registration)
- Three copies of the original invoices from the exporter addressed to the importer
- Two copies of the packing list with detailed weights, packaging and goods classification for each individual item within the shipment
- An original certificate of origin from relevant chambers of commerce of country of origin of goods
- A copy of the insurance policy
- Original bill of lading
- Import permit/approval from relevant authority for importation of restricted goods
- Bank advice/guarantee (if applicable)
- A statistical declaration if the final destination of the goods is within GCC countries.

Import Customs Clearance Procedure

After submitting the customs declaration form using the eCAS Customs Clearing System, the procedure for customs clearance will be as follows:

- Pay the duty and fees due at the cashier desk in the customs point where the goods will be cleared
- Submit all the relevant documentation to the customs clearing officer at the customs point

- Pay the relevant cargo handling fees and make an appointment for movement of the cargo at the port operator desk
- Port operator will move the container to the relevant inspection point
- Customs will risk assess the goods and inspection may be carried out accordingly
- Goods will be cleared and allowed to leave the customs point.

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) 1735-9999

E-mail: info@customs.gov.bh

Website: www.bahraincustoms.gov.bh/

Labeling and marking requirements

GCC countries enforce common labeling standards for imported goods. Food labels must include product and brand names, production and expiration dates, country of origin, the name and address of the manufacturer, net weight in metric units, and a list of ingredients in descending order of magnitude. All fats and oils (including gelatins) used as ingredients must be specifically identified on the label. Labels must be in Arabic or in both Arabic and English. 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 properly labeled will be confiscated and possibly banned from future import for a specified period of time. American-made goods should be clearly marked "Made in the USA" to qualify for duty free treatment under the FTA.

U.S. export controls

The U.S. Government has established export controls to limit proliferation of certain items, services or technologies of defense or dual-use nature. There are several regulatory bodies responsible for ensuring that compliance issues are met. The following list includes most of these bodies, a number of which maintain websites with further information. For additional assistance, contact your local U.S. Export Assistance Center (<http://export.gov/export/index.asp>).

- Department of Commerce, Bureau of Industry and Security- <https://www.bis.doc.gov/>
- Department of State, Directorate of Defense Trade Controls - www.pmddtc.state.gov
- Department of the Treasury, Office of Foreign Assets Control - www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx
- Nuclear Regulatory Commission, Office of International Programs - www.nrc.gov/about-nrc/organization/oipfuncdesc.html
- Department of Energy, Office of Arms Controls and Nonproliferation, Export Control Division - <https://www.energy.gov/nnsa/missions/nonproliferation>

- Department of Energy, Office of Fossil Energy - <https://www.energy.gov/fe/office-fossil-energy>
- Defense Threat Reduction Agency - Technology Security - <http://www.dtra.mil/Home.aspx>
- Department of the Interior, U.S. Fish & Wildlife Service, Division of Management Authority - www.fws.gov/international/about-us/division-of-management-authority.html
- Drug Enforcement Administration, International Drug Unit - www.deadiversion.usdoj.gov/imp_exp/
- Drug Enforcement Administration, International Chemical Control Unit - www.deadiversion.usdoj.gov/imp_exp/
- Food and Drug Administration, Office of Compliance - www.fda.gov/AboutFDA/CentersOffices/OfficeofMedicalProductsandTobacco/CDER/ucm081992.htm
- Food and Drug Administration, Import/Export - www.fda.gov/internationalprograms/importexportsinspections/default.htm
- Patent and Trademark Office - www.uspto.gov
- Environmental Protection Agency, Importing and Exporting - <http://www2.epa.gov/importing-exporting>

For a consolidated screening list for export controls please visit: Consolidated-Screening-List - www.export.gov/article?id=Consolidated-Screening-List

Prohibited and restricted imports

According to the Bahrain Customs Handbook, the following items cannot be imported into Bahrain:

- All types of narcotic drugs (heroin, cocaine, hashish, pills having drug effects, etc.)
- Used and reconditioned tires
- Cultured pearls
- Advertisement material for all types of cigarettes
- Radio/ remote controlled model aircraft
- Children's toy guns capable of firing projectiles
- Goods of Israeli origin or bearing Israeli trademarks or logos
- Printed publications, photographs, pictures, books, magazines sculptures and mannequins which contradict Islamic teachings, decency, or immorality
- Seditious or treasonable material
- Asbestos or items containing asbestos
- Raw ivory, ivory articles, and rhinoceros horn
- Live swine
- Any other items, whose importation is prohibited under Kingdom of Bahrain customs laws, or any other laws of the country.

The Bahraini Government 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.

All imported beef and poultry products require a health certificate issued by the country of origin, and a halal slaughter certificate issued by an approved Islamic center in that country, if it meets halal standards. Halal food is that which adheres to Islamic law of slaughtering animals or poultry.

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

Customs regulations and contact information

For more information, contact Bahrain's Directorate of Customs Affairs at:

Bahrain Customs Directorate

Customs Affairs – Ministry of Interior
Sh. Khalifa Bin Salman Road
Hidd, Kingdom of Bahrain

Tel: 973 1735-9999

E-mail: info@customs.gov.bh

Website: www.bahraincustoms.gov.bh/

Standards for Trade

Overview

The Bahrain Standards and Metrology Directorate (BSMD) is the national standardization body of Bahrain. It is a member of the Arab Industrial Development and Mining Organization (AIDMO), the Arab Center for Standardization and Metrology and a founder member of the Gulf Standardization Organization (GSO). BSMD is a correspondent member of International Organization of Legal Metrology (OIML), an ISO member, and implements the good regulatory practice of the WTO/Technical Barriers to Trade agreement.

Standards

The GCC Customs Union in theory requires member states to enforce unified standards across the region. Bahraini standards are required to meet national requirements for safety, quality, and fitness for purpose as determined by respective technical committees in Bahrain. 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 Bahrain Standards and Metrology Directorate (BSMD - <http://www.moic.gov.bh/en/OurServices/standardization-and-metrology-services>) is a government institution within the MoICT. It is responsible for issuing Bahrain's standards, either by adopting as national standards the international or Gulf standards issued by the 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 in Bahrain. The BSMD consists of two sections: the Standards and Information section and Quality Assurance and Metrology section.

Testing, inspection and certification

Most imported products can enter the market freely. The BSMD has established an office in Khalifa Bin Salman Port in the Customs Department to check and approve all regulated products before they enter Bahrain. Below is a list of products that are checked upon import into Bahrain:

- Tires
- Car batteries

- Automobiles spare parts
- Cement
- Asbestos
- Toys
- Plastic bags
- Tissue paper
- Electric appliances
- Cosmetics
- Nutrition products
- Weighing scales, weights, measuring tapes & meters
- Air conditioners

Publication of technical regulations

The National Committee of the BDSM approves and issues procedures for the implementation of national standards. The National Committee has approved several GCC standards as mandatory. The committee issued these in the form of a ministerial order and published them in the Official Gazette. The Official Gazette is available on the website of the Legal Affairs Directorate (Arabic only, www.legalaffairs.gov.bh). Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(-ies) and industry sector(s) of interest and can request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

Ministry of Industry, Commerce & Tourism

Bahrain Standards & Metrology Directorate

Bahrain Financial Harbour (Harbour Gate)

P.O. Box 5479

Manama, Kingdom of Bahrain

Phone: (973) 1757-4871

Fax: (973) 1753-0730

E-mail: bsmd@moic.gov.bh

Website: <http://www.moic.gov.bh/en/OurServices/standardization-and-metrology-services>

GCC Gulf Standardization Organization

P.O. Box 85245

Riyadh 11691

Phone: (+ 966) 1 - 2746655

E-mail: gso@gso.org.sa

Website: <https://www.gso.org.sa/en/>

Trade agreements:

Bahrain is considered one of the most open economies in the Middle East and North Africa region. With several free trade agreements, excellent infrastructure, and strong financial institutions, Bahrain is well positioned to allow traders and investors access to regional and international markets.

The Government of Bahrain is a member of the WTO and the GCC. Bahrain has bilateral and economic agreements with over 40 countries, including free trade agreements (FTAs) with the United States, Singapore (GSFTA), the EFTA States (Iceland, Liechtenstein, Norway & Switzerland), China, France, India, and the United Kingdom. It also has duty-free access to the 17 Arab states party to the Greater Arab Free Trade Agreement (GAFTA).

Bahrain has also signed agreements regarding:

- Promotion and protection of investment with 34 countries
- Avoidance of double taxation with 41 countries
- Reciprocal exemption of international air transport with 6 countries
- Economic, trade, and technical cooperation with 31 countries.

Bahrain implemented an FTA with the United States in August 2006, the first FTA between the United States and a Gulf state. Bahrain's trade balance relies on adding value to imported raw materials and on exporting refined hydrocarbon products. A large share of exports consists of petroleum products made from imported crude oil. Bahrain also has substantial aluminum production. Bahrain's main trading partners include Saudi Arabia, the UAE, the United States, China, and Japan.

Licensing Requirements for Professional Services

Investors can apply for commercial registration with the Ministry of Industry, Commerce and Tourism and track the status of their applications and approvals through the ministry's Commercial Registration Portal at www.sijilat.bh/.

The most commonly used business vehicles in Bahrain are the closed joint stock company (CJSC) and limited liability company (called a WLL in Bahrain but synonymous with an LLC) due to their flexible corporate structures. Foreign companies can set up branch, agency, or branch offices without being subject to the same provisions as for the formation of companies. It is also possible to establish shelf companies, which can take any form and are valid for one year, during which time approvals and licenses must be obtained.

All documents needed for a company's incorporation can be found on the website of the Ministry of Industry, Commerce and Tourism:

[www.moic.gov.bh/En/MoIC%20Centers/BahrainInvestorsCenter/Commercial%20Registration/ApplicationforCommercialRegistration/RequiredDocuments/CompanyCommercialRegistration%20-%20CCR/Pages/B.%20Foreign%20\(non-%20GCC\)%20Citizens.aspx](http://www.moic.gov.bh/En/MoIC%20Centers/BahrainInvestorsCenter/Commercial%20Registration/ApplicationforCommercialRegistration/RequiredDocuments/CompanyCommercialRegistration%20-%20CCR/Pages/B.%20Foreign%20(non-%20GCC)%20Citizens.aspx)

Foreign documents must be notarized and legalized, or notarized and apostilled. Companies offering financial services must also obtain a license from the Central Bank of Bahrain, which takes 60 days. Details can be obtained from www.cbb.gov.bh/.

If all documents are in order, commercial registration by the Ministry of Industry and Commerce will be completed within approximately one to two weeks.

Web Resources

- Ministry of Interior – Customs Affairs
www.bahraincustoms.gov.bh
www.customs.gov.bh
www.bahraincustoms.gov.bh/page.php?SID=WTBkR2JscFVNREZOZVZwMFVGUlpQUT09
- <https://bahrain.com/en/about-the-gulf/Pages/Bilateral-Trade-Agreements.aspx#.WTUPXPn5haQ> Legal Affairs Directorate
www.legalaffairs.gov.bh (only available in Arabic)
- Ministry of Industry, Commerce and Tourism
- Bahrain Standards & Metrology Directorate
<http://www.moic.gov.bh/en/OurServices/standardization-and-metrology-services>

Investment Climate Statement

The U.S. Department of State's Investment Climate Statements, prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: Market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. The statements are available in two ways.

Visit the U.S. Department of State's Investment Climate Statement (<https://www.state.gov/reports/2019-investment-climate-statements/bahrain/>) website.

Download the [Country Commercial Guide](#) (the Investment Climate Statement is Chapter 6).

Trade and Project Financing

For additional information on this topic, including content of relevance to U.S. investments, please visit Department of State [Investment Climate Statements](#).

Methods of payment

The most common method of ensuring payment to exporters is via letter of credit (L/C). 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). L/Cs offer certain advantages to the seller, namely they make payment dependent on the creditworthiness of the opening (issuing) bank rather than the buyer. For the buyer, an L/C helps ensure all 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.

Banking Systems

The banking sector in Bahrain includes both conventional and Islamic lenders and there is some crossover between the two as reflected by recent mergers and equity purchases.

Bahrain is one of the primary financial hubs in the Middle East, though it faces steep competition from the United Arab Emirates (mainly Dubai). International financial institutions operate in Bahrain without impediments. The Central Bank of Bahrain regulates the banking and insurance sectors. Legal, regulatory, and accounting systems in the financial sector (onshore and offshore) are transparent and consistent with international norms.

Major U.S. banks and financial services firms in Bahrain include Citibank, J.P. Morgan, and American Express. The Bahraini Government announced it hoped to attract more investment funds and “special purpose companies” to Bahrain by offering tax incentives and minimizing capital controls. The Bahraini Government, through its Economic Development Board, is investing heavily in the financial technology sector. In 2017, it launched “Bahrain FinTech Bay,” the largest FinTech hub in the Middle East and Africa, to help solidify its position as a financial hub in the region.

As per Bahrain’s Economic Development Board, the main financial services providers in Bahrain are:

Benefit: Operates Bahrain’s national electronic network for financial transactions. Established in 1997 by 17 commercial banks. Benefit’s latest initiatives include a secure, efficient electronic funds transfer system (EFTS) and electronic bill payment presentment (EBPP).

Arab Financial Services (AFS): AFS offers Payment Card industry-compliant card payments and outsourced consumer finance.

NEC Payments: Offers digital banking and payments.

Health 360: Established in 2013 as a joint venture between Takaful International Company and Paramount Healthcare Management Pvt Ltd.

Payment International Enterprise (PIE): Provides pre-paid, mobile and payment solutions with an emphasis on assisting customers without bank accounts.

PayTabs: Offers e-commerce, online payment processing, invoice and fraud prevention for businesses.

SADAD: Originating in Saudi Arabia, SADAD provides a single payment solution for individuals, banks, businesses and government

Foreign Exchange Controls

The Bahraini Dinar (BD) is fully convertible and is pegged to the U.S. dollar (BD 1 = USD \$2.66). There are no foreign exchange controls or restrictions on the repatriation of capital from Bahrain.

U.S. Banks and Local Correspondent Banks

U.S. banks operating in Bahrain include:

- American Express
American Express’s Middle East headquarters is located in Bahrain.
AMEX Middle East Headquarters Al Moayyed Tower, Floor 14, 15, 16 and 17
Gate 2504 Road 2832 Al Seef District 428
P.O. Box 5990 Manama, Kingdom of Bahrain
Tel: + (973) 17 557777, (+973) 17 557 755
- Citibank
Citibank operates as a full commercial bank, offshore banking unit, representative office, and as an Islamic-banking subsidiary.
P.O. Box 548 Manama, Kingdom of Bahrain
Tel: (973) 1758-8588 Fax: (973) 1758-8595
- J.P. Morgan Chase

J.P. Morgan Chase operates as an offshore bank.

P.O. Box 368 Manama, Kingdom of Bahrain

Tel: (973) 1753-5388 Fax: (973) 1753-5135

Project Financing:

Bahrain's onshore and offshore banks have extensive experience providing syndicated loans for larger risk projects, including major infrastructure investments. The Bahrain Development Bank (BDB) promotes industrial development in Bahrain. The BDB also lends funds for local projects it deems to be priorities. BDB funding is not restricted to Bahraini-owned companies. BDB funds are allocated on market terms and available to foreign investors. Credit terms are variable, but usually limited to ten years with a maximum grace period of two years.

Bahrain has been a member country of the World Bank Group (IBRD) since 1972.

Financing Web Resources

- Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team: <https://www.export.gov/TradeFinanceGuide>
- Export-Import Bank of the United States: www.exim.gov
- Country Limitation Schedule: <https://www.exim.gov/>
- OPIC: www.opic.gov
- U.S. Trade and Development Agency: <https://ustda.gov/>
- SBA's Office of International Trade: www.sba.gov/oit/
- USDA Commodity Credit Corporation: <https://www.fsa.usda.gov/about-fsa/structure-and-organization/commodity-credit-corporation/index>
- U.S. Agency for International Development: www.usaid.gov
- Bahrain Development Bank: www.bdb-bh.com/
- Central Bank of Bahrain: www.cbb.gov.bh/
- Bahrain Bourse (Stock Market): www.bahrainbourse.net/bhb/default.asp?language=en
- Ministry of Finance: www.mof.gov.bh/

Business Travel

Business Customs

Frequent personal contact is the key to doing business successfully in Bahrain. Visiting business professionals should be prepared to spend a portion of any business meeting socializing and getting to know their counterparts. Most visitors to Bahrain should build flexibility into their schedules because some appointments may not be scheduled until the visitors already have arrived in Bahrain. Appointments may be double-booked or scheduled on short notice.

A visitor should arrive on time for his meeting, particularly for a government appointment. Once the meeting begins, it may be interrupted by telephone calls or office visits. Coffee, tea, or soft drinks are commonly offered (except during the Muslim holy month of Ramadan), and should be accepted. Alcohol is generally not acceptable in meetings or most public settings, and is strictly prohibited during Ramadan. Restaurants and liquor shops cease the sale of alcohol during this month. Politeness is highly valued; blunt statements should be recast into constructive, balanced terms.

The majority of local businesspeople and government officials wear local attire - a white dress (thobe) for men with a fabric headdress including a scarf (ghatrah) and a headband (egal), and a black dress (abaya) and headcovering (hijab) for women. However, expatriates typically wear business attire similar to that of the United States.

Business cards are usually exchanged during the first meeting. Visiting business officials should have their business cards ready to hand out at the beginning of the meeting.

Devout Muslims pray five times daily. Visitors should be sensitive to hosts who break off a discussion for prayer.

Many Bahraini government and business officials have attended school in the UK or United States and are knowledgeable about Western business customs. Particularly with Western-educated officials, there is little that a visiting businessperson might find different from home. English is widely spoken.

Most government offices operate Sunday through Thursday, and many companies also are open half-days on Saturdays. Most commercial banks are open Sunday through Thursday.

Travel Advisory

The crime rate in Bahrain is low and violent crimes are rare. However, burglary, petty theft, and robberies do occur. Visiting U.S. citizens should take the same security precautions in Bahrain as they would practice in the United States. There are occasional civil disturbances in various parts of the country. The U.S. Embassy advises American citizens to avoid protests or large gatherings in the streets.

Americans in Bahrain, as elsewhere, should enroll to receive alerts at step.state.gov, and should maintain a high level of security awareness while following their daily business or social routines, due to the global threat of terrorism. For the latest travel advisories, please visit the U.S. Embassy Bahrain's website at <https://bh.usembassy.gov> or the Department of State's Bahrain Country Specific Information page: <https://travel.state.gov/content/passports/en/country/bahrain.html>.

Visa Requirements

American citizens traveling to Bahrain can review visa eligibility requirements at www.evisa.gov.bh and complete the application process for several types of visas on that website.

American citizens may apply for one of several visa types. The most popular visa types include:

1. The two-week, single-entry visa can be obtained upon arrival at Bahrain International Airport. It costs BD 9 (about \$ 24). It can be extended at the Nationality, Passports and Residence Administration in Bahrain by paying an additional fee.
2. The one-month multiple-entry visa can be obtained upon arrival at Bahrain International Airport. It costs BD 25 (about \$67) and can be extended at the Nationality, Passports and Residence Administration in Bahrain by paying an additional fee.
3. The one-month multiple-entry e-visa costs BD 29 (about \$77). It is valid for one month from the time of approval and authorizes a stay of up to 30 days.
4. The two-week multiple-entry business visa is valid for one month. It can be obtained at the Embassy of the Kingdom of Bahrain in Washington, D.C. It must be used within one month of approval and is valid for one month from the time of entry. The maximum length of stay allowed is two weeks. It can be extended one time for 14 days at the Nationality, Passports and Residence Administration in Bahrain by paying an additional fee.
5. The one-month multiple-entry tourism visa is valid for three months. It can be obtained upon arrival at Bahrain International Airport and costs BD 25 (about \$67). This visa can be extended one time for 14 days at the Nationality, Passports and Residence Administration in Bahrain by paying an additional fee.

6. The five-year multiple re-entry visa (RV) can be obtained at the Embassy of the Kingdom of Bahrain in Washington, D.C. The visa can be used for multiple entries during this period. It permits a maximum 90 days stay in Bahrain (per visit). The visa can be extended one time for 14 days at the Nationality, Passports and Residence Administration in Bahrain by paying an additional fee.

It is important to note that your U.S. passport must be valid for at least six months after your arrival in order to be granted admission into Bahrain.

For more details, please visit www.evisa.gov.bh/. U.S. citizens may pay for their visas using a variety of currencies, including U.S. Dollars, Bahraini Dinars, Euros, and British Pounds.

Of note, having an Israeli entry stamp in a passport does not preclude a person from obtaining a Bahraini visa, nor from entering Bahrain.

Non-Bahrainis wishing to live and work legally 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: www.expatarrivals.com/bahrain/work-permits-for-bahrain.

For further details about visas for Bahrain, please contact the Embassy of the Kingdom of Bahrain in Washington, D.C. at +1-202-342-1111.

Currency

Bahrain's currency is called the Bahraini Dinar (BD). Businesses will often accept multiple currencies as payment, among them Saudi Riyals and Emirati Dirhams.

The BD is divided into 1000 fils, and is available in the following denominations: 5 fils, 10 fils, 25 fils, 50 fils, 100 fils, 500 fils, 1 BD, 5 BD, 10 BD and 20 BD.

The exchange rate of BD with the US Dollar is fixed at 1 BD = US\$ 2.66. Money can be conveniently exchanged at any commercial bank or moneychanger.

Most businesses accept international credit and debit cards. Visa and MasterCard are the most widely accepted credit cards and are the most commonly issued cards by banks in Bahrain. Charge cards such as those issued by American Express CrediMax and Diners Club are also available in the Gulf and are fairly widely accepted, although less so than the major credit cards, mainly because of the higher commission charged to the supplier of the goods or services.

Withdrawals of cash from an overseas account can be made using an international network such as Visa or MasterCard. It is also possible to withdraw cash using a credit card, although this generally incurs high charges.

Visitors can withdraw cash from ATMs in Bahrain using all major credit and charge cards. Customers must present a credit card as a form of guaranteed payment when renting a car or booking a hotel.

Telecommunications/Electronics

The state-owned Bahrain Telecommunications Company (Batelco) operates a modern and efficient telecommunications network. Mobile (GSM) phones are widely used. Roaming arrangements cover the GCC, U.S., and European Union countries. Three local companies, Batelco, Viva and Zain, operate mobile phone networks and provide internet services.

U.S. Executive Order 13873 bars U.S. companies from using telecommunications equipment or services of any firm posing a national security risk. For further information regarding security of 5G technology can be found here: <https://share.america.gov/why-is-america-concerned-about-5g/>

Accessibility to a free WIFI connection is available in most hotels in Bahrain. Bahrain uses electricity voltage of 220-240 Volts (the U.S uses 110-120 Volts) and the primary socket is type G - British BS-1363.

Transportation

Bahrain's only public airport, Bahrain International Airport (airport code: BAH), is a regional hub for Bahrain's national carrier, Gulf Air. Several international airlines service Bahrain and the United States via connections through the Gulf or Europe. The Government of Bahrain is developing a new passenger terminal at Bahrain International Airport (BIA). The project is part of the Airport Modernization Program, a comprehensive development plan designed to improve the infrastructure and services at the airport to cater to future aviation needs. Bahrain has a well-developed road network with well-lit, multi-lane highways. The Government of Bahrain is implementing a transportation master plan to improve the road transportation network with new highways, bridges and overpasses. Most major roads have three to six lanes and are well maintained. In older parts of the country, however, some streets are unpaved or are in poor condition.

Bahrain and Saudi Arabia are connected by the 25-km (16-mile) King Fahad Causeway, which opened in November 1986. The Government has announced plans to build a second causeway to Saudi Arabia. When complete, this causeway also will include two rail lines (one for passengers and one for cargo) as part of the planned GCC railway network.

Drivers in Bahrain should exercise extreme caution. Accidents are common. Local drivers often flout traffic regulations and police often do not enforce the traffic rules. Speed cameras and radar have been installed at some intersections. Driving on weekend nights can be particularly hazardous. Bahrain has a zero-tolerance policy for drunk driving. Traffic congestion is common in Manama, exacerbated by ongoing construction projects and weekend traffic from neighboring countries.

The Government of Bahrain is expanding public transportation options in an effort to decrease traffic congestion. Over 141 public buses cover 27 routes in all regions of the island. Usually they are reliable and quite cheap. Taxis are more expensive than buses, however they are air-conditioned and serve more places than the public transportation system offers. Passenger boats connect Bahrain with the Hawar and Al Dar islands.

Language

The official language of Bahrain is Arabic, but English is widely spoken as the standard language of business and higher education. Hindi, Farsi, Urdu, and various other South Asian languages also are common.

Health

Sanitary standards for food and water are generally quite good, particularly at major hotels. The Government inspects restaurants to maintain hygienic standards.

Bahrain has a modern healthcare system. There is a BD 7 (about \$19) fee for expatriates who visit an emergency clinic in a government hospital. The Department of State strongly urges U.S. citizens to consult with their medical insurance companies prior to traveling abroad to confirm whether their policies provide coverage overseas and if they cover emergency expenses such as medical evacuation. Few hospitals and clinics accept U.S. insurance, and patients often must pay up front for service and seek reimbursement later from their insurance providers.

Hospitals, clinics, and pharmacies -- including several twenty-four hour pharmacies -- are widely available and of high quality. Certain American pharmaceutical products may be unavailable or sold under a European brand name.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for 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 www.cdc.gov/travel. For information about outbreaks of infectious diseases abroad, consult the World Health Organization's website at www.who.int/en. Further health information for travelers is available at www.who.int/ith.

Local Time, Business Hours and Holidays

Local time: Bahrain is three hours ahead of Greenwich Mean Time and seven hours ahead of Eastern Daylight Time. Bahrain does not observe daylight savings time and therefore is eight hours ahead of Eastern Standard Time during winter months.

Business hours: Sunday through Thursday is the normal workweek in Bahrain. Government offices are generally open from 7:30 a.m. to 2 p.m. Most businesses operate from 8 a.m. to 5 p.m. Sunday-Thursday, though smaller businesses close for lunch from noon to 4 p.m. Larger companies operate seven days a week, but may have reduced hours on weekends.

Bahrain's numerous shopping malls are open late, often to 10 p.m. on weekdays and past midnight on weekends.

Ramadan: Ramadan (May 6– June 5, 2019*) is the holiest month of the Islamic Calendar. Muslims fast from sunrise to sunset during Ramadan. It is illegal in Bahrain for anyone – including non-Muslims – to smoke, eat, or drink in public during daylight hours. Most restaurants and cafes are closed during daylight hours, but major hotels will normally keep one restaurant discretely open for non-Muslim guests. During Ramadan, government offices and most businesses have shortened hours, though many shopping malls and restaurants reopen at dusk and operate well past midnight.

Public Holidays for 2019: www.officeholidays.com/countries/bahrain/

- January 1, New Year's Day
- May 1, Labor Day
- June 4-7, Eid Al Fitar
- *August 11-13, Eid Al Adha
- * August 31, Hijra Day (Muslim New Year)
- * September 8-9, Ashura
- * November 9, Prophet's Birthday
- December 16-17 National 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 officials at the U.S. Embassy in Bahrain should schedule their appointments prior to departure from the United States. The Commercial Section may be reached by telephone at (973) 1724-2738, by fax at (973) 1725-6717, or by e-mail at ManamaCommercial@state.gov. The U.S. Embassy may observe U.S. and Bahraini public holidays.

Temporary Entry of Materials or Personal Belongings

The Bahrain International Airport has no restrictions on the temporary entry of personal electronic devices such as laptops, software, or exhibit materials. Religious propaganda and potentially offensive printed materials, CDs, videos or films, should not be brought into the country. Strict copyright laws are enforced in the Kingdom, and any pirated video and audio tapes, or illegal computer software, will be confiscated. A list of goods prohibited from entry into Bahrain can be found on the Bahrain Customs Affairs website at www.bahraincustoms.gov.bh/page.php?SID=WTBkR2JscFVNREZOUTFwMFVGUlpiv015TURsTmVrVTK%253D.

Passengers are required to declare cash, or any other financial instrument exceeding BD 10,000 (approximately \$26,600). There is no restriction on the amount of cash that passengers may carry. Any declaration requirement is for monitoring and statistical purposes. For additional information, please visit the Civil Aviation Authority and Bahrain International Airport's website at www.bahrainairport.com/en/prepare-documents/customs-rules.html

Travel Related Web Resources

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

Ministry of Transportation - www.transportation.gov.bh/

Centers for Disease Control and Prevention - www.cdc.gov/travel

World Health Organization - www.who.int/en

World Health Organization's International Traveler Health Information - www.who.int/ith

Bahrain Ministry of Health - <https://www.moh.gov.bh/Ministry?lang=en>

Bahrain Ministry of Foreign Affairs Visa Information - <https://www.mofa.gov.bh/Default.aspx?tabid=40&language=en-US>

Embassy of the Kingdom of Bahrain in Washington, D.C. - www.bahrainembassy.org/

U.S. Embassy Manama, Bahrain - <https://bh.usembassy.gov/>

Ministry of the Interior (Police) - www.interior.gov.bh/default_en.aspx

Department of State – Bahrain Travel Information - http://travel.state.gov/travel/cis_pa_tw/cis/cis_1001.html

Central Bank of Bahrain: - <https://www.cbb.gov.bh/> Bahrain Ministry of Interior: E-visas - <https://www.evisa.gov.bh/>