Export Opportunities in Bahrain

In 2017, Bahrain ranked 80th among U.S. export destinations and 49th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Bahrain include:

- Medical Equipment and Healthcare
- Agricultural and Food Sectors
- Construction and Infrastructure
- Electrical Power

Top Virginia Exports to Bahrain

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$61.6</td>
<td>3%</td>
</tr>
<tr>
<td>Special Classification Provisions</td>
<td>$29.9</td>
<td>-26%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$19.8</td>
<td>70%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$2.7</td>
<td>85%</td>
</tr>
<tr>
<td>Furniture; Bedding, Cushions</td>
<td>$2.3</td>
<td>494%</td>
</tr>
<tr>
<td>Articles of Iron or Steel</td>
<td>$1.7</td>
<td>307%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$1.3</td>
<td>69%</td>
</tr>
<tr>
<td>Beverages, Spirits &amp; Vinegar</td>
<td>$0.8</td>
<td>74%</td>
</tr>
<tr>
<td>Medical / Surgical Instruments</td>
<td>$0.4</td>
<td>-22%</td>
</tr>
<tr>
<td>Dairy Produce; Birds’ Eggs; Natural Honey</td>
<td>$0.4</td>
<td>-13%</td>
</tr>
<tr>
<td>Footwear</td>
<td>$0.4</td>
<td>-64%</td>
</tr>
</tbody>
</table>

In US$ Billions

- 2015: $1.3
- 2016: $0.9
- 2017: $0.9

(World Trade Atlas)
### Medical Equipment and Healthcare

Bahrain has a modern and comprehensive healthcare system with a robust healthcare infrastructure, including four state-sponsored hospitals, sixteen private institutions and a large number of clinics and maternity hospitals. Bahrain’s Ministry of Health has excellent laboratory facilities and staff.

Best prospects for US exporters include:
- Pharmaceutical industry, drug packaging and distribution
- Complementary health services
- Health support services and health resorts
- Health education and training
- Medical research centers
- Information technology (E-health program)
- Biotechnology

### Construction and Infrastructure

Large-scale government infrastructure projects continue to stimulate the Construction sector in Bahrain. The GOB is expanding Bahrain International Airport to include maintenance of the old terminal, constructing a new fuel depot, a new aircraft hangar, and a new private jets terminal. In the 2015 National Action Plan, the GOB made a four-year commitment to construct 20 major highways, develop the sewage system, and ensure basic services coverage to 98% of the residential areas in Bahrain. The demand for small housing units for medium income families has increased dramatically in recent years.

As GCC Marshall Funds and government housing initiatives continue, top prospects for US exporters include:
- Moisture protection products;
- Conveyor systems;
- Elevators;
- Stile and rail;
- Gypsum board; and
- Fire suppression equipment.

### Agricultural and Food Sectors

The rapid growth of the Bahraini hotel and restaurant sectors, including American fast food restaurants, has increased the demand for meat products and food ingredients from the U.S. in recent years. In addition, growth in the local food processing industry will continue to spur demand for intermediate products.

Best prospects for US exporters include:
- Dairy products
- Frozen poultry meat; beef; seafood
- Snack foods; breakfast cereals; packaged rice
- Processed fruits and vegetables
- Fresh apples and pears
- Beer
- Tree nuts, particularly almonds
- Condiments, hot sauces, salad dressings, ketchup, and mayonnaise.

### Electrical Power

According to the World Bank, Bahrain had one of the highest per capita energy consumption rates in the world. Electrical energy is produced mainly by fossil fuels or steam turbines. Demand is growing by an average of ten percent annually. The Government of Bahrain has set a goal of producing ten percent of domestic energy from renewable sources by 2030.

Best prospects for US exporters include:
- Engineering services;
- Material labs;
- Laser welding;
- EDM drilling; and
- Power plant spare parts, such as high pressure stems, retaining rings, heat shields, turbine casings, and combustion chambers.

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities](#).
FAST FACTS

Economic Overview

Oil comprises 85% of Bahraini budget revenues, despite past efforts to diversify its economy, build communication and transport facilities for multinational firms with business in the Gulf, and expand infrastructure development.

As part of its diversification plans, Bahrain implemented a Free Trade Agreement (FTA) with the US in August 2006, the first FTA between the US and a Gulf state. It plans to introduce a Value Added Tax (VAT) by the end of 2018.

Other major economic activities are production of aluminum - Bahrain’s second biggest export after oil - finance, and construction. Bahrain continues to seek new natural gas supplies as feedstock to support its expanding petrochemical and aluminum industries. In April 2018 Bahrain announced it had found a significant oil field off the country’s west coast, but is still assessing how much of the oil can be extracted profitably.

In 2011, Bahrain experienced economic setbacks as a result of domestic unrest driven by the majority Shia population; however, the economy recovered in 2012-15, partly as a result of improved tourism. In addition to addressing its current fiscal woes, Bahraini authorities face the long-term challenge of boosting Bahrain’s regional competitiveness — especially regarding industry, finance, and tourism — and reconciling revenue constraints with popular pressure to maintain generous state subsidies and a large public sector. Since 2015, the government lifted subsidies on meat, diesel, kerosene, and gasoline and has begun to phase in higher prices for electricity and water.

(CIA World Factbook)

Cultural Guide

- Arabic is the official language of Bahrain, but English is widely spoken. English is used in business and is a compulsory second language in schools.
- Islam is practiced by the majority of Bahrainis and governs their personal, political, economic and legal lives.
- Since Bahrainis prefer to do business with those with whom they have a personal relationship, a letter of introduction from someone they know allows them to trust you.
- Under no circumstances should you slap a Bahraini on the back or point at them with your finger. Avoid looking at your watch when speaking with Bahraini businesspeople, as it is a sign of disrespect.
- Bahrainis are tremendously friendly; smiling and direct eye contacts are crucial.
- Men shake hands and kiss each other on the cheek; women generally hug and kiss close friends.
- Business cards are given to everyone you meet; have one side of your card translated into Arabic. Present and receive business cards with two hands, and make a point of studying any business card you receive before putting it into a business card holder.

(Commisceo)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

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Online Resources

- **Bahrain Overview**
  - Global Edge - Michigan State University
- **Bahrain Factbook**
  - CIA World Fact Book
- **CommisCEO Guide to Bahrain**
  - CommisCEO
- **Bahrain Country Profile**
  - BBC

Additional Resources:

**Market Reports**

- **Bahrain Country Commercial Guide**
  - U.S. Commercial Service
- **Ease of Doing Business Report**
  - World Bank
- **Exporting to Bahrain**
  - United Kingdom Trade and Investment