

The background of the image is the flag of Bahrain, which consists of a red field with a white serrated band (fimbria) on the hoist side, creating a chevron pattern. The text "Welcome to Bahrain" is written in white, bold, sans-serif font across the center of the red field.

**Welcome to Bahrain**

# Agenda

- **Bahrain: Vision & Experience**
- **Market Access to Gulf Economies**
- **Free and well advanced business environment**
- **Cost competitiveness**
- **The most educated, skilled workforce in the Gulf**
- **Open, democratic society; Highest quality of life**

**0%**

## **Tax Regime**

Bahrain has the most liberal Tax regime in the Gulf

**100%**

## **Foreign Ownership**

Companies established in Bahrain are allowed to have 100% foreign ownership

**#1**

## **Regulation**

Bahrain has the leading regulatory environment for financial institutions in the Middle East

**#1**

## **Transparency**

Bahrain Mumtalakat – the kingdom's sovereign wealth fund is ranked 1<sup>st</sup> as the most transparent SWF.

**#12**

## **Free Economy**

Bahrain is ranked 12<sup>th</sup> among the freest economies in the world

# Bahrain Well Placed in Global Economic Environment



- Bahrain lies at the heart of the Arabian Gulf, with fast and efficient access to every market in the Middle East by air, sea and road.
- The Gulf market cannot be ignored. It is a fast growing economy significant to global firms. It continues to attract foreign investment across a broad range of sectors.

**Population:** 1,234,596 (approximately 54% expatriates)

**Area:** 770 sq. km

**Nominal GDP:** \$22.9bn (2010)



# EDB's Mission

**Our aim is to enhance Bahrain's economy by developing an economic growth strategy, enhancing the business environment through reforms, and promoting investment.**

These efforts will be the catalyst to elevate the national standard of living and create more opportunities for Bahrainis to compete on a global scale

**Develop an economic growth strategy**

Help Bahrain's government look forward and define the future of economic reform

**Enhance the business environment**

Enhance the business environment through reforming specific sectors of economic importance

**Promote investment**

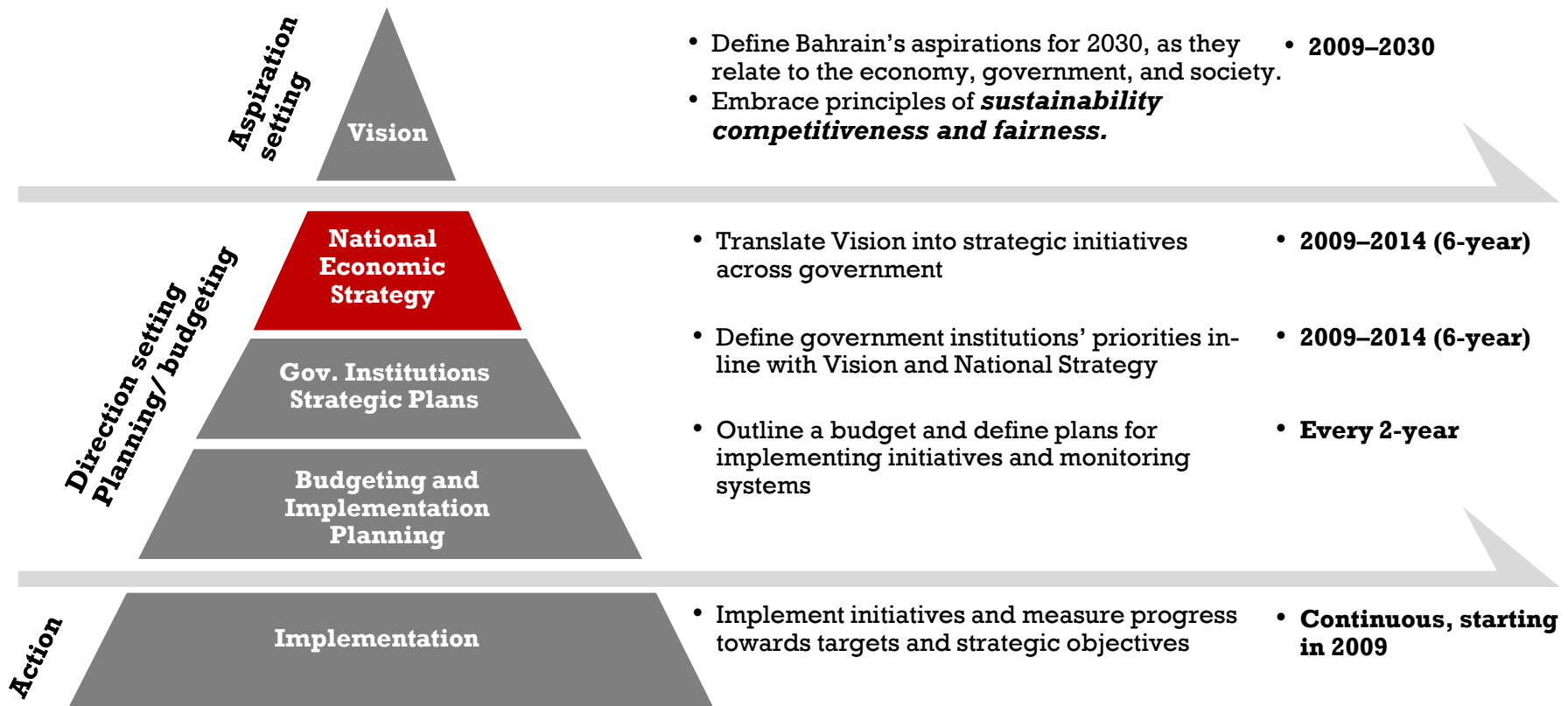
Market Bahrain globally to attract investors to Bahrain and enable their participation in the economy

# Long Term Economic Strategy

**Our main aim is to institutionalize a long term strategic planning process for the Government**

## Purpose

## Time horizon



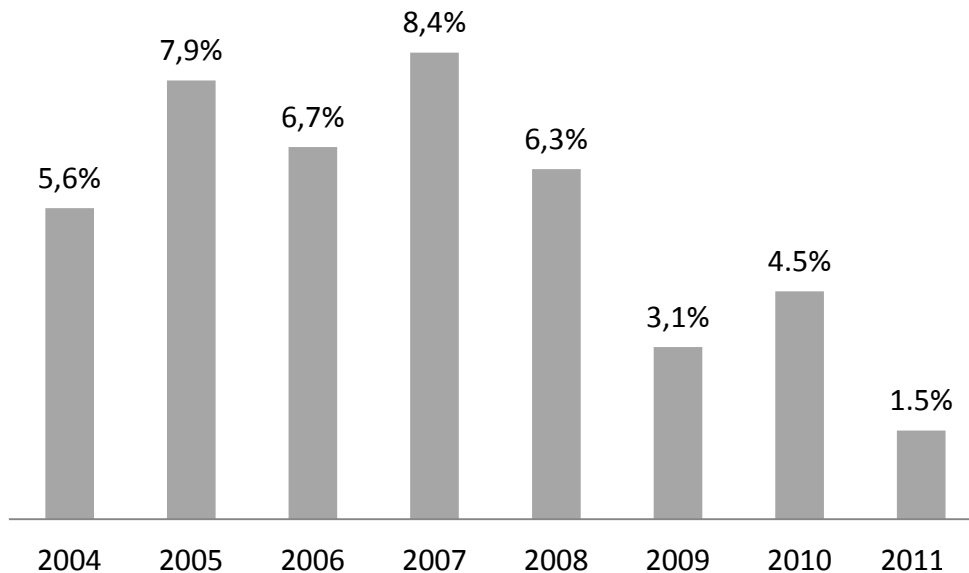
# A Track Record of Pioneering

Bahrain has been a regional pioneer, with a constant drive for further improvements. It was first in the Gulf:

- |  |       |
|--|-------|
| • To start male education  | 1919  |
| • To start female education  | 1928  |
| • To discover oil  | 1932  |
| • To establish a Chamber of Commerce   | 1939  |
| • To start an economic diversification strategy that favoured non-oil industries | 1960s |
| • To establish a banking sector  | 1970s |
| • To introduce democratic reforms  | 2001  |
| • To embark on privatization programs  | 2002  |
| • To fully liberalize the telecoms sector  | 2004  |
| • To sign a Free Trade Agreement with the USA                                    | 2006  |
| • To co-found GCC Common Market  | 2008  |

# A Stable, Sound, and Growing Economy

Bahrain Real GDP Growth Rate (%)



Nominal GDP in 2010  
(USD)

**22.9bn**

Real GDP Growth Rate  
2010

**4.5%**

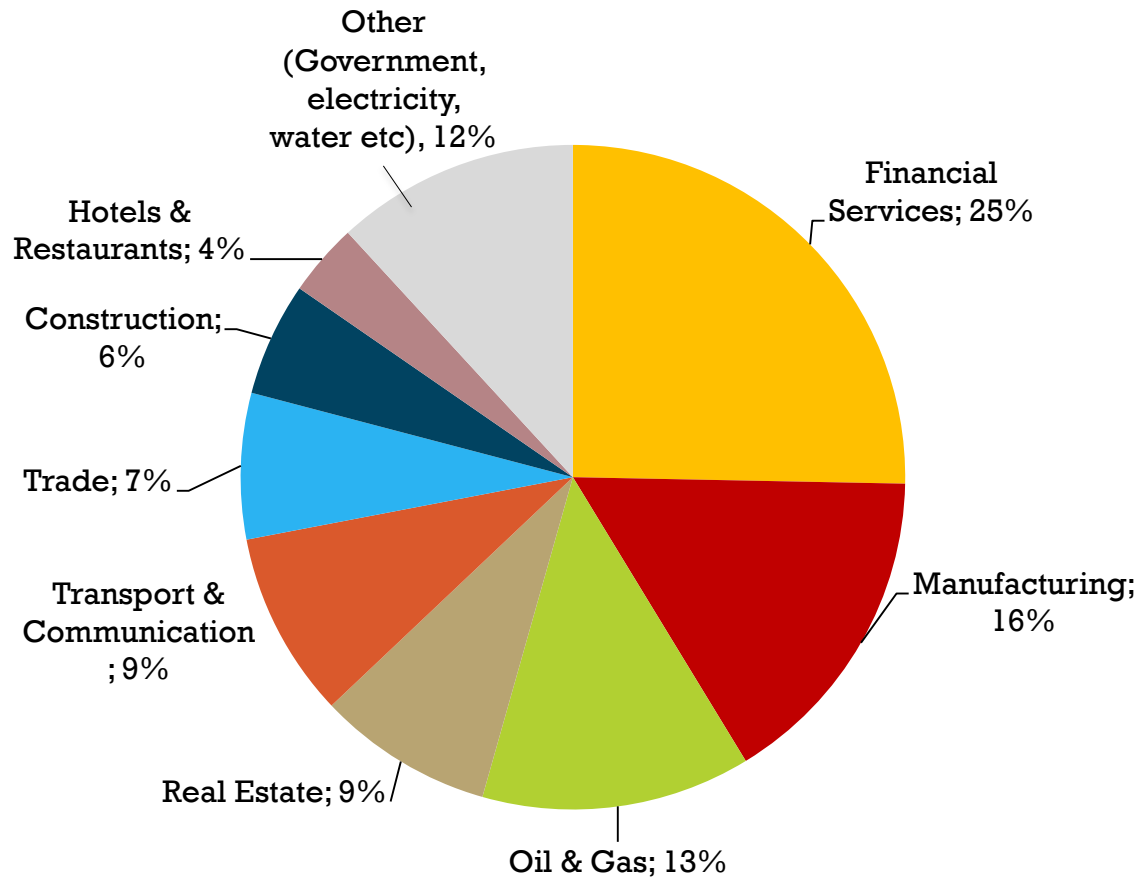
**Source:**

Interagency Forecasting Group- Bahrain Economic Quarterly (Quarter 2, 2011)



# Bahrain's Economy is Well Diversified

## Contributors to Bahrain's 2010 GDP



**Source:**  
National Accounts, Quarter 3, 2010

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# Strategically Located Between KSA & Qatar

## Saudi Arabia



**Duration:**  
30 minutes

## Bahrain



**Duration:**  
50 minutes

## Qatar

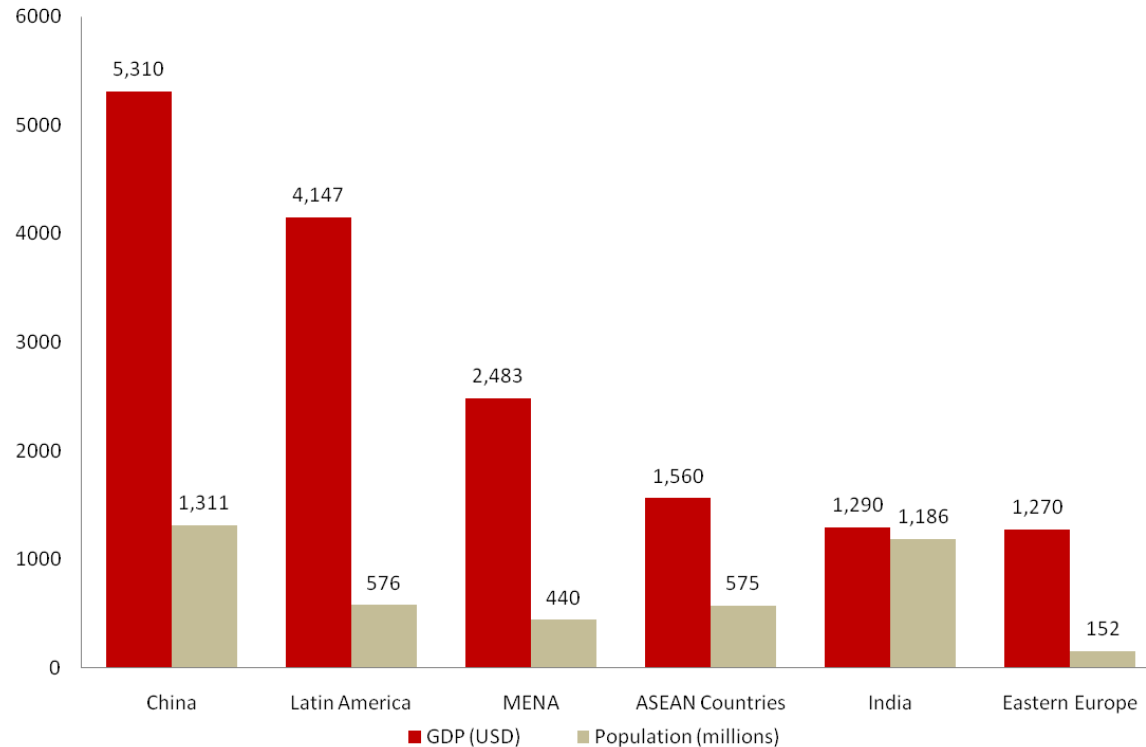


1. The largest oil producer and reserve in the world.
2. The biggest market in the Gulf region.
3. A huge manufacturing & petrochemicals base.
4. The economy of KSA is heavily dependent on the Eastern Province due to the availability of oil wells.
5. Many companies set up in Bahrain to access the Saudi market; Kraft manufactures food products, Yokogawa supports Saudi industrial plants, DHL MENA Headquarters in Bahrain.

1. The freest economy in the Arab World for 17 consecutive years.
2. The financial hub of the Middle East.
3. A very open Life style and cosmopolitan country.
4. Regional education destination of choice.
5. Regional tourist's destination of choice.
6. Best and most productive local workforce in the region.
7. 0% corporate and personal tax and 100% foreign ownership of business.

1. The largest natural gas producer in the world.
2. The highest GDP per capita in the world.
3. Focus on energy & petrochemicals.
4. Huge focus on sports.
5. Causeway linking Bahrain – Qatar scheduled to be complete by 2015

# Middle East Region Ranks Among the World's Top Emerging Markets



**Middle East GDP  
Per Capita:  
USD 8,909**

*(Economy Watch, 2010)*

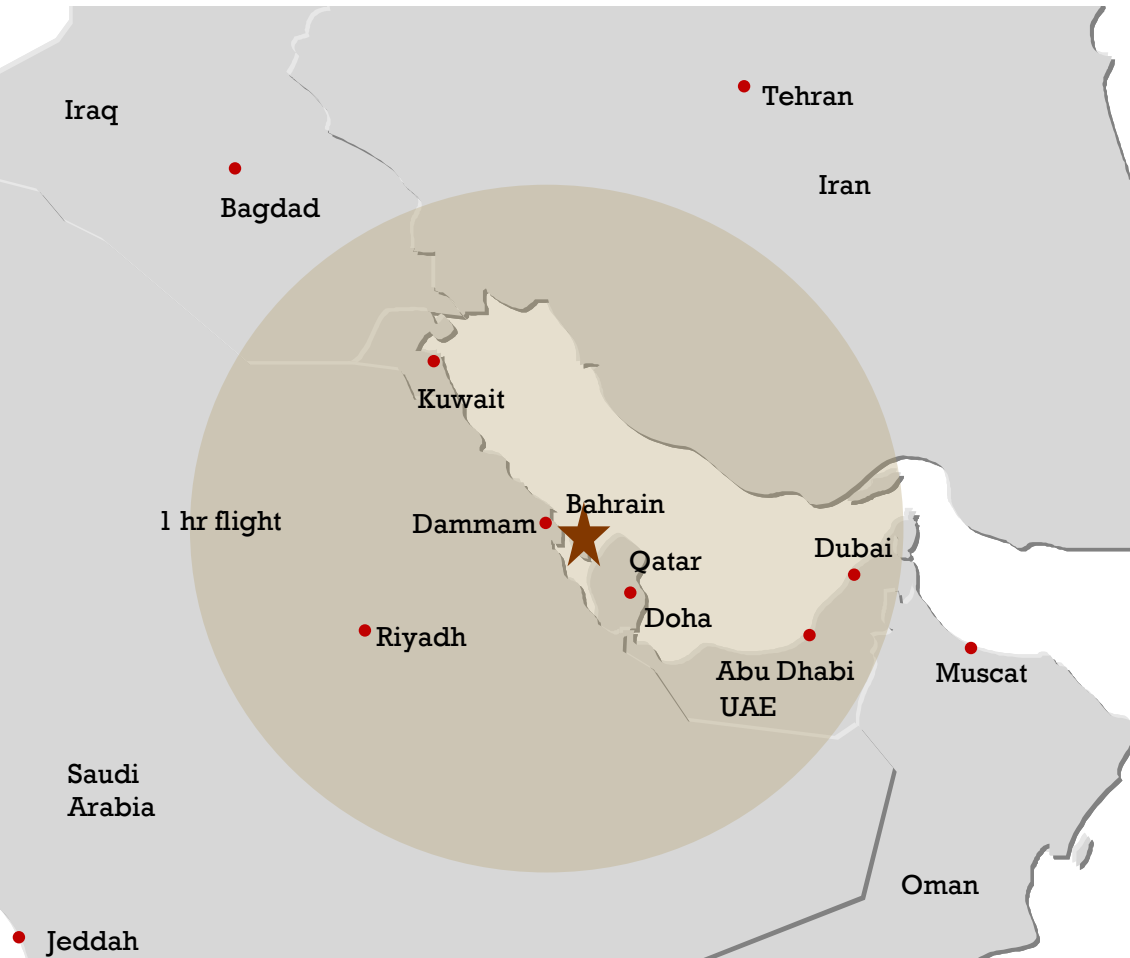
**Middle East  
GDP Growth:  
3.76%**

*(Economy Watch, 2010)*

**Source(s):**

IMF World Data / Wolfram Country Data (2009/2010)

# Bahrain is Strategically Positioned to Serve the GCC and Northern Gulf



## Connectivity

Access to a large and growing market

~ 36 million consumers in the Gulf

~ 440 million consumers in MENA

Over the next decade, the GCC is estimated to grow 4.5% p.a. vs. global average of 3.3% - with an economy worth \$2 trillion by 2020 (EIU)\*

## Easy & Liberal Visa Policies

- No visa requirements for GCC residents
- 14-day tourist visa upon arrival for residents of the EU, US, Canada, Singapore, Australia, Japan and Hong Kong
- E-visa services [www.evisa.gov.bh](http://www.evisa.gov.bh)

**\*Source:**

The Economic Intelligence Unit (EIU)

# Developing International Trade Ties

More than 68 trade agreements:

Investment Protection & Promotion; Double Taxation; Economic, Trade & Technical Cooperation; and Air Transport

Duty free access of manufactured goods to the Gulf Cooperation Council (GCC)\* & the Greater Arab Free Trade Area (GAFTA)\*\*

US-Bahrain FTA signed in 2006 offers huge opportunities

Financial, industrial, services and agricultural 96% duty exempt; Tax-free benefits for textiles and garments

Well-regarded legal, jurisdictional and social environment.



\***GCC:** Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, & United Arab Emirates

\*\***GAFTA:** Bahrain, Saudi Arabia, United Arab Emirates, Oman, Qatar Jordan, Morocco, Syria, Lebanon, Iraq, Egypt, Palestine, Kuwait, Tunis, Libya, Sudan & Yemen

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# #1

## Most favorable tax regime in the world

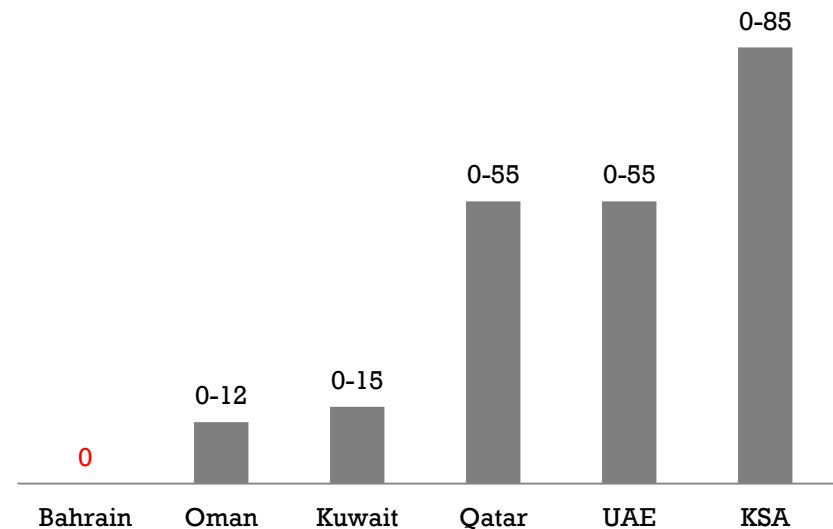
### Bahrain Tax Rates

- No corporate income tax
- No personal income tax
- No wealth tax on capital gains
- No withholding tax
- No restriction repatriation of capital, profits or dividends
- Few indirect taxes e.g. 10% municipal tax on rents

**Source:**

The Global Competitiveness Report , World Economic Forum 2010-11

### Corporate income tax rates in GCC countries



**Source:**

Ernst & Young Worldwide Corporate Tax Report 2010



# Businesses can be 100% Foreign Owned

- **Companies allowed 100% foreign ownership**
- **No 'free zone' restrictions**
- **Individuals may purchase land- freehold in prime locations for residential usage and accordingly obtain permanent residency**
- **Companies may purchase land-freehold throughout Bahrain for commercial usage.**

## **Types of 100%-owned commercial operations in Bahrain:**

- Limited Liability
- Single Person Company
- Private Joint Stock Company
- Holding Company

## **Other means for international investors to register their operations in Bahrain:**

- Public Joint Stock Company (up to 49% foreign ownership in any activity / sector)
- Branch Office
- Regional Office

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# Low Production Costs

12<sup>th</sup>

Lowest cost location to do business in the world\*



## Gas

Very competitive prices in the region of US\$2.5 per mmbtu



## Industrial Land

Flat rental rate for industrial land starts at US\$1.33 per sq. mt per annum (prices vary depending on location)



## Water

Water Prices are priced at US\$1.062 per cubic mt



## Electricity

Electricity prices are US\$0.042 per kWh

**\*Source:**

The Global Competitiveness Report , World Economic Forum 2010

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# Skilled Local Workforce

## Investing in people....

- A bi-lingual workforce that is the most skilled, educated in the GCC
- Substantial, ongoing investment in training Bahrainis; Tamkeen has a total contract budget of BD58 mn for the targeted number of 50,723 Bahrainis to train as part of the Human Capital Development Program
- Providing salary subsidies
- 2/3 of financial services workforce are Bahraini, of which 37% are women
- High quality financial focused training institutes and courses

## is always good for business.

- Bi-lingual workforce provides advantage when accessing other GCC markets
- Having a local workforce reduces overall labor costs
- Local talent pool minimizes staff turnover
- Excellent work ethic among local employees

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# World Leaders Already in Bahrain Include:



YOKOGAWA



HUAWEI



imagination at work



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