

Bahrain

March 2018

Executive Summary

This country fact sheet provides key trade and investment related statistics for Bahrain. Specifically, it shows Bahrain's trade and investment flows including an analysis of top markets and products with South Africa and the Western Cape highlighting the largest and fastest growing products and subsectors. The key highlights in the Bahrain country fact sheet are provided below:

Economy

Bahrain's economic growth is expected to increase by 2% between 2018 and 2022. Economic growth will accelerate owing to a robust pipeline of infrastructure investment that will more than offset the effect of continued government austerity, which results from low oil prices and production (BMI, 2018).

Trade

Exports for Bahrain in 2016 were valued at USD13bn while global imports from Bahrain were valued at USD15bn in 2016. Crude refined petroleum oils was the leading imported product into Bahrain, valued at USD3.2bn, followed by motor cars valued at USD1.3bn.

South Africa exported goods to Bahrain valued at USD22m in 2017, while imported goods were valued at USD373m. The leading export product to Bahrain from South Africa in 2017, was citrus fruit valued at USD9.8m, followed by apples, pears and quinces (USD8.8m).

The Western Cape exported goods to Bahrain valued of USD9.9m in 2017 while imported goods were valued at USD104m. The leading export product to Bahrain from the Western Cape was citrus fruit valued at USD6.8m, followed by fresh apples, pears and quinces (USD1.4m).

Investment

Between January 2003 and December 2017 a total of 238 FDI projects were recorded from Bahrain, representing USD58.65bn. Saudi Arabia was the largest destination market in terms of projects for FDI from Bahrain. Financial services received the largest FDI from Bahrain by projects accounting for 35%. Real estate sector received the largest FDI from Bahrain by capex accounting for 79%, followed by renewable energy accounting for 6%.

Between January 2003 and December 2017 a total of 3 FDI projects were recorded from South Africa to Bahrain. These projects represent a total capital investment of USD59.30m which is an average investment of USD19.80m per project. During the period, a total of 284 jobs were created.

Tourism

The majority of outbound travellers from Bahrain travel to Saudi Arabia for Hajj and Umrah trips. There is little diversity in terms of the destinations visited by locals and residents of the country, although travel agencies are trying to include an increasingly diverse number of packages to offer to tourists from the Kingdom. Cruises and health and wellness may catch on as niche areas to consider in the future. Bahrain's outbound tourists are expected to increase by an average annual growth rate of 21% between 2018 and 2021 (BMI, 2018).

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1. General Information

Bahrain is an Arab constitutional monarchy in the Persian Gulf. It is an island country consisting of a small archipelago centred around Bahrain Island, situated between the Qatar peninsula and the north eastern coast of Saudi Arabia, to which it is connected by the 25-kilometre (16 mi) King Fahd Causeway.

As of 2012, Bahrain maintains a network of 25 embassies, 3 consulates and 4 permanent missions in the Arab League, United Nations and European Union respectively. Bahrain is also one of the founding members of the Gulf Cooperation Council (GCC). Bahrain under the Al-Khalifa is a constitutional monarchy headed by the King, Shaikh Hamad bin Isa Al Khalifa.

GENERAL INFORMATION	
Capital City	Manama
Government Type	Constitutional Monarchy
Chief of State	King Hamad bin Isa Al-Khalifa
Population	1,410,942 (July 2017 est.)
Life Expectancy	79 years
Literacy	95.7%
Ethnic Groups	Bahraini 46%, Asian 45.5%, other Arab 4.7%, African 1.6%, European 1%, other 1.2% (includes Gulf Co-operative country nationals, North and South Americans, and Oceanians) (2010 est.)
Religions	Muslim 70.3%, Christian 14.5%, Hindu 9.8%, Buddhist 2.5%, Jewish 0.6%, folk religion <.1, unaffiliated 1.9%, other 0.2% (2010 est.)
Languages	Arabic (official), English, Farsi, Urdu
HDI Value (2016 Report)	0.824 Rank 47
Exchange Rate	1 South African Rand equals 0,032 Bahraini Dinar

Sources: CIA World Factbook, 2018; World Bank Data, 2018; United Nations Data 2018

2. Economic Overview

Bahrain has an open economy. The Bahraini currency is the second-highest-valued currency unit in the world. Since the late 20th century, Bahrain has heavily invested in the banking and tourism sectors. The country's capital, Manama is home to many large financial structures.

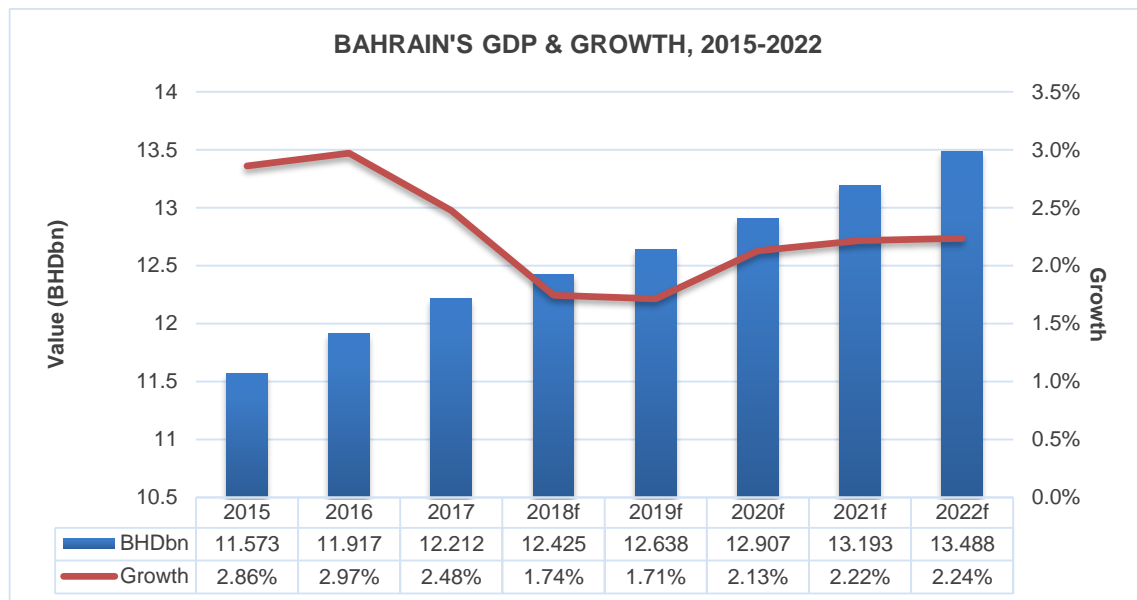
Bahrain was recognised by the World Bank as a high income economy. Bahrain has many large financial institutions and is known as the business capital of the Gulf. With its highly developed communication and transport facilities, Bahrain is home to numerous multinational firms with business in the Arabian Gulf.

Bahrain's banking and financial services sector, particularly Islamic banking, have benefited from the regional boom driven by demand for oil. Petroleum production is Bahrain's most exported product, accounting for 60% of export receipts, 70% of government revenues, and 11% of GDP.

ECONOMIC INFORMATION	
GDP (PPP) (2017 est.)	USD69.77 billion
GDP growth (2017 est.)	2.5%
GDP per capita (PPP) (2017 est.)	USD51,800
Inflation (Avg. 2017)	0.9%
Commercial Bank Prime Lending Rate (31 December 2017 est.)	5.7%
Unemployment rate (2016)	3.8%
Doing Business, 2018 Report (ranking out of 190)	66
Total Exports (2017)	USD14.33 billion
Total Imports (2017)	USD13.96 billion

Sources: CIA World Factbook 2018; Doing Business Report 2018; World Bank, 2018

According to BMI (2017), Bahrain's economic growth is expected to increase by 2% between 2018 and 2022. Economic growth will accelerate owing to a robust pipeline of infrastructure investment that will more than offset the effect of continued government austerity, which results from low oil prices and production. Financing for investment will come from foreign investors, the domestic private sector and from the Gulf Cooperation Council as the Bahraini government continues to target capital expenditure in its attempts to bring the fiscal accounts back to a more stable footing.



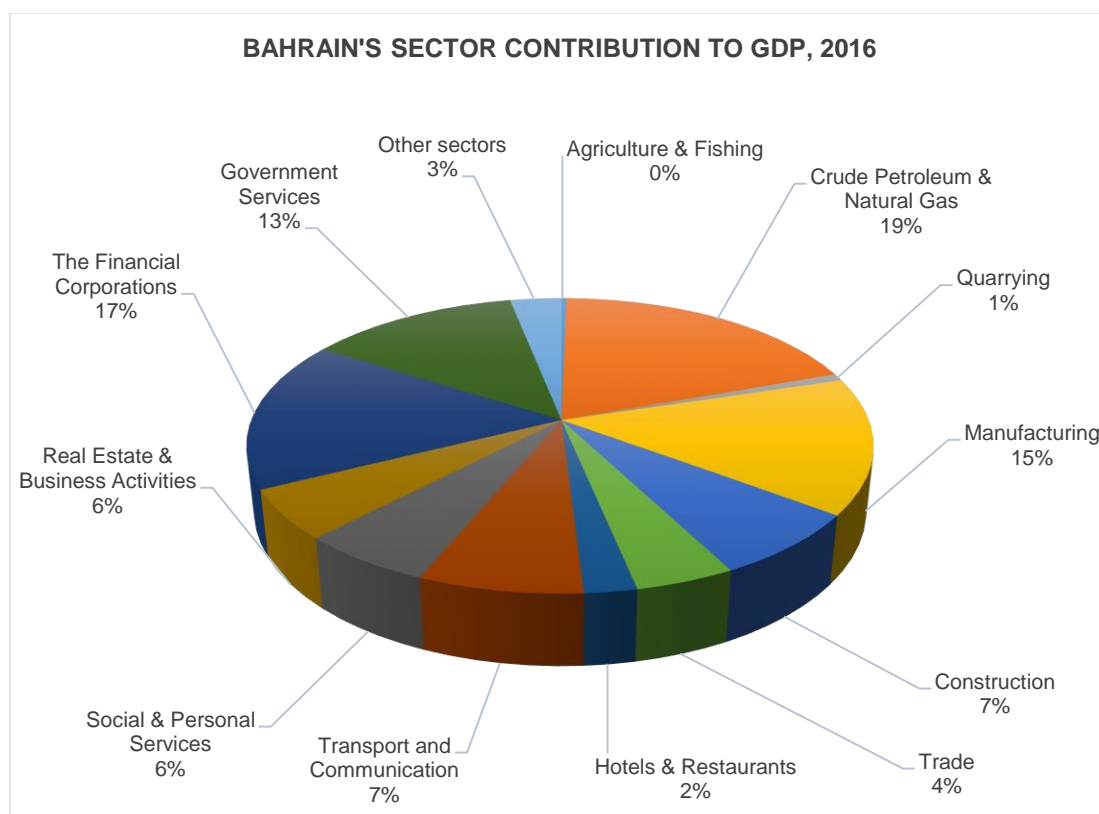
Source: IMF, 2018

Bahrain's main industries include petroleum processing and refining, aluminum smelting, iron pelletization, fertilizers, Islamic and offshore banking, insurance, ship repairing, tourism. While the main agricultural products produced in the country are fruit, vegetables; poultry, dairy products; shrimp, fish.

Hydrocarbon industry

Petroleum and natural gas are the only significant natural resources in Bahrain. Because of limited reserves, Bahrain has worked to diversify its economy over the past decade. Bahrain has stabilized its oil production at about 40,000 barrels (6,400 m³) per day, and reserves are expected to last 10 to 15 years.

In terms of the current structure of the economy, the most recent official data available, as indicated in the graph below crude petroleum and natural gas sector, with its contribution of 19% towards GDP, accounted for the largest share of economic output in 2016.



Source: Bahrain National Centre for Statistics and Information, 2018

The companies in the table below represent the top companies in Bahrain's stock exchange in 2017.

TOP 10 LARGEST COMPANIES IN BAHRAIN, 2017			
RANK	COMPANY	SECTOR	MARKET CAPITAL (2017) (USDbn)
1	Ahli United Bank	Banking and investment services	5.18
2	National Bank of Bahrain	Banking and investment services	2.20
3	Aluminum Bahrain	Mineral resources	1.94
4	GFH Financial Group	Banking and investment services	1.62
5	BBK	Banking and investment services	1.14
6	Bahrain Telecommunications Company	Telecommunications services	0.90
7	Arab Banking Corporation	Banking and investment services	0.87
8	Investcorp Bank	Banking and investment services	0.66
9	Al Salam Bank Bahrain	Banking and investment services	0.55
10	Al Baraka Banking Group	Banking and investment services	0.46

Source: Bahrain Stock Exchange Market, 2018

2.1 Doing Business in Bahrain

The World Bank Group in its annual *Doing Business 2018* report ranked Bahrain 66th out of 190 countries monitored in terms of its ease of doing business.

Bahrain's relative strengths in terms of ease of doing business include getting paying taxes, with the country ranking 5th globally in this category, registering property (25th) and dealing with construction permits (47th).

BAHRAIN'S RANKINGS - DOING BUSINESS, 2018 REPORT	
INDICATORS	2018 RANKING (OUT OF 190 COUNTRIES)
Starting a Business	75
Dealing with Construction Permits	47
Getting Electricity	79
Registering Property	25
Getting Credit	105
Protecting Investors	108
Paying Taxes	5
Trading Across Borders	78
Enforcing Contracts	111
Resolving Insolvency	90
Doing Business 2018	66

Source: World Bank Group's Doing Business, 2018 Report

2.2 Bahrain's Sovereign Credit Ratings

"A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and also include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating". Source: Investopedia

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing.

Two key rating 'standards' exist, with the highest possible rating category being "AAA" according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e. defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

In December 2017, Standard and Poors Global Ratings lowered Bahrain's long-term foreign and local currency sovereign credit ratings on Bahrain to 'B+' from 'BB-'. The downgrade reflected Bahrain's weak external liquidity and increasing financial risk due to more limited access to international capital market financing. According to S&P its outlook on Bahrain was stable, reflecting an expectation of financial support from neighboring sovereigns, despite the risk of the central bank not meeting a surge in foreign currency demand or tempering the effects of a worsening of investor sentiment.

BAHRAIN'S SOVEREIGN CREDIT RATINGS, 2018			
CREDIT RATING AGENCY	STANDARD & POORS	MOODY'S INVESTOR SERVICES	FITCH RATINGS
CREDIT RATING	B+	B1	BB-
OUTLOOK	Stable	negative	Stable
Sources: Standard & Poor's; Moody's Investors Services; & Fitch Ratings			

A number of alternative measures and rating scales exist to assess risks posed to companies and banks, particularly those pertaining to political and commercial risks when undertaking international commercial transactions. One such company which offers these services is Belgium's Delcredere du Croire, the country's official export credit agency and public credit insurer.

The table below shows Delcredere's current risk assessment of Bahrain in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators.

- In terms of political risk associated with exports transactions in Bahrain, these are deemed to be medium.
- Commercial risk in turn is considered to be a high risk factor.
- Regarding direct investment, all categories are considered to be medium.

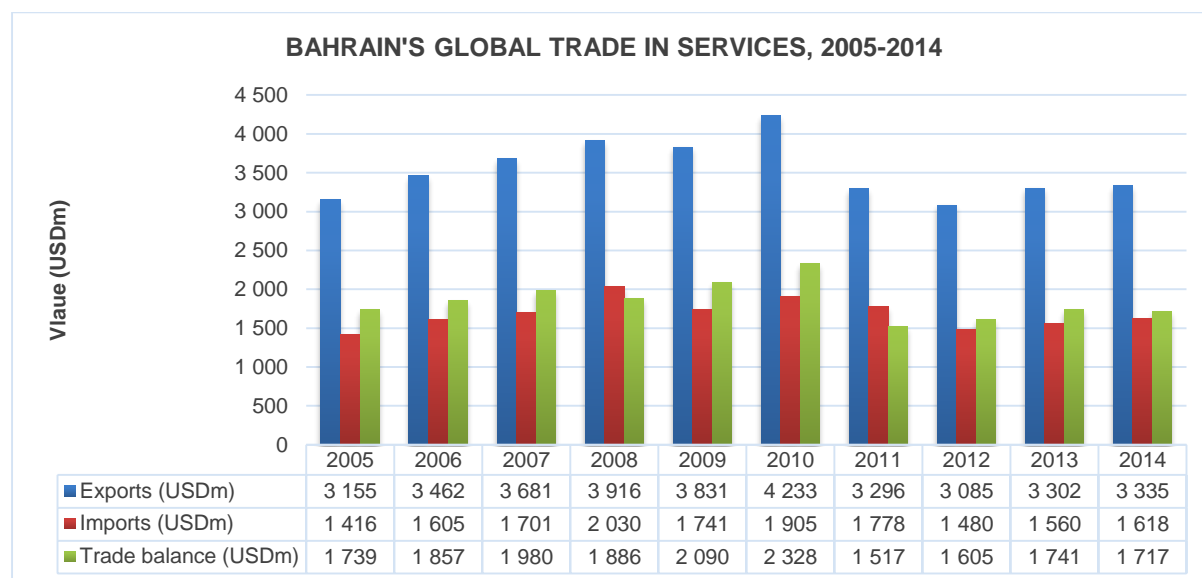
BAHRAIN'S RISK ASSESSMENT - DELCREDEREDUCROIRE		
EXPORT TRANSACTIONS (Scale 1 – 7)*		
Political Risks	Short Term	3
	Medium-Long term	5
	Special Transactions	4
Commercial Risk	C	
DIRECT INVESTMENTS		
War risk	5	
Risk of expropriation and government action	3	
Transfer risk	5	
* Where 1 is associated with the least risk and 7 the most.		
** Where C is associated with high risk; A is low risk and B is mid risk.		

Source: ONDD, 2018

3. Trade

3.1 Bahrain Trade in Services

Bahrain's exports in services grew by 1% in 2014 to reach USD3.3bn. Over the period analysed Bahrain has consistently maintained a positive trade balance with exports outperforming import of services over the period analysed.



Source: TradeMap, 2018

Travel (defined as covering goods and services for own use or to be given away, acquired from an economy, by non-residents during visits to that economy) was the largest services export from Bahrain valued at USD1.2bn followed by transport valued at USD718m.

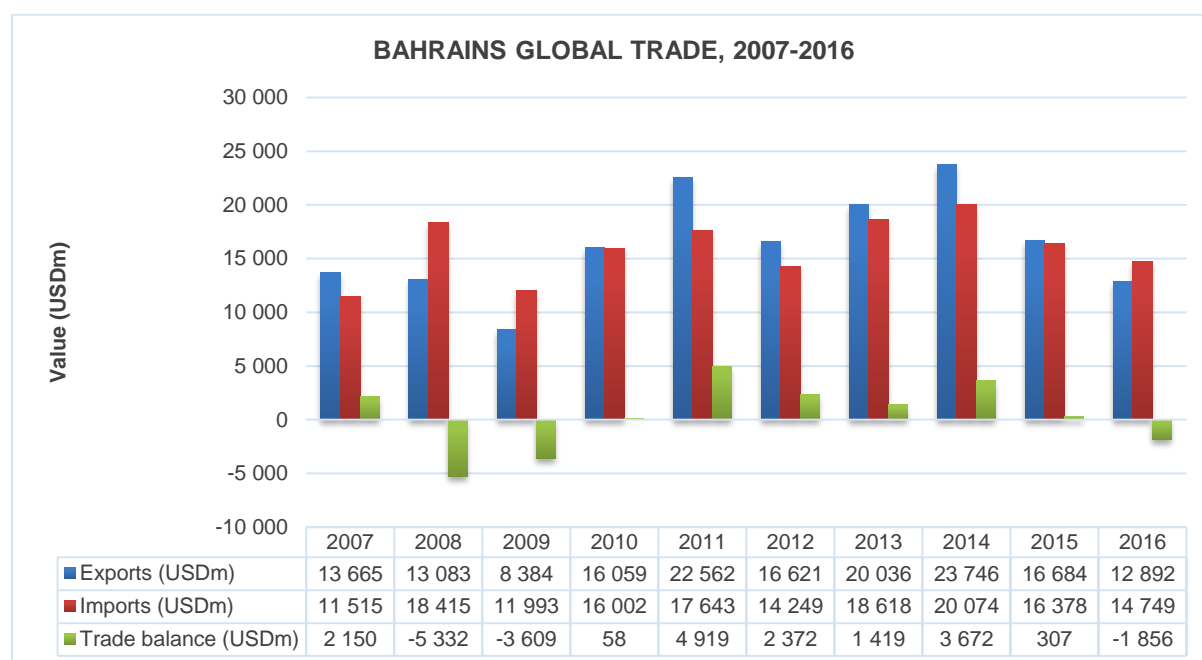
Transport was the largest import service into Bahrain's valued at USD734m followed by travel valued at USD718m.

SERVICES EXPORTED BY BAHRAIN, 2014				SERVICES IMPORTED BY BAHRAIN, 2014			
CODE	SERVICE	VALUE 2014 (USDm)	% GROWTH 2010-2014	CODE	SERVICE	VALUE 2014 (USDm)	% GROWTH 2010-2014
4	Travel	1 197	2.59%	3	Transport	734	1.15%
3	Transport	718	-0.86%	4	Travel	718	13.21%
9	Telecommunications, computer, and information services	652	-1.94%	9	Telecommunications, computer, and information services	59	7.92%
6	Insurance and pension services	408	-7.89%	10	Other business services	55	-1.77%
2	Maintenance and repair services n.i.e.	293	11.50%	6	Insurance and pension services	53	-21.58%
10	Other business services	68	-3.04%	-	-	-	-
TOTAL EXPORTS		3 335	-2.00%	TOTAL IMPORTS		1 618	-0.97%

Source: TradeMap, 2018

3.2 Bahrain Global Trade

Exports for Bahrain in 2016 were valued at USD13bn while global imports from Bahrain were valued at USD15bn in 2016. Except for 2008, 2009 and 2016, Bahrain's trade balance over the period has been consistently positive.



Source: TradeMap, 2018

Saudi Arabia was the leading export market for Bahrain with a value of USD2.3bn in 2016. The United Arab Emirates and the United States rank second and third valued at USD2.2bn and USD1.4m respectively. South Africa was Bahrain's 25th largest export market valued at USD57m.

TOP 10 DESTINATION COUNTRIES FOR BAHRAIN'S EXPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Saudi Arabia	2 338	17.48%
2	United Arab Emirates	2 234	46.65%
3	United States	1 412	42.59%
4	Japan	1 116	1908.74%
5	Qatar	612	42.28%
6	China	535	25.56%
7	India	459	15.77%
8	Oman	446	5.50%
9	Kuwait	380	22.55%
10	Thailand	304	74.19%
25	South Africa	57	103.06%
TOTAL EXPORTS		12 892	-7.95%

Source: TradeMap, 2018

China was the leading import market in 2016, valued at USD1.4bn. The United States and the United Arab Emirates were ranked second and third valued at USD1.2bn and USD1.1bn respectively. South Africa was ranked the 42nd largest import for Bahrain valued at USD32m.

TOP 10 SOURCE MARKETS FOR BAHRAIN 'S IMPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	China	1 430	1.38%
2	United States	1 275	9.46%
3	United Arab Emirates	1 092	15.57%
4	Japan	896	10.64%
5	Saudi Arabia	809	185.77%
6	Australia	568	11.43%
7	India	501	9.45%
8	United Kingdom	480	9.78%
9	Germany	464	-0.80%
10	Italy	327	1.30%
42	South Africa	32	-10.16%
TOTAL EXPORTS		14 749	-1.82%

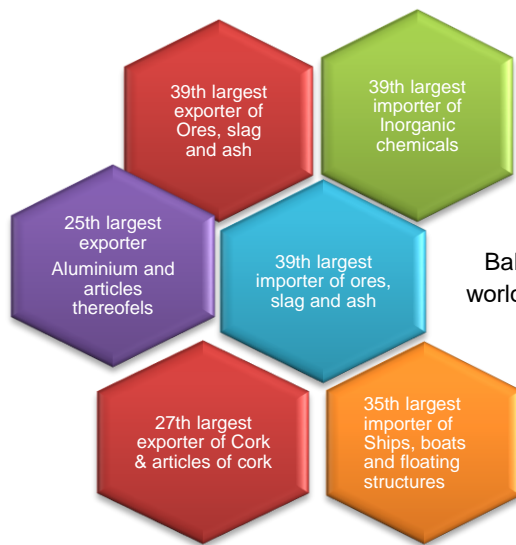
Source: TradeMap, 2018

Refined petroleum oils was the leading export product from Bahrain valued at USD3.7bn, followed by crude petroleum oils valued at USD2.2bn. Crude refined petroleum oils was also the leading imported product into Bahrain, valued at USD3.2bn, followed by motor cars valued at USD1.3bn.

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TOP 10 PRODUCTS EXPORTED BY BAHRAIN 2016				TOP 10 PRODUCTS IMPORTED BY BAHRAIN, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Refined petroleum oils and oils obtained from bituminous minerals	3 697	-23.07%	1	Crude petroleum oils and oils obtained from bituminous minerals	3 148	3.65%
2	Crude petroleum oils and oils obtained from bituminous minerals	2 239	-	2	Motor cars	1 301	10.89%
3	Iron ores and concentrates, incl. roasted iron pyrites	777	-8.53%	3	Artificial corundum; aluminium oxide; aluminium hydroxide	434	21.58%
4	Aluminium wire (excluding stranded wire, cables, plaited bands and the like and other articles	700	51.58%	4	Telephone sets, incl. telephones for cellular networks	413	13.50%
5	Plates, sheets and strip, of aluminium, of a thickness of > 0,2 mm (excluding expanded plates	503	17.92%	5	Light-vessels, fire-floats, dredgers, floating cranes	359	1176.33%
6	Bars, rods and profiles, of aluminium, n.e.s.	230	-19.06%	6	Iron ores and concentrates, incl. roasted iron pyrites	266	-20.95%
7	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal ...	198	-	7	Medicaments consisting of mixed or unmixed products for therapeutic	231	6.28%
8	Semi-finished products of iron or non-alloy steel	190	1690.59%	8	Articles of jewellery and parts thereof, of precious metal	215	22.75%
9	Mineral or chemical nitrogenous fertilisers	158	45501.30%	9	Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured	211	553593.67%
10	Stranded wire, cables, plaited bands and the like, of aluminium	140	-0.46%	10	Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s.	197	989.30%
TOTAL EXPORTS		12 892	-7.95%	TOTAL IMPORTS		14 749	-1.82%

Source: TradeMap, 2018



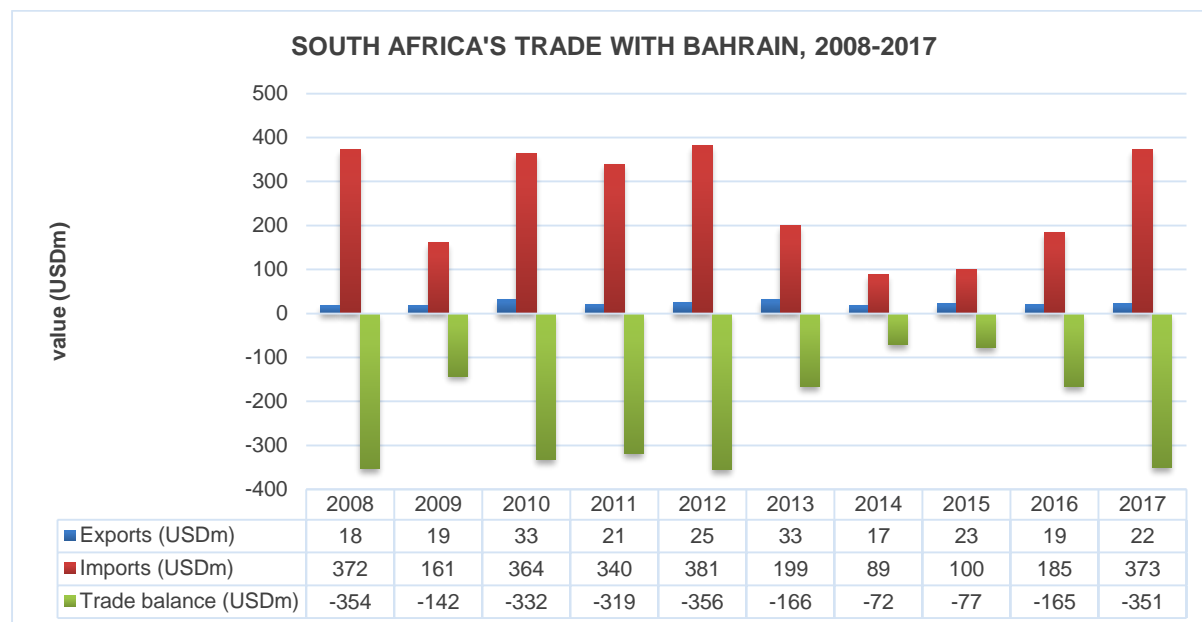
Bahrain's exports represent 0.1% of world imports and is the world 74th largest importer.

Bahrain's imports represent 0.1% of world exports and is the world's 86th largest exporter.

Source: TradeMap, 2018

3.3 Trade with South Africa

South Africa exported goods to Bahrain valued at USD22m in 2017, while imported goods were valued at USD373m. South Africa has maintained a trade deficit with Bahrain, with imports exceeding exports over the period 2008 to 2017. The huge trade deficit is attributed to refined petroleum that represented 79% of all imports from Bahrain into South Africa from 2007 to 2017.



Source: Quantec, 2018

The leading export product to Bahrain from South Africa in 2017, was citrus fruit valued at USD9.8m in 2017, followed by Apples, pears and quinces (USD8.8m). The leading import product into South Africa from Bahrain was refined petroleum valued at USD296m with a share of 79%.

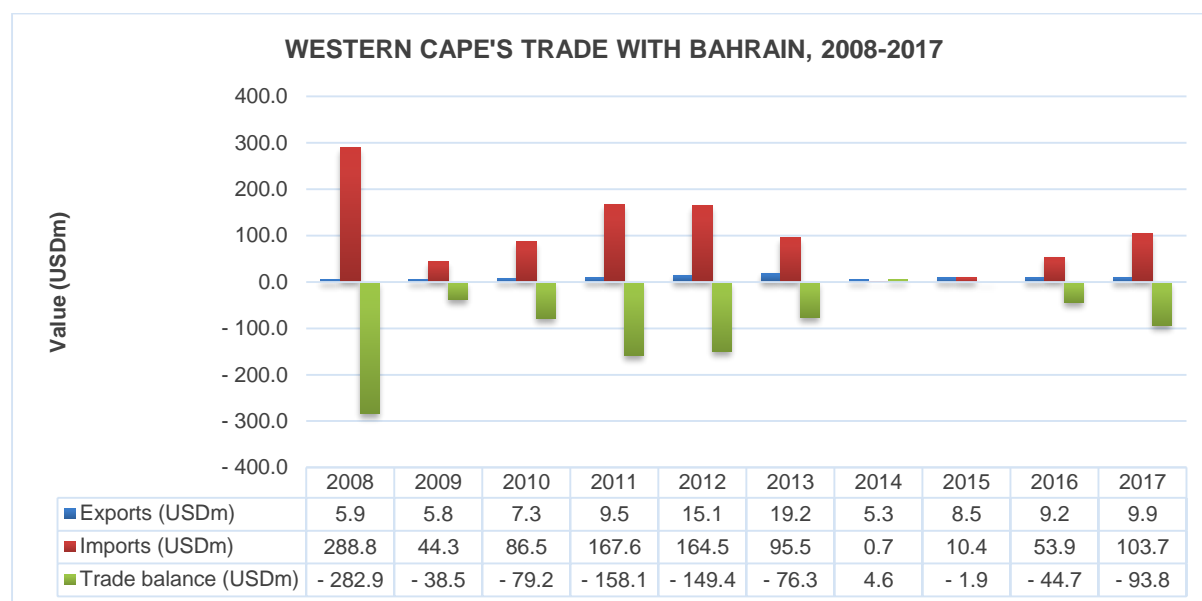
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SOUTH AFRICA'S EXPORTS TO BAHRAIN, 2017				SOUTH AFRICA'S IMPORTS FROM BAHRAIN, 2017			
RANK	PRODUCT	VALUE 2017 (USDm)	% GROWTH 2012-2017 (USD)	RANK	PRODUCT	VALUE 2017 (USDm)	% GROWTH 2012-2017 (USD)
1	Citrus fruit, fresh or dried.	9.8	14.65%	1	Refined petroleum oils and oils obtained from bituminous minerals	295.8	552.55%
2	Apples, pears and quinces, fresh.	1.9	14.33%	2	Unwrought aluminium	53.4	8.61%
3	Motor cars and other motor vehicles principally designed for the transport of persons	1.9	-	3	Mineral or chemical fertilisers, nitrogenous	10.4	-
4	Meat of bovine animals, fresh or chilled.	1.2	38.09%	4	Angles, shapes and sections of iron or non-alloy steel	4.3	-
5	Woven fabrics of combed wool or of combed fine animal hair	0.7	31.21%	5	Aluminium wire	1.1	-11.25%
6	Master alloys of copper.	0.4	-	6	Soap; organic surface-active products and preparations for use as soap	1.0	-
7	Motor vehicles for the transport of goods.	0.4	-	7	Aluminium foil of a thickness not exceeding 0.2 mm	0.8	-
8	Wine of fresh grapes	0.4	7.03%	8	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes	0.8	-
9	Carbides, whether or not chemically defined	0.3	1.29%	9	Instruments and appliances used in medical, surgical, dental or veterinary sciences	0.7	-
10	Grapes, fresh or dried	0.3	-4.83%	10	Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated	0.6	156.78%
TOTAL EXPORTS		22.1	2.79%	TOTAL IMPORTS		372.7	19.09%

Source: Quantec, 2018

3.4 Western Cape's Trade with Bahrain

The Western Cape exported goods to Bahrain valued at USD9.9m in 2017 while imported goods were valued at USD104m. Except for 2014, the Western Cape has maintained a trade deficit with Bahrain, with imports exceeding exports over the period analysed.



Source: Quantec, 2018

The leading export product to Bahrain from the Western Cape was citrus fruit valued at USD6.8m, followed by fresh apples, pears and quinces (USD1.4m). The leading import product into the Western Cape from Bahrain was refined petroleum valued at USD103m and accounting for 99% of all imports in 2017.

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WESTERN CAPE'S EXPORTS TO BAHRAIN, 2017				WESTERN CAPE'S IMPORTS FROM BAHRAIN, 2017			
RANK	PRODUCT	VALUE 2017 (USD)	% GROWTH 2013-2017 (USD)	RANK	PRODUCT	VALUE 2017 (USD)	% GROWTH 2013-2017 (USD)
1	Citrus fruit, fresh or dried.	6 775 837	20.07%	1	Refined petroleum oils and oils obtained from bituminous minerals,	103 612 730	555.91%
2	Apples, pears and quinces, fresh.	1 404 047	11.08%	2	Woven fabrics of cotton	67 116	-
3	Grapes, fresh or dried.	291 956	-5.91%	3	Citrus fruit, fresh or dried.	15 854	-
4	Wine of fresh grapes	291 282	-0.09%	4	Men's or boys' shirts.	62	-
5	Other fermented beverages mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages	210 351	23.22%	5	Cheese and curd.	31	-
6	Other live animals.	173 274	-	6	Buttermilk, curdled milk and cream, yogurt, kephir	29	-
7	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.	101 401	32.77%	7	Other articles of aluminium.	-	-
8	Other fruit, fresh.	81 065	-		Tools for working in the hand, pneumatic, hydraulic or with self-contained electric	-	-
9	Other vegetables, fresh or chilled.	76 836	-	9	Printing machinery used for printing by means of plates, cylinders	-	-
10	Fruit, nuts and other edible parts of plants	68 327	-	10	Machinery manufacture of food or drink, other than machinery for the extraction or preparation of animal	-	-
TOTAL EXPORTS		9 929 919	6.36%	TOTAL IMPORTS		103 695 822	363.78%

Source: Quantec, 2018

3.5 Tariffs

Bahrain is a member of the Gulf Cooperation Council, which allows for duty-free trade between its members and with other countries with which it has a free trade agreement. The GCC has Free Trade Agreements EFTA (Iceland, Liechtenstein, Norway, and Switzerland) countries (2010).

Tariffs imposed by Bahrain on imports from South Africa for 2016 are listed below.

TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY BAHRAIN, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	0	H33: Essential oils, perfumes, cosmetics, toiletries	5	H65: Headgear and parts thereof	5
H02: Meat and edible meat offal	4	H34: Soaps, lubricants, waxes, candles, modelling pastes	5	H66: Umbrellas, walking-sticks, seat-sticks, whips	5
H03: Fish, crustaceans, molluscs, aquatic invertebrates	3	H35: Albuminoids, modified starches, glues, enzymes	5	H67: Bird skin, feathers, artificial flowers, human hair	5
H04: Dairy products, eggs, honey, edible animal product	5	H36: Explosives, pyrotechnics, matches, pyrophorics	5	H68: Stone, plaster, cement, asbestos, mica, articles	5
H05: Products of animal origin	5	H37: Photographic or cinematographic goods	5	H69: Ceramic products	5
H06: Live trees, plants, bulbs, roots, cut flowers	4	H38: Miscellaneous chemical products	5	H70: Glass and glassware	5
H07: Edible vegetables and certain roots and tubers	2	H39: Plastics and articles thereof	5	H71: Pearls, precious stones, metals, coin	4
H08: Edible fruit, nuts, peel of citrus fruit, melons	1	H40: Rubber and articles thereof	5	H72: Iron and steel	5
H09: Coffee, tea, mate and spices	1	H41: Raw hides and skins (other than furskins) and leather	5	H73: Articles of iron or steel	5
H10: Cereals	0	H42: Articles of leather, animal gut, harness, travel goods	5	H74: Copper and articles thereof	5
H11: Milling products, malt, starches, inulin, wheat gluten	2	H43: Furskins and artificial fur, manufactures thereof	5	H75: Nickel and articles thereof	5
H12: Oil seed, oleagious fruits, grain, seed, fruit,	2	H44: Wood and articles of wood, wood charcoal	5	H76: Aluminium and articles thereof	5
H13: Lac, gums, resins, vegetable saps and extracts	5	H45: Cork and articles of cork	5	H78: Lead and articles thereof	5
H14: Vegetable plaiting materials, vegetable products	5	H46: Manufactures of plaiting material, basketwork, etc.	5	H79: Zinc and articles thereof	5
H15: Animal, vegetable fats and oils, cleavage products	5	H47: Pulp of wood, fibrous cellulosic material, waste	5	H80: Tin and articles thereof	5
H16: Meat, fish and seafood food preparations	5	H48: Paper & paperboard, articles of pulp, paper and board	5	H81: Other base metals, cermets, articles thereof	5
H17: Sugars and sugar confectionery	0	H49: Printed books, newspapers, pictures	2	H82: Tools, implements, cutlery, of base metal	5
H18: Cocoa and cocoa preparations	5	H50: Silk	5	H83: Miscellaneous articles of base metal	5
H19: Cereal, flour, starch, milk preparations and products	3	H51: Wool, animal hair, horsehair yarn and fabric thereof	5	H84: Nuclear reactors, boilers, machinery	4
H20: Vegetable, fruit, nut food preparations	5	H52: Cotton	5	H85: Electrical, electronic equipment	3
H21: Miscellaneous edible preparations	5	H53: Vegetable textile fibres paper yarn, woven fabric	5	H86: Railway, tramway locomotives, rolling stock, equipment	5
H22: Beverages, spirits and vinegar	4	H54: Manmade filaments	5	H87: Vehicles other than railway, tramway	5
H23: Residues, wastes of food industry, animal fodder	2	H55: Manmade staple fibres	5	H88: Aircraft, spacecraft, and parts thereof	2
H24: Tobacco and manufactured tobacco substitutes	181	H56: Wadding, felt, nonwovens, yarns, twine, cordage	5	H89: Ships, boats and other floating structures	0
H25: Salt, sulphur, earth, stone, plaster, lime and cement	5	H57: Carpets and other textile floor coverings	5	H90: Optical, photo, technical, medical apparatus	4
H26: Ores, slag and ash	5	H58: Special woven or tufted fabric, lace, tapestry	5	H91: Clocks and watches and parts thereof	5
H27: Mineral fuels, oils, distillation products,	5	H59: Impregnated, coated or laminated textile fabric	5	H92: Musical instruments, parts and accessories	5
H28: Inorganic chemicals, precious metal compound, isotopes	5	H60: Knitted or crocheted fabric	5	H93: Arms and ammunition, parts and accessories thereof	5
H29: Organic chemicals	3	H61: Articles of apparel, accessories, knit or crochet	5	H94: Furniture, lighting, signs, prefabricated buildings	5
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	5	H95: Toys, games, sports requisites	5

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TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY BAHRAIN, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H31: Fertilizers	5	H63: Other made textile articles, sets, worn clothing	5	H96: Miscellaneous manufactured articles	5
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	5	H64: Footwear, gaiters and the like, parts thereof	5	H97: Works of art, collectors pieces and antiques	5

Source: Market Access Map, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.6 Trade Regulations Markings and Standards

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 documents

The following information is required to import goods:

- The port from which the goods originated;
- The trademark of the specified goods;
- The type of good being imported;
- A delivery order issued by the shipper or the liner's agent;
- A supplier's commercial invoice in duplicate (in Arabic or English);
- A packing list in duplicate;
- A certificate of origin in Arabic or English (produced by a Chamber of Commerce and endorsed by an Embassy);
- A copy of the insurance certificate, if applicable;
- A bill of lading (four copies), including gross weight and dimensions;
- A bank payment voucher or bank receipt; and
- A statistical declaration if the final destination for the goods is one of the GCC states.

For food items, the Bahraini Customs Directorate Handbook requires importers to present a manufacturer's certificate stating that goods do not contain cyclamates. Imported and exported goods are classified according to the Standard International Trade Classification (SITC), Revision 3.

Labelling 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.

Prohibited Goods

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

- Irradiated food products

- Weapons, except under special license
- Pornography and materials considered salacious
- Wild animals
- Bugging devices and audio jammers
- Radio-controlled model airplanes
- Children's toys containing methyl chloride and other articles declared injurious by the Ministry of Health
- Foodstuffs and sweets containing cyclamates

The GOB 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.

Standards for Trade

The GCC Customs Union in theory requires member states to enforce unified standard across the region. GCC member countries currently are drafting unified food standards, though the standards' implementation has been postponed.

Bahraini standards are required to meet national requirements (safety, quality, and fitness for purpose), as prepared 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 total number of Gulf standards adopted as Bahraini standards currently stands at one thousand twenty, out of which five hundred twenty are mandatory and five hundred are voluntary. There also are approximately one hundred eighty-nine draft Gulf standards in the pipeline.

The [Bahrain Standards and Metrology Directorate](#) (BSMD) is a government institution within the Ministry of Industry and Commerce. BSMD is responsible for issuing Bahrain's standards, either by adopting as national standards the international or Gulf standards issued by the Gulf Cooperation Council (GCC) Standards and Metrology Organization, or by preparing standards to meet national requirements.

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

Source: The International Trade Administration (ITA), U.S. Department of Commerce, 2018

3.7 Port-to-Port Rates

With its recent opening, Khalifa Bin Salman Port (KBSP) is now the main sea port within the Kingdom of Bahrain. Housed on 110 hectares of reclaimed land, the port is strategically located 13 km to the east of Bahrain International Airport. It's location in the heart of the GCC provides a unique and cost effective opportunity for trade and trans-shipment to the important upper gulf region. Before the opening of the Khalifa Bin Salman port, Mina Salman was the main sea port and customs point in Bahrain.

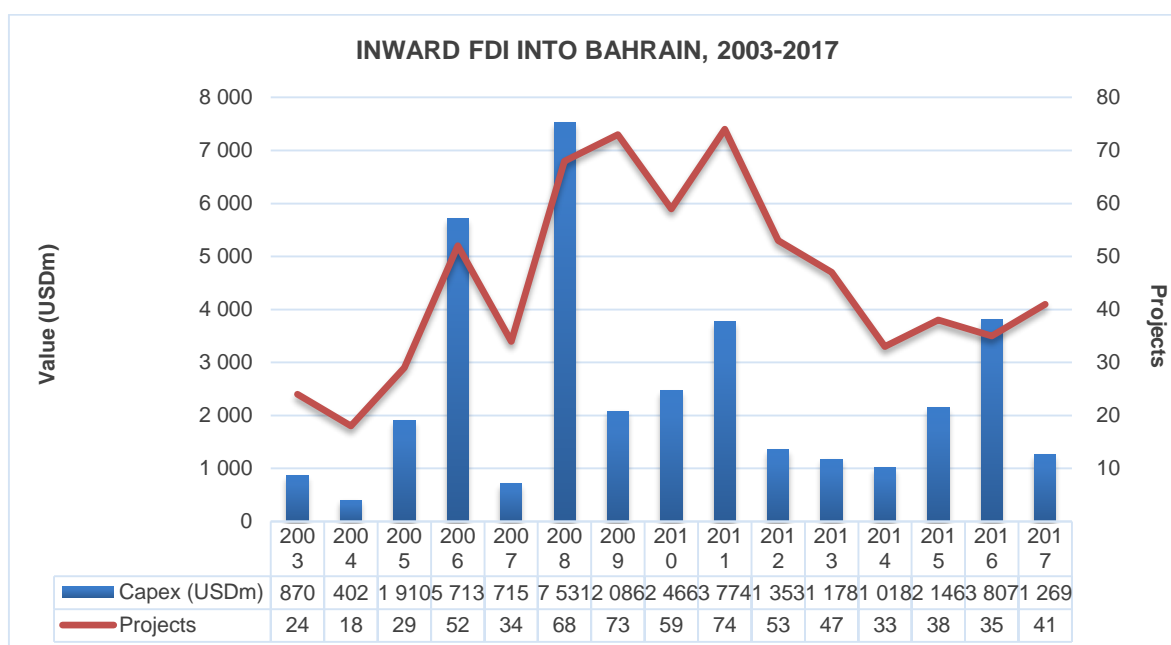
TRANSIT TIME FROM CAPE TOWN TERMINAL TO PORTS IN BAHRAIN, 2016		
TERMINAL	DISTANCE	TRANSIT TIME
Mina Sulman	5024.29 mi (9304.98 km)	23 days

Source: SeaRates, 2018

4. Investment

4.1 Global Investment into Bahrain

Between January 2003 and December 2017 a total of 678 FDI projects were recorded into Bahrain. These projects represent a total capital investment of USD36.24bn which is an average investment of USD53.50m per project. During the period, a total of 86,106 jobs were created.



Source: FDI Intelligence, 2018

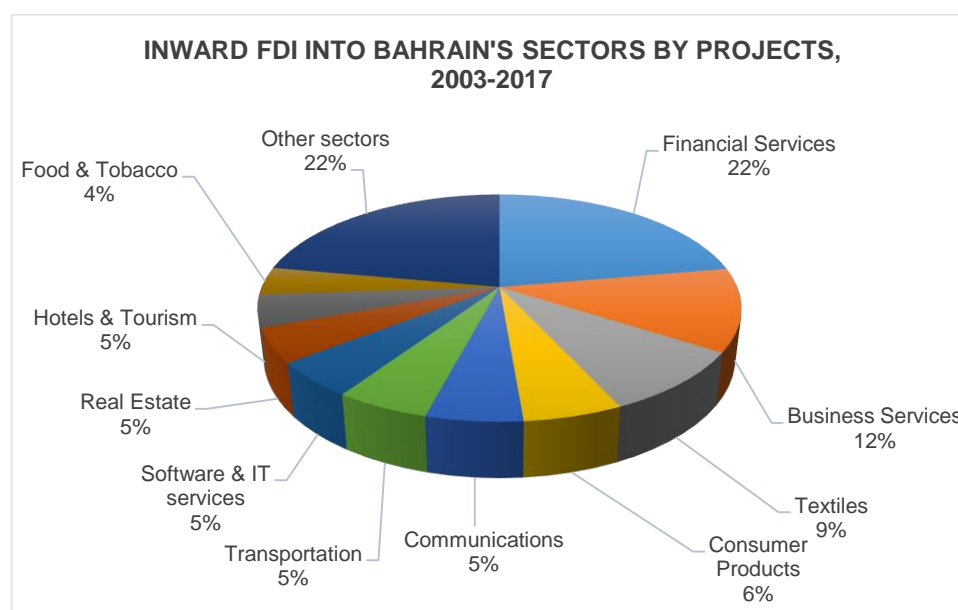
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UAE was the largest source market for inward FDI into Bahrain in terms of projects, with 125 investment projects, accounting for 18%. The United States and the UK are ranked second and third accounting for 12.2% and 11.5% respectively.

TOP SOURCE MARKETS FOR FDI INTO BAHRAIN, 2003 - 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	UAE	125	18.44%	4 782.1	13.20%	81	14.78%
2	United States	83	12.24%	4 639.8	12.80%	76	13.87%
3	UK	78	11.50%	4 012.4	11.07%	69	12.59%
4	India	56	8.26%	1 856.9	5.12%	47	8.58%
5	Kuwait	48	7.08%	7 900.1	21.80%	31	5.66%
6	Saudi Arabia	39	5.75%	1 258.2	3.47%	28	5.11%
7	France	27	3.98%	1 507.4	4.16%	22	4.01%
8	Germany	26	3.83%	1 233.7	3.40%	23	4.20%
9	Switzerland	19	2.80%	723.7	2.00%	18	3.28%
10	Japan	15	2.21%	1 472.8	4.06%	13	2.37%
Total		678	100%	36 240.0	100%	548	100%

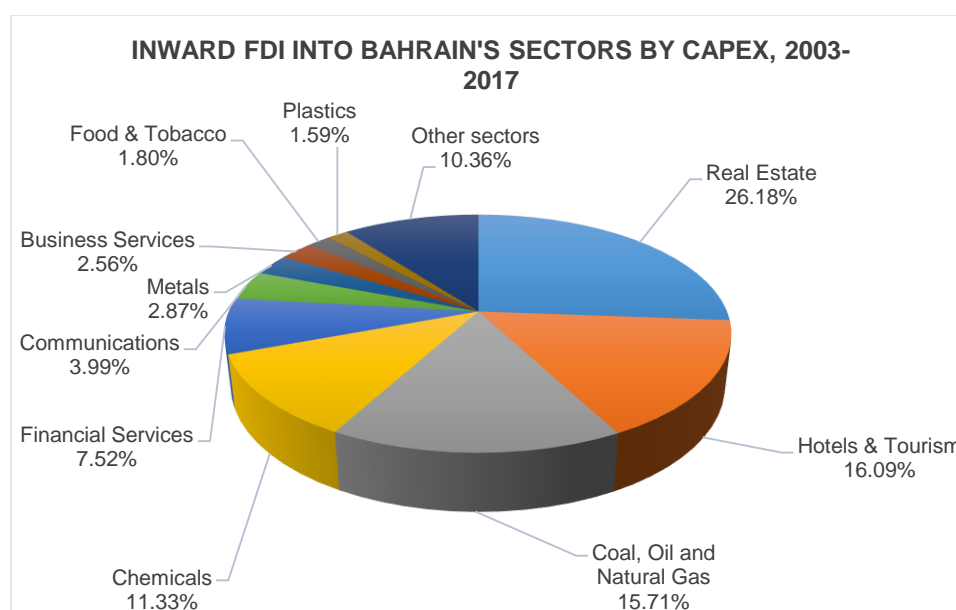
Source: FDI Intelligence, 2018

The financial services sector received the largest FDI by projects accounting for 22% each followed by business services sector at 12%.



Source: FDI Intelligence, 2018

The real estate sector received the largest FDI by capex accounting for 26% followed by hotels and tourism sector at 16%.



Source: FDI Intelligence, 2018

The top 10 companies for inward FDI into Bahrain for the period 2003 to 2017 are shown below.

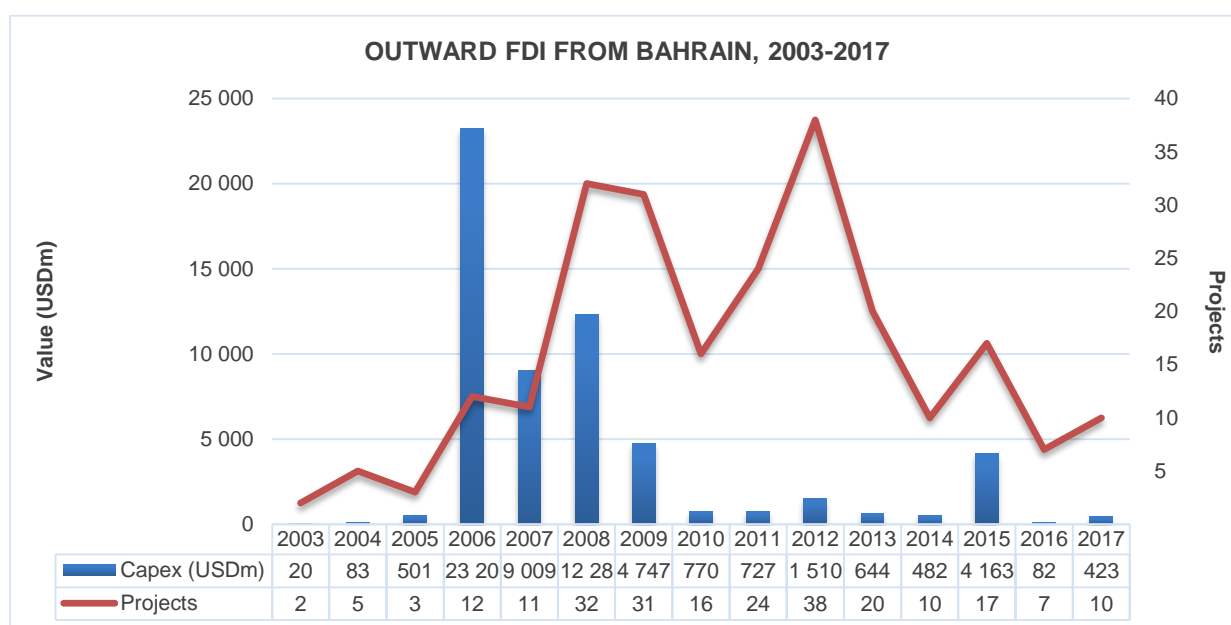
TOP 10 INWARD FDI COMPANIES INTO BAHRAIN, 2003 - 2017			
COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
Modern Exchange Company (MEC)	Financial services	10	151
UAE Exchange Centre	Financial services	10	181
LuLu	Food & Beverages	7	232
LuLu International Exchange	Financial services	7	106

TOP 10 INWARD FDI COMPANIES INTO BAHRAIN, 2003 - 2017			
COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
Mena Telecom	Communications	7	172
Majid Al Futtaim Group (MAF Group)	Food & Beverages	6	446
Kuwait Finance House Bahrain (KFH Bahrain)	Financial services	5	229
Redtag Group	Textiles	5	18
Viva Bahrain	Communications	5	159
Hempel Group	Chemicals	4	588
Total		678	36 240

Source: FDI Intelligence, 2018

4.2 Global Investment from Bahrain

Between January 2003 and December 2017 a total of 238 FDI projects were recorded from Bahrain. These projects represent a total capital investment of USD58.65bn which is an average investment of USD246.40m per project. During the period, a total of 50,509 jobs were created.



Source: FDI Intelligence, 2018

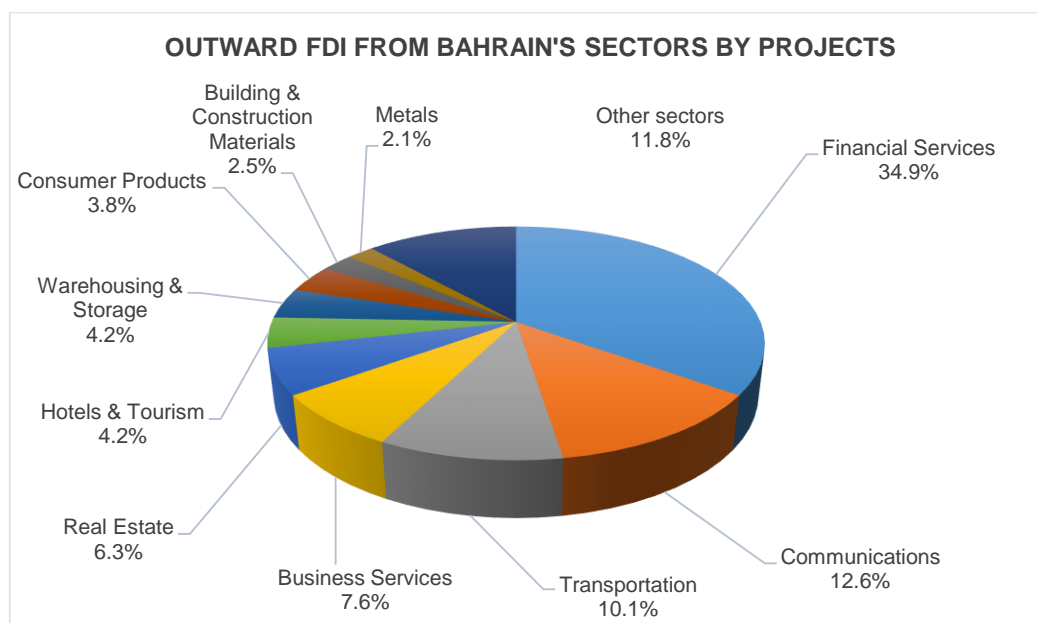
Saudi Arabia was the largest destination market in terms of projects for FDI from Bahrain, with 36 investment projects, accounting for 15.13%. The UAE and India are ranked second and third accounting for 11% and 10.5% respectively.

TOP DESTINATION MARKETS FOR FDI OUT OF BAHRAIN, 2003 - 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	Saudi Arabia	36	15.13%	1 155.1	1.97%	27	25.71%
2	UAE	27	11.34%	1 208.0	2.06%	23	21.90%
3	India	25	10.50%	1 066.0	1.82%	12	11.43%
4	Qatar	18	7.56%	2 887.5	4.92%	15	14.29%
5	Jordan	12	5.04%	1 986.6	3.39%	7	6.67%
6	Pakistan	11	4.62%	558.3	0.95%	2	1.90%
7	Malaysia	9	3.78%	79.1	0.13%	7	6.67%
8	Oman	9	3.78%	504.1	0.86%	8	7.62%

TOP DESTINATION MARKETS FOR FDI OUT OF BAHRAIN, 2003 - 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
9	Kuwait	8	3.36%	117.7	0.20%	6	5.71%
10	Egypt	6	2.52%	3 732.8	6.36%	5	4.76%
Total		238	100%	58 648.6	100%	105	100%

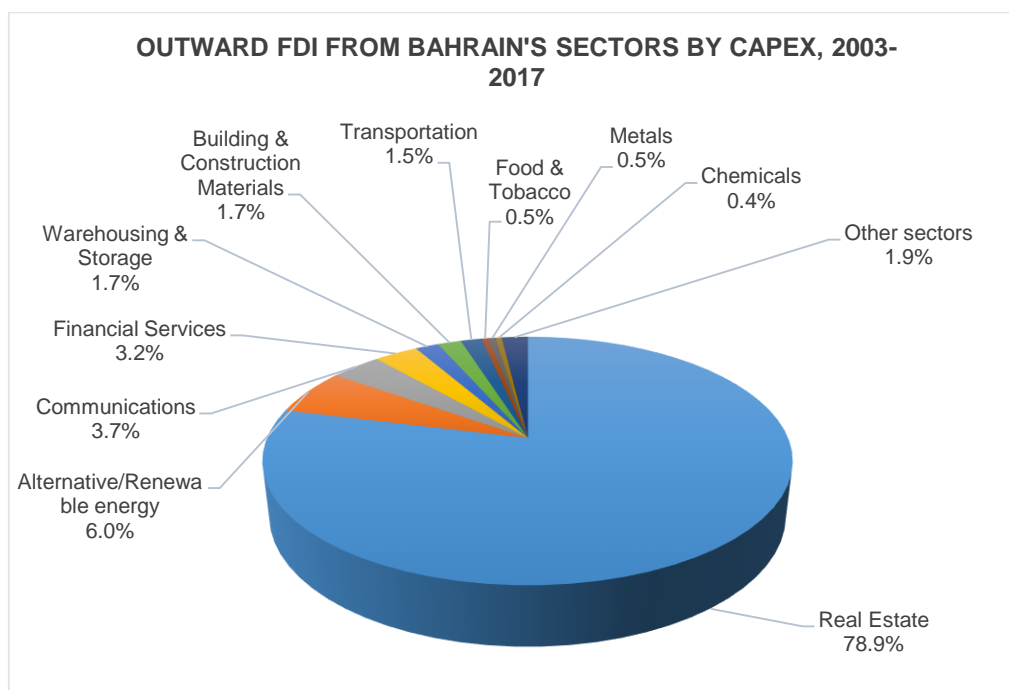
Source: FDI Intelligence, 2018

Financial services received the largest FDI from Bahrain by projects accounting for 35%, followed by communications and transportation accounting for 13% and 10% respectively.



Source: FDI Intelligence, 2018

Real estate sector received the largest FDI from Bahrain by capex accounting for 79%, followed by renewable energy accounting for 6%.



Source: FDI Intelligence, 2018

The table below shows the top 10 companies from Bahrain investing globally.

TOP 10 OUTWARD FDI COMPANIES FROM BAHRAIN, 2003 - 2017			
COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
Gulf Finance House (GFH)	Real Estate	19	25 149
Gulf Air	Communications	12	626
Takhzeen	Warehousing	9	859
Bahrain Air	Transportation	6	201
Bahrain Financing Company (BFC)	Financial services	6	85
Bahrain Telecommunications (Batelco)	Communications	6	216
BFC Forex and Financial Services	Financial services	6	312
Faysal Bank	Financial services	6	209
Kanoo Travel	Hotels & Tourism	6	7
OGM Technical Institute	Business services	6	19
Total		238	58 649

Source: FDI Intelligence, 2018

4.3 Investment Relations between South Africa and Bahrain

Between January 2003 and December 2017 a total of 3 FDI projects were recorded from South Africa to Bahrain. These projects represent a total capital investment of USD59.30m which is an average investment of USD19.80m per project. During the period, a total of 284 jobs were created.

There was no recorded FDI into South Africa from Bahrain recorded by FDI Intelligence.

SOUTH AFRICAN FDI INTO BAHRAIN, 2003 - 2017							
DATE	INVESTING COMPANY	SOURCE CITY	SECTOR	SUB -SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Jun 2013	Qlite	Midrand	Electronic Components	All other electrical equipment & components	Education & Training	37.1	40
May 2011	De Beers Diamond Jewellers	Johannesburg	Consumer Products	Jewellery & silverware	Retail	7.1	228
Nov 2007	PIC Solutions	Cape Town	Financial Services	Corporate & investment banking	Business Services	15.1	16
Total						59.3	284

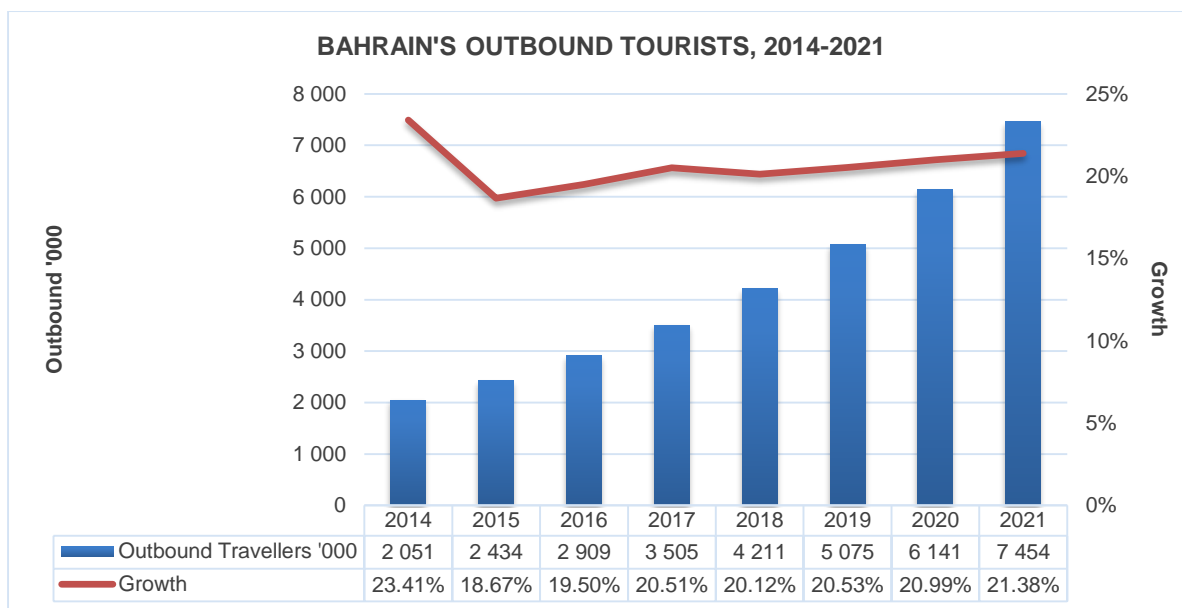
Source: FDI Intelligence, 2018

5. Tourism

5.1 Bahrain Trends and Travel Patterns

The majority of outbound travellers from Bahrain travel to Saudi Arabia for Hajj and Umrah trips. There is little diversity in terms of the destinations visited by locals and residents of the country, although travel agencies are trying to include an increasingly diverse number of packages to offer to tourists from the Kingdom. Cruises and health and wellness may catch on as niche areas to consider in the future (BMI, 2018).

The figure below shows that the number of Bahrain's outbound tourists are expected to increase by an average annual growth rate of 21% between 2018 and 2021.



Source: BMI, 2018

Note: there was no tourism data between South Africa and Bahrain

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