

Bahrain

Invest in the heart
of the Gulf

2020

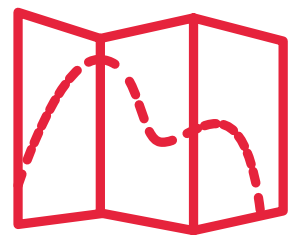


About Bahrain



Introduction to **Bahrain**

Island at the heart of the Arabian Gulf
Connected to Saudi Arabia by a 25km causeway



770 km²



1.5 million
(52% expats)



Arabic & English



Nominal GDP
USD 38.5 billion
(2019)



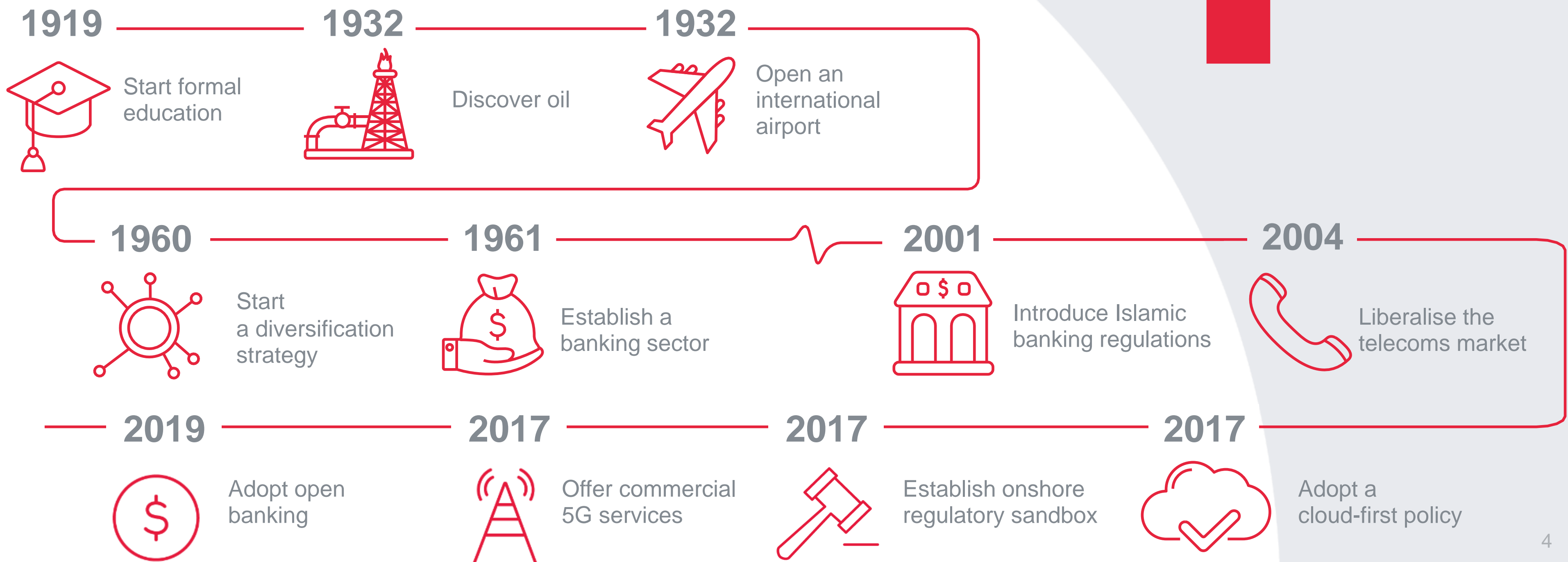
FDI Inflows
USD 942 million
(2019)



A pioneer in the region

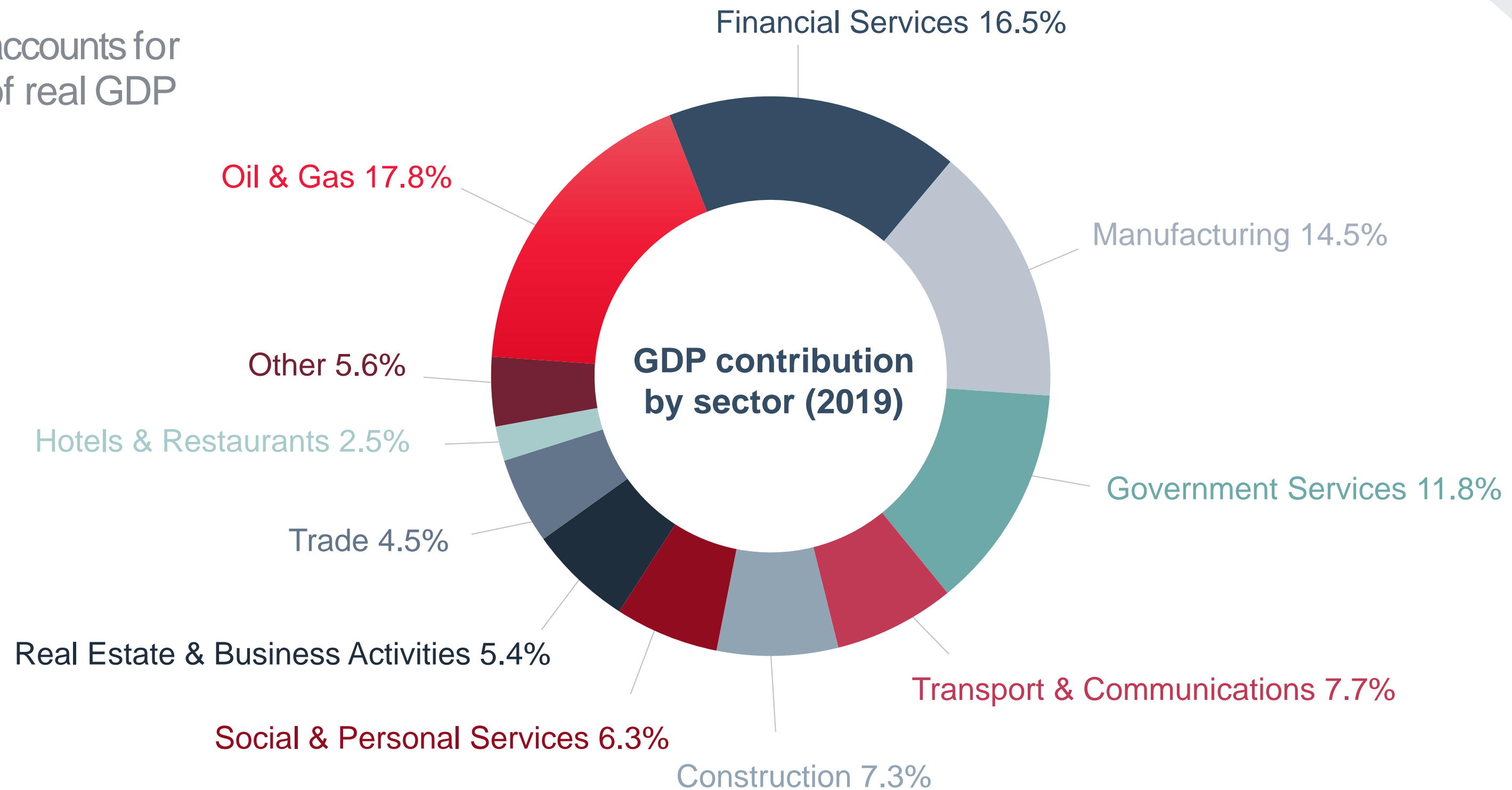
1st

Bahrain was the first in the region to:



A well diversified economy

Non-Oil Sector accounts for more than 80% of real GDP



Bahrain's sector focus



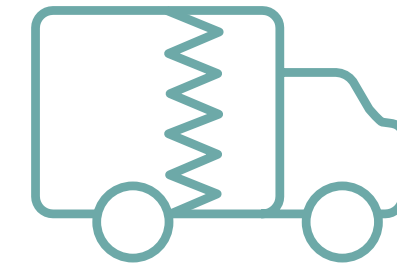
Financial services



ICT



Manufacturing &
industrial services



Transport, logistics &
regional distribution



Tourism



Real estate



Education



Healthcare



Start-ups

Bahrain's Strength



Why Bahrain?



**Easy market
access**



**Agile business
environment**



**Cost
competitive**



**Skilled & competitive
workforce**



**High quality
of life**



**Team Bahrain
collaboration**

Easy access to the USD 1.5 trillion GCC market



440 million

MENA Consumers


Source: BMI Research (2018)

54 million

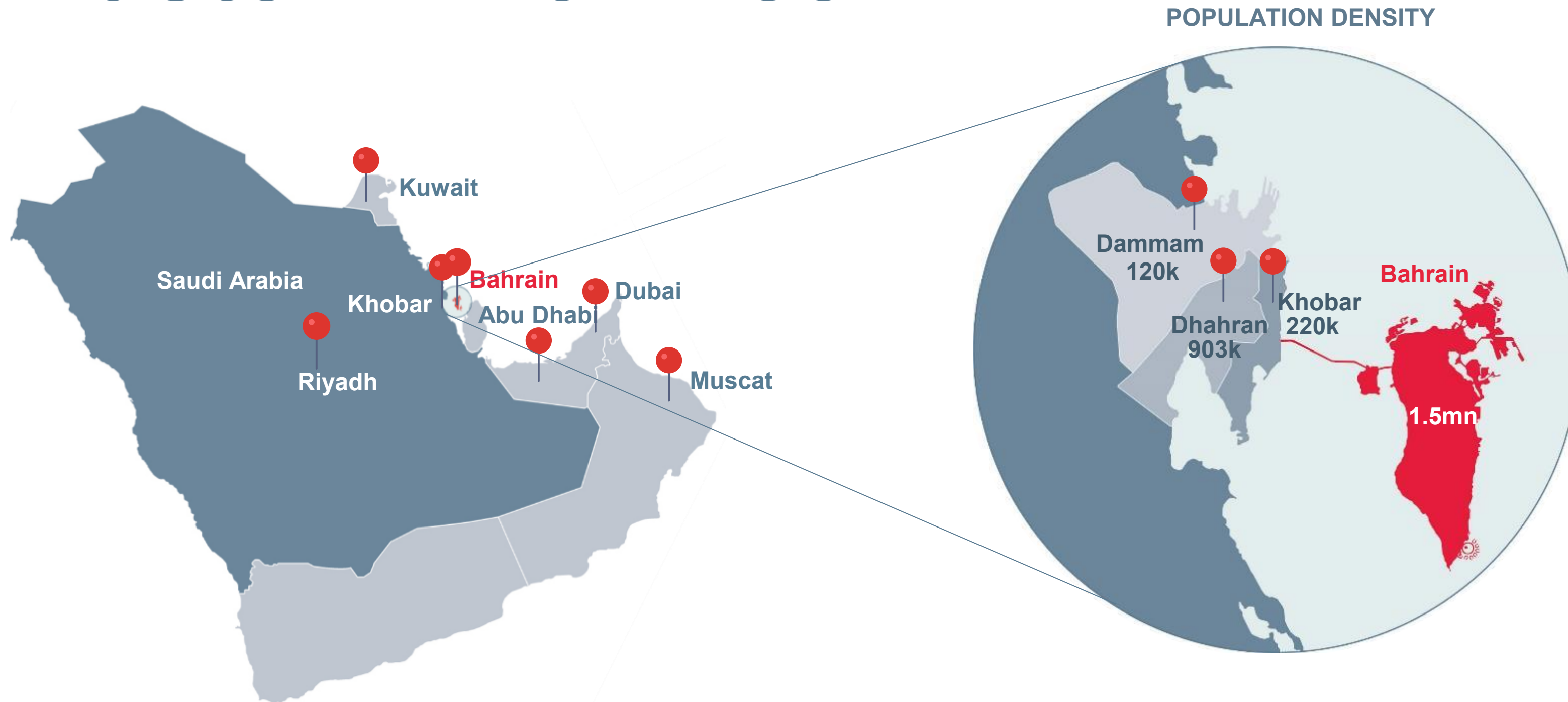
GCC Consumers

Source: World Population Review (2019)



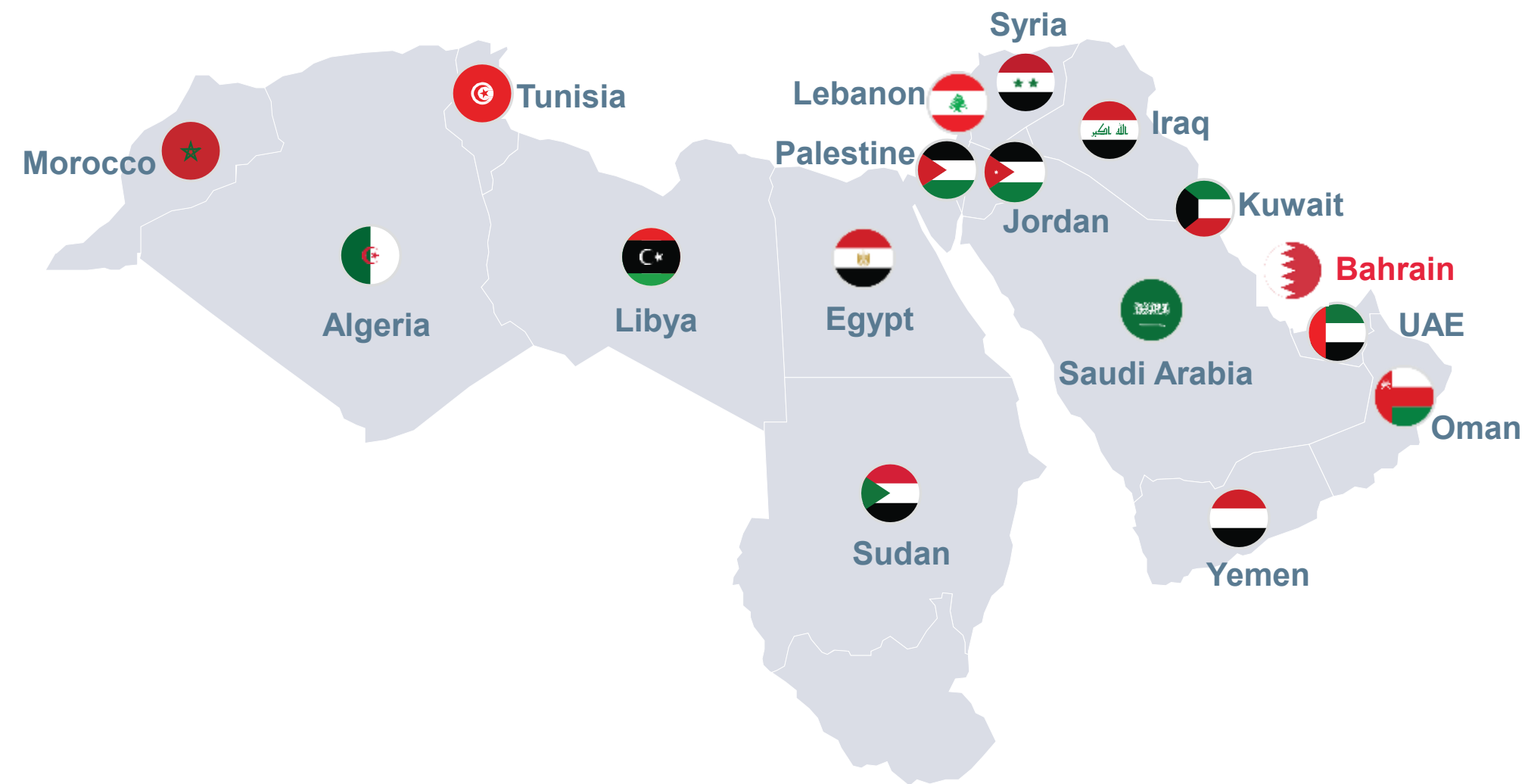
	Khobar	Riyadh	Kuwait	UAE	Muscat
	30 mins	4 hrs	4 hrs	8 hrs	12h 45m
	35 mins	45 mins	45 mins	45 mins	1h 30m

Linked by causeway to population centres in KSA's Eastern Province



Duty-free access to the MENA region and beyond

22 Free trade agreements
34 Investment protection & promotion agreements
41 Double taxation avoidance agreements



Key international markets



USA



Singapore



Iceland



Liechtenstein



Norway



Switzerland

An **agile** business environment



100%
Foreign ownership
allowed*



No
'Free zone'
restrictions



No
corporation
taxes



No
personal
income taxes



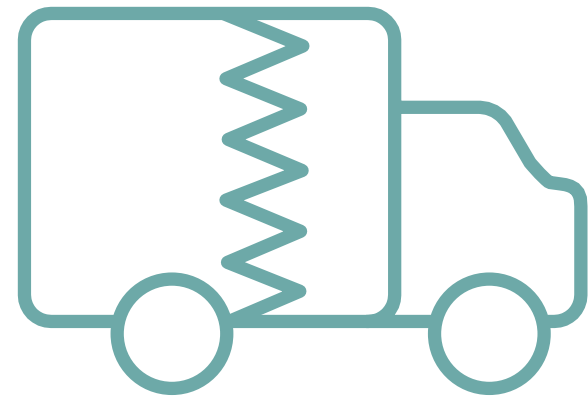
No
wealth taxes or tax
on capital gains

*Covers majority of sectors

Cost Competitive

Bahrain's operating costs are lower than the rest of the GCC

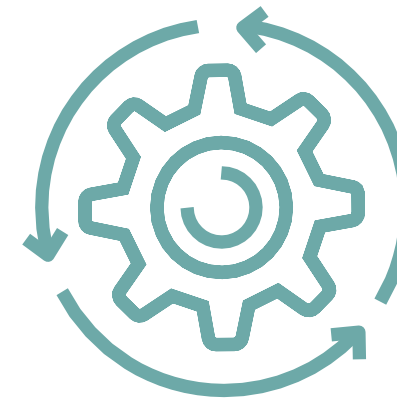
KPMG Cost of Doing Business Report



**Logistics
Sector**
Up to
43%
lower



**Financial Services
Sector**
Up to
35%
lower



**Manufacturing
Sector**
Up to
33%
lower



**ICT
Sector**
Up to
20%
lower

Highly skilled workforce

Especially in key growth sectors

1st in MENA

Languages

Expat Insider 2019: InterNations survey

Quality of Education (9th globally)

Expat Insider 2019: InterNations survey

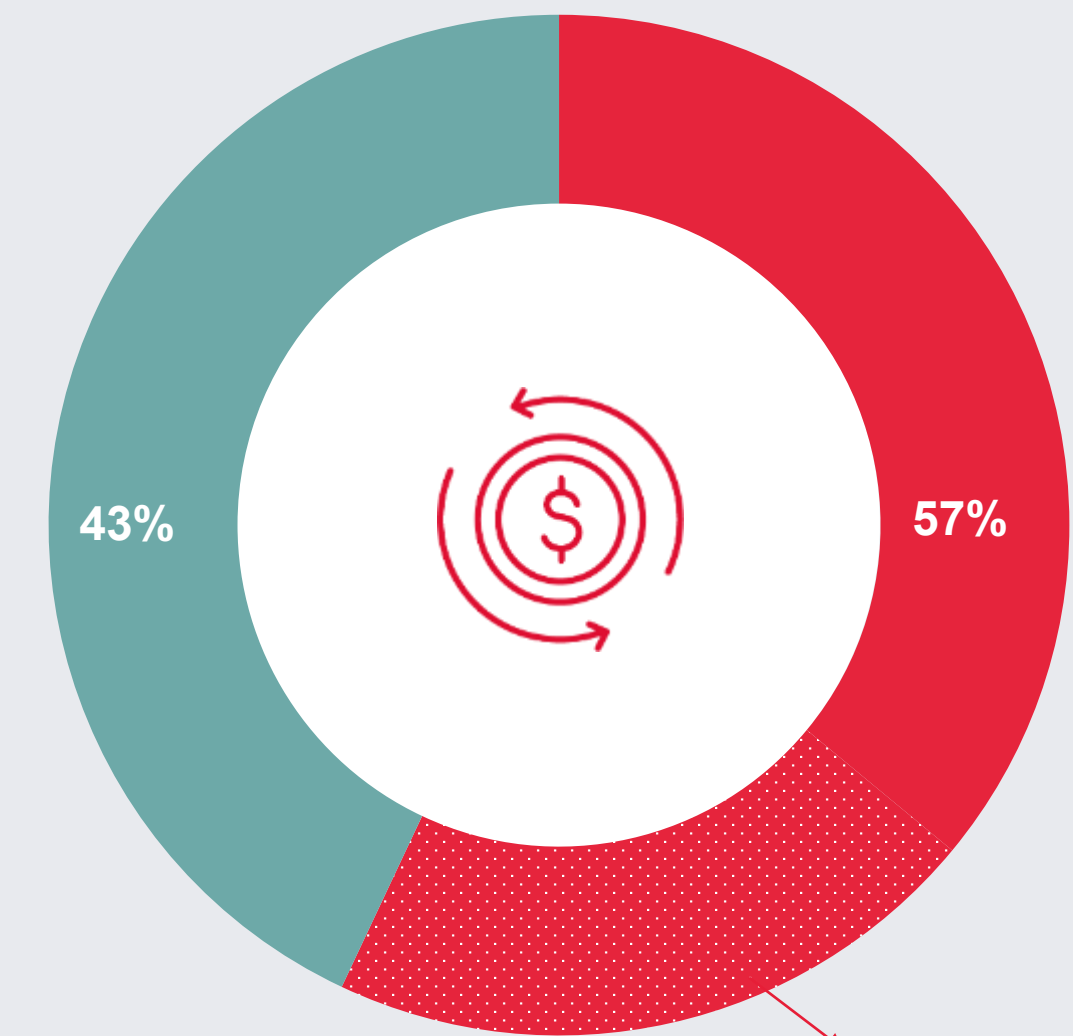
Labour market flexibility

WEF, Global Competitiveness Report 2019

Human Capital Index

World Bank 2018

Financial Services



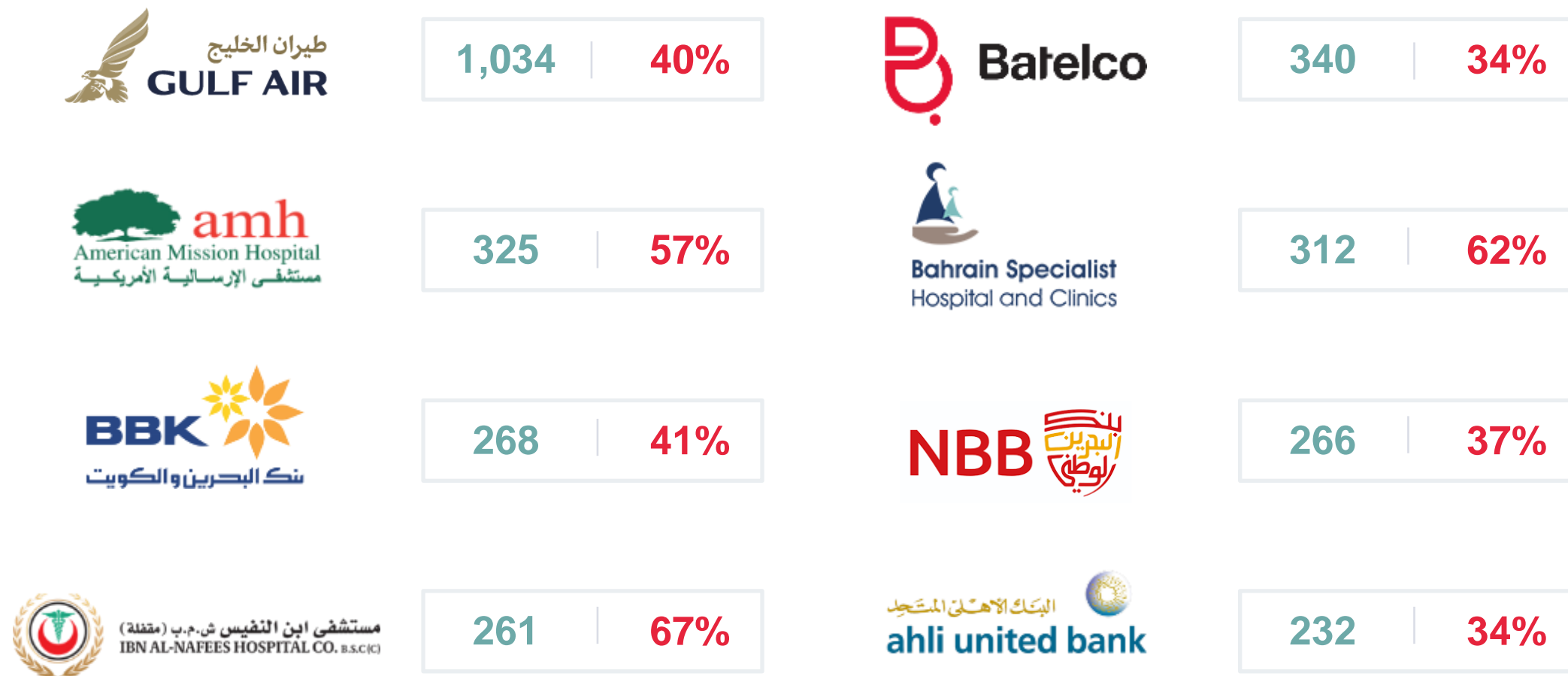
21% of the financial services sector are Bahraini women

■ Bahrainis ■ Non Bahrainis

Source: LMRA, Q2 2019

Gender diversity

Top companies in Bahrain with high employment of women (private sector)



Legend

Total number of women | % of women in total workforce

Source: LMRA, Q3 2020

Top industries for gender diversity (private sector)

(Percentage of women in the workforce)



15

Source: LMRA, Q2 2019

Easy access to foreign talent

Bahrain is ranked **1st** in the MENA region, and **6th** in the world for expats

InterNations Expat Insider Survey 2020

Ranking	Country
1	Taiwan
2	Mexico
3	Portugal
4	Panama
5	Columbia
6	Bahrain
7	Singapore
8	Malaysia
9	Ecuador
10	Spain



Population: 52% Expats

Ease of obtaining a visa

- ✓ On arrival: **69 countries**
- ✓ Online: **116 countries**
- ✓ Investors: **Long-term residency permits (up to 10 years)**

#TeamBahrain

“ At its heart, Team Bahrain is centered on our **people**, who work together to achieve greater national prosperity. ”

HRH Prince Salman Bin Hamad Al Khalifa

Crown Prince, Deputy Supreme Commander and
First Deputy Prime Minister, Kingdom of Bahrain



Formula 1

Built the first Middle East Formula 1 track in 16 months only (record-time)

- ✓ Aligned all stakeholders
- ✓ Improved F1 readiness with multiple infrastructure developments
- ✓ Created a motorsports hub in the Middle East & hosted a global event

Team Bahrain partners:



+ Private Sector involved in construction





Reclaimed land that was not available in six months (record-time) for 6th largest global hub

- ✓ Mondelez needed 250,000m² of industrial land for their factory expansion
- ✓ Ensured the availability of land for their supply chain to be adjacent to the new site
- ✓ Formed Bahrain Logistics Board to guarantee efficient exports into KSA

Team Bahrain partners:





Attracted MENA's first hyperscale data centre

- ✓ Identified potential sites for AWS (fastest global deployment)
- ✓ Changed legislation to enable cloud and to make it attractive for the private sector
- ✓ Adopted a government-wide “cloud first” policy (regional pioneer)
- ✓ Introduced data jurisdiction & protection laws
- ✓ Offered grant-based support for cloud migration training and cloud credits for SMEs

Team Bahrain partners:



Investment Opportunities



A strong pipeline of investment opportunities

Transportation



USD 58.5mn

Airport: New air cargo & logistics area

Completion: 2021

USD 3.5bn

King Hamad Causeway (GCC railway integrated)

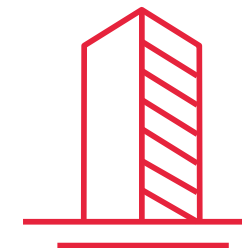
Completion: 2028

USD 1.5bn

Bahrain Metro: Passenger urban transit system

Completion: 2027

Real Estate



USD 1.45bn

Bilaj Al Jazayer

Completion: 2035

USD 450mn

Bahrain Marina

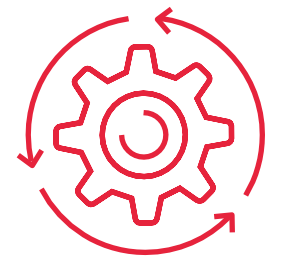
Completion: 2025

USD 1bn

Al Areen

Completion: 2030

Industrial



Downstream Aluminium Park

HVAC cluster

Downstream fiberglass cluster

FMCG Cluster

Transportation

key opportunities



USD 58.5mn

Airport: New air cargo & logistics area

Scope:

- Airside and landside shell and core facilities
- Located in the northern apron of Bahrain Airport

Status:

- Phase 1: completed by Sept 2021 (*subject to change*)

Investment opportunities:

- ✓ Courier & express logistics services/ hub-and-spoke operations
- ✓ E-commerce fulfillment and last mile delivery
- ✓ Contract Logistics

USD 3.5bn

King Hamad Causeway (GCC railway integrated)

Scope:

- Bimodal 24km bridge, parallel to King Fahd Causeway
- Road and rail accommodating passengers and freight
- Integrating with the inter-operable GCC railway network

Status:

- Feasibility and conceptual design completed
- Transaction advisor appointed to devise PPP structure
- RFQ to be issued by Q2, 2021

Investment opportunities:

- ✓ To be determined once tender documentation is developed

USD 1.5bn

Bahrain Metro: Passenger urban transit system

Scope:

- 29km metro
- 20 stations, operating through 2 lines
- Capacity: 43,000 passengers per hour
- Reducing traffic congestion

Status:

- Preliminary/conceptual design & feasibility completed
- RFQ for developers issued by Q4, 2020
- Access corridors currently being cleared
- Transaction advisor will be appointed to devise the PPP funding structure; to be announced soon

Investment opportunities:

- ✓ To be determined once tender documentation is developed

Real estate key opportunities



USD 1.45bn

Bilaj Al Jazayer
Completion: 2035

Scope:

- Designed to elevate the offering of public beaches in Bahrain and promote family beach lifestyle
- Land area: 1,300,000m²

Uses:

A Beachfront mixed-use tourism and recreational development

Investment opportunities:

- ✓ Hotels
- ✓ Resorts
- ✓ Entertainment
- ✓ Retail

USD 450mn

Bahrain Marina
Completion: 2025

Scope:

- A beachfront development focusing on hospitality, F&B, retail and maritime activities as a destination
- Land area: 225,000m²

Uses:

5-star hotel, serviced apartments, retail mall & family entertainment center, beach resort, beach front dining and marina

Investment opportunities:

- ✓ Real estate
- ✓ Hospitality
- ✓ Retail
- ✓ F&B
- ✓ Tourism
- ✓ Entertainment
- ✓ Leisure

USD 1bn

Al Areen
Completion: 2030

Scope:

- Designed to replicate a new family-oriented living community with complete set of mixed-use developments
- Land area: 2,000,000m²

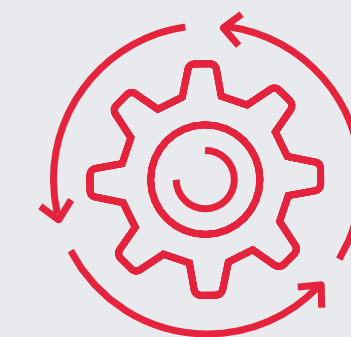
Uses:

Residential, Resort and all-inclusive hotels, commercial, healthcare and education

Investment opportunities:

- ✓ Real estate
- ✓ Tourism & leisure
- ✓ Healthcare
- ✓ Education

Industrial key opportunities



Downstream Aluminum Park

Work in progress

HVAC Cluster

Downstream fiberglass cluster

FMCG Cluster

Scope:

- Molten Metal Industrial Park
- South of Alba & in close proximity, reducing logistics costs
- Dedicated route enabling quick access to liquid metal

Location option:

- Bahrain International Investment Park (Hidd Industrial Area, Salman Industrial City)
- Close proximity to Khalifa Bin Salman Port with a direct route towards the King Fahd Causeway
- 10-year zero corporate tax guarantee
- 5-year exemption from recruitment of locals, enabling gradual acclimation with operating in Bahrain
- Competitive setup and operational costs

Key players:

- Midal Cables
- Balexco
- Garmco

Key players:

- Awal Gulf
- Armacell

Key players:

- CPIC
- Unifrax

Key players:

- Arla
- Mondelez
- Reckitt Benckiser
- Kimberly Clark

Investment opportunities:

Downstream aluminum manufacturing:

- ✓ Automotive components
- ✓ Assembly lines
- ✓ Packaging
- ✓ Machinery and equipment

Investment opportunities:

- ✓ Air conditioning component assembly
- ✓ Insulation and Ventilation Materials

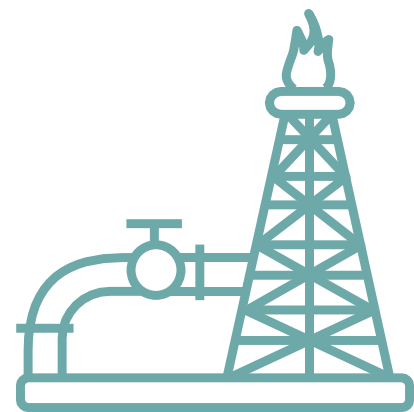
Investment opportunities:

- ✓ Aviation, automotive & aerospace components/parts
- ✓ Structural frames and building materials

Investment opportunities:

- ✓ Food & beverage manufacturing
- ✓ Cosmetics and personal care products
- ✓ Household items

The largest **oil & gas** discovery in 8 decades



81.5 billion barrels of tight 'oil in place'

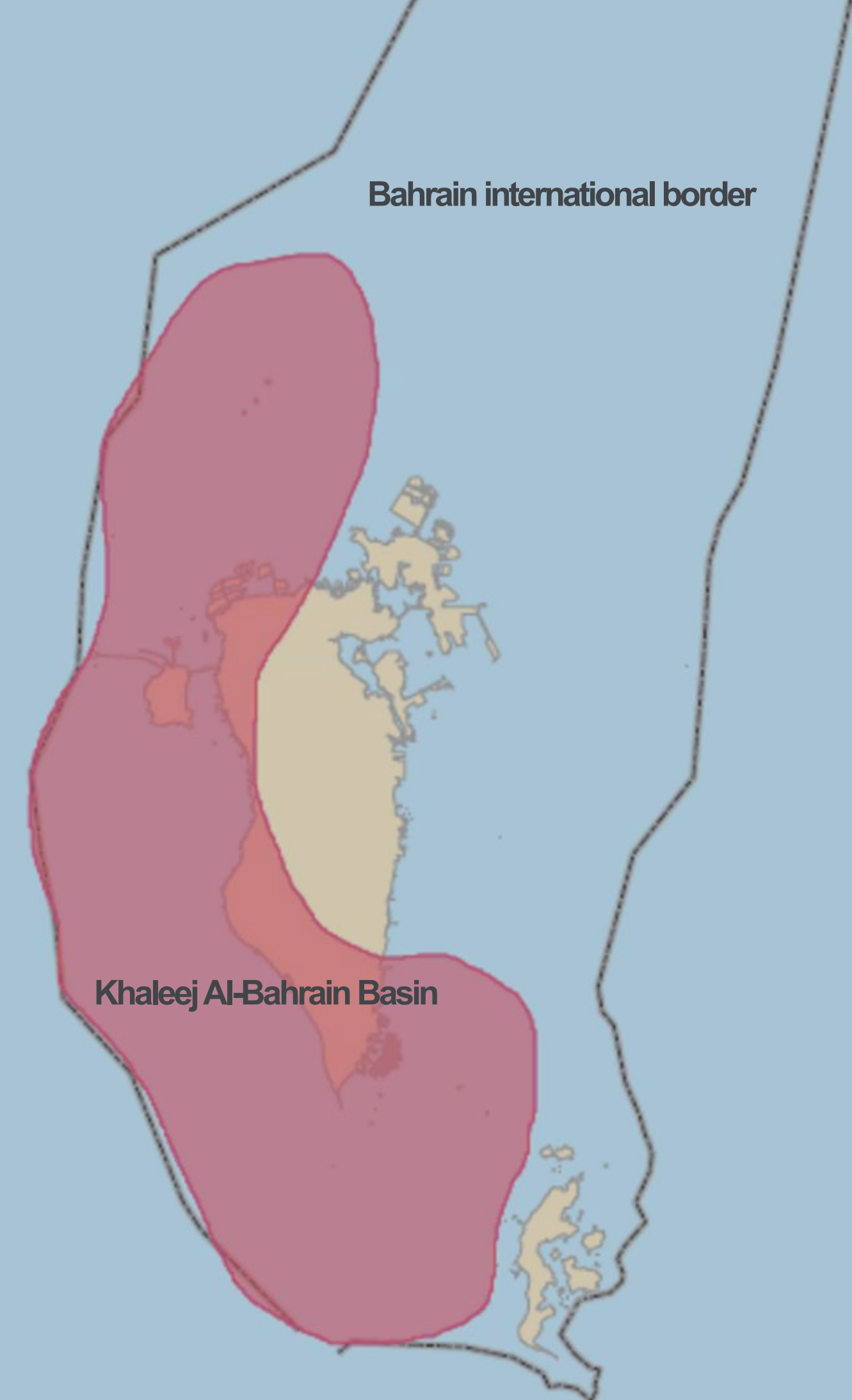
14 trillion cf of associated gas reserves

- Ready to connect facilities nearby
- Supporting long-term downstream activities

How the discovery compares globally

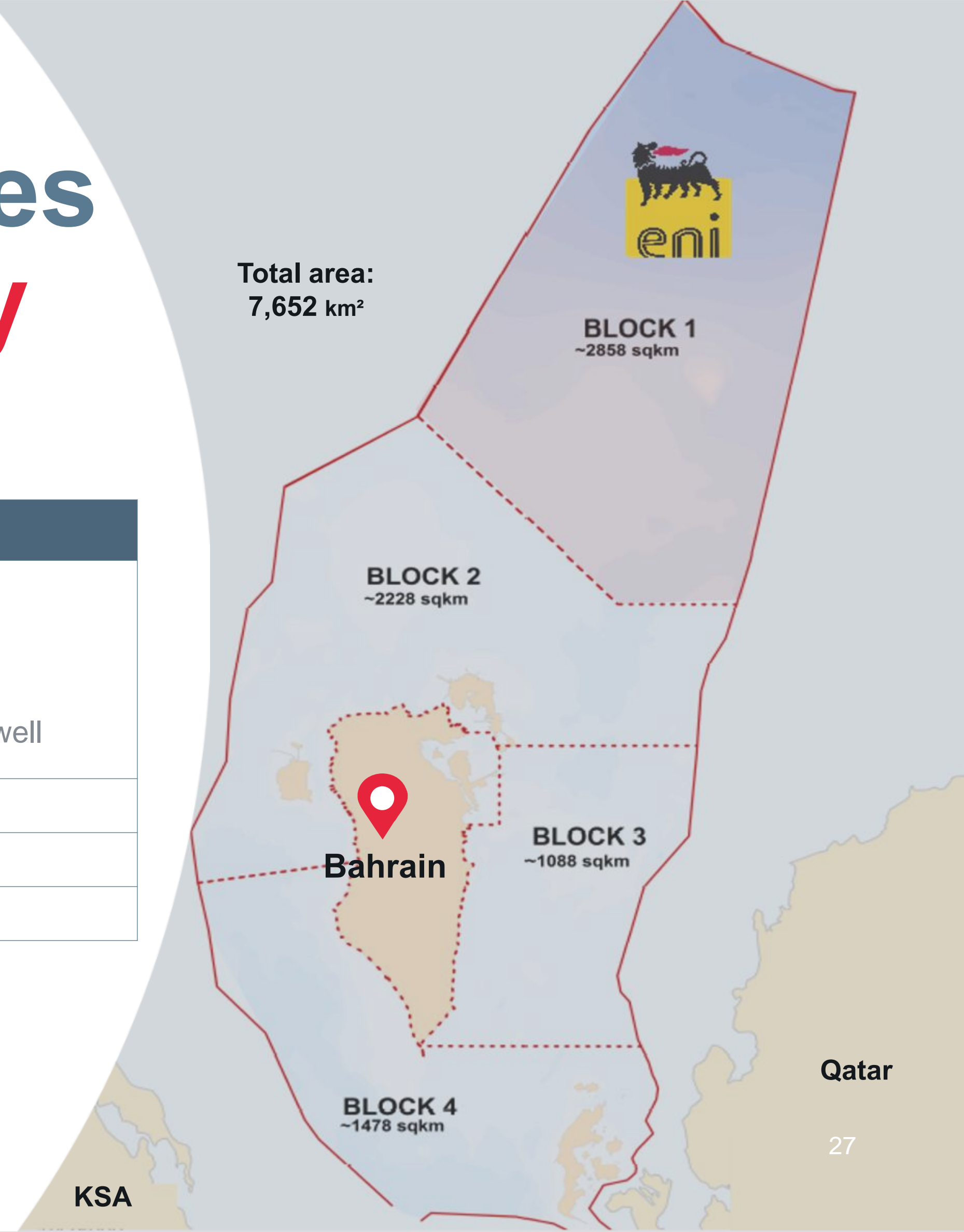
Location	Resources (barrels)	Technically Recoverable
UAE (Shilaif Formation)	367 billion	22 billion
Libya (Tannezuft Shale)	104 billion	5.2 billion
Bahrain (Khalij Al Bahrain)	81.5 billion	4.1 billion
Egypt (Abu Gharadig)	47 billion	1.9 billion
Oman (Rub Al-Khali)	24 billion	1.2 billion
Jordan (Wadi Sirhan)	4 billion	100 million

Source: Higher Committee for Natural Resources and Economic Security, US Energy Information Administration



With new potential sites for **oil & gas discovery**

Block	Size	Status
1	2,858 km ²	<ul style="list-style-type: none"> ➤ Eni: Signed exploration & production sharing agreement ➤ Phase I: Drill (1) exploration well; conduct G&G study ➤ Phase II: Seismic acquisition program; drill (1) exploration well
2	2,228 km ²	Open for bidding
3	1,088 km ²	Open for bidding
4	1,478 km ²	Open for bidding



Rapidly moving to a digital economy

Legend



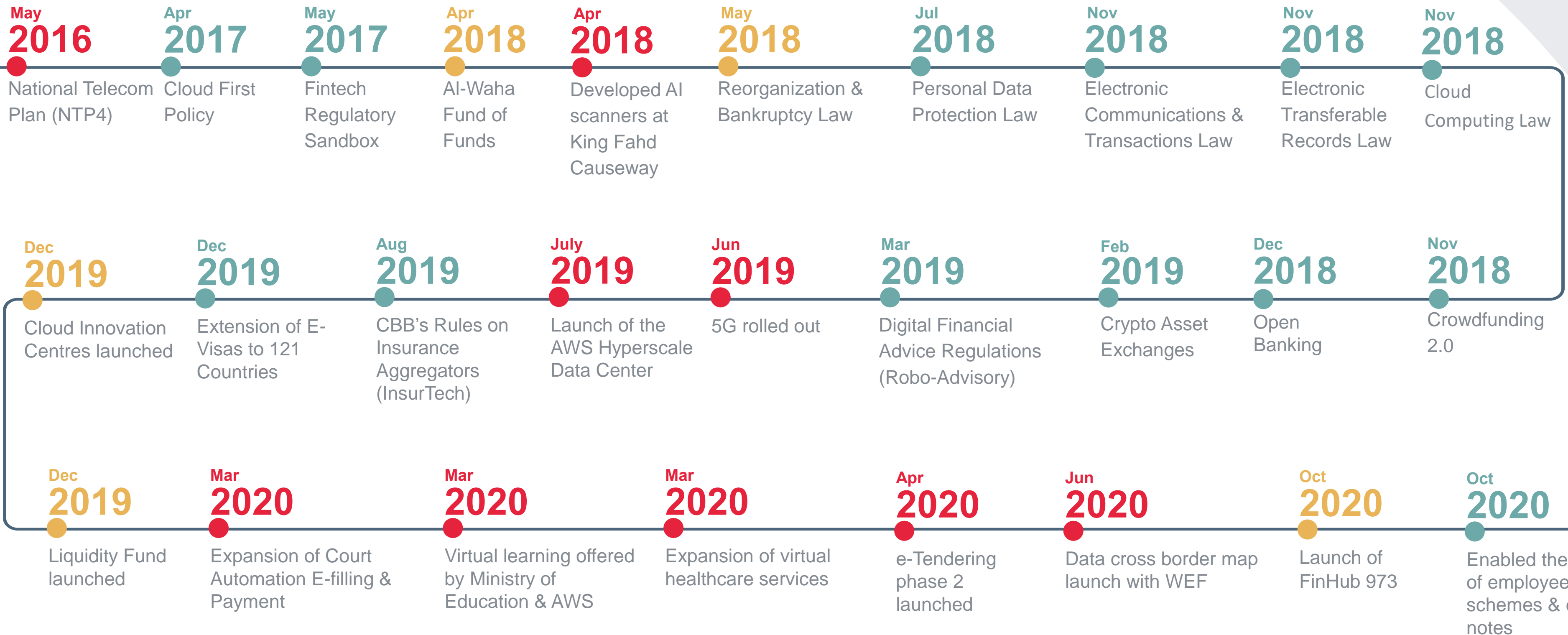
Upgrading infrastructure



Innovative regulations



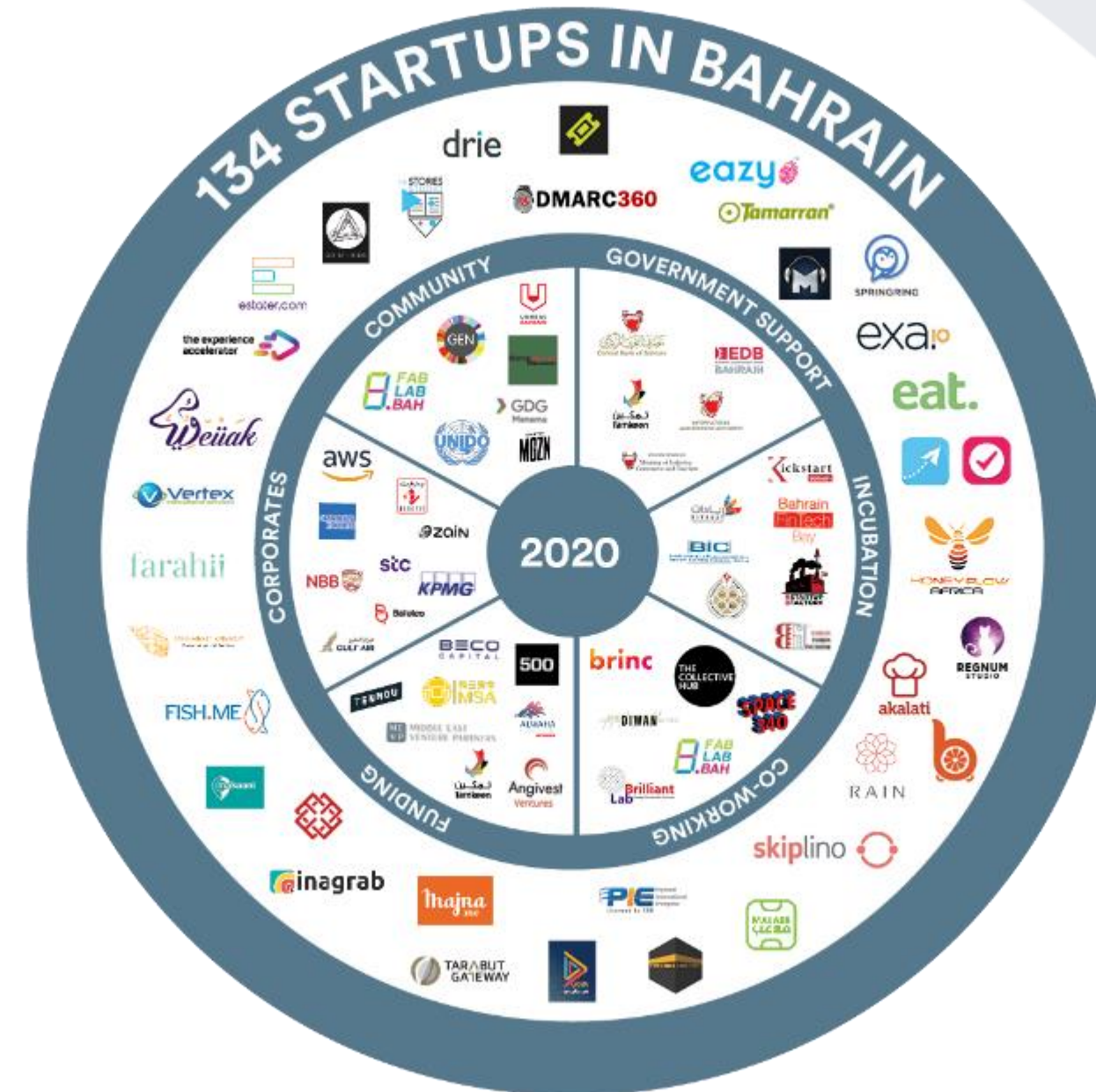
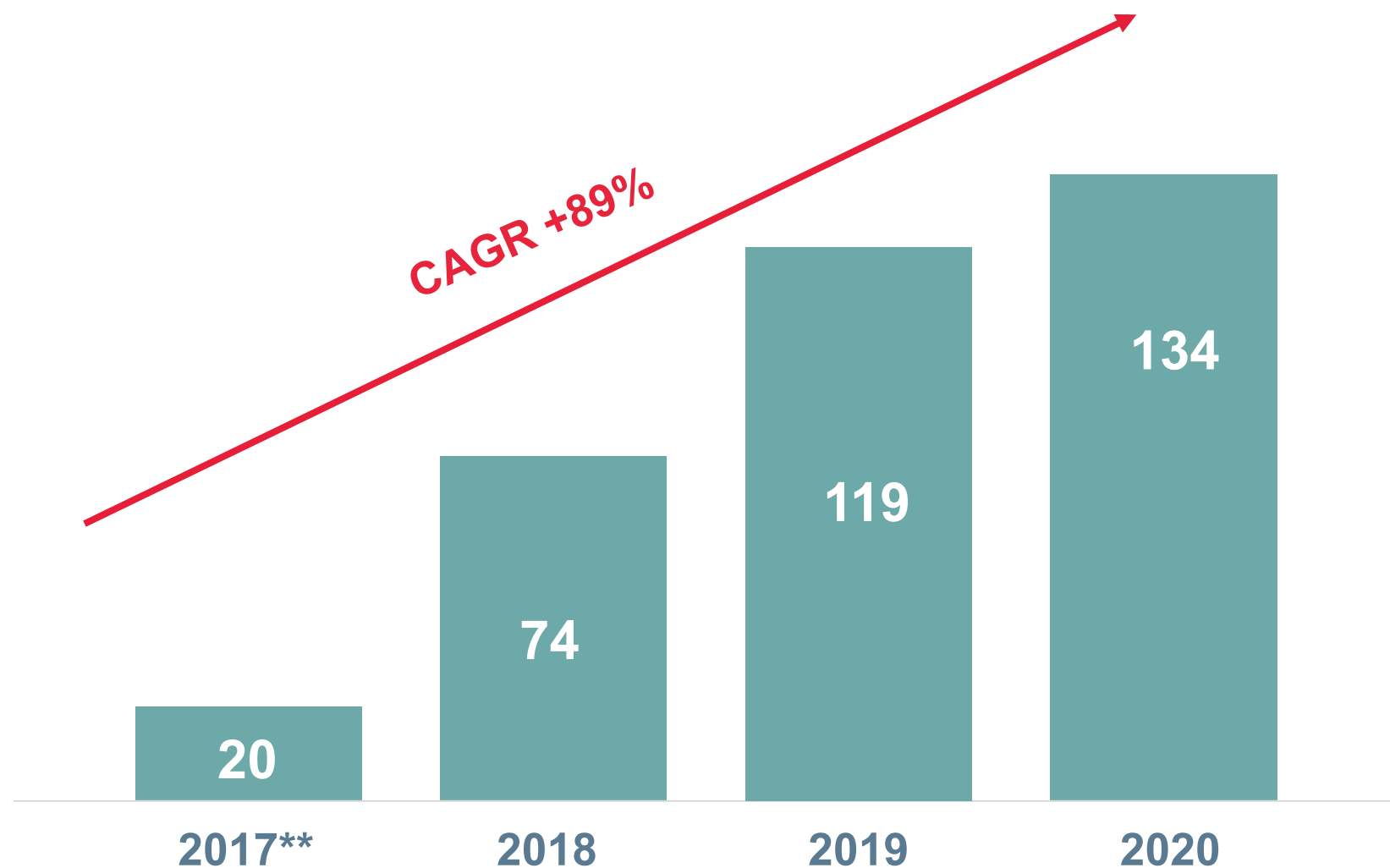
Strengthening platform for startups & SMEs



A growing start-up ecosystem

Total funding raised & disclosed since 2011:
USD 21,047,255*

Number of start-ups in Bahrain



**2017 figure is an estimation

*Source: MAGNiTT

Hotspot for top global companies



Its presence in Bahrain is as old as the Financial Services industry in the Kingdom – 100th year.



Boasts 43 different nationalities in its staff, most of which are represented in Bahrain.



Regional headquarters in Bahrain to access talent.



Bahrain worked with AWS to introduce a number of laws to support digital transformation within the economy.



Regional hub in Bahrain for the past 40 years, employing 1,500 people.



Serves the regional, southeast Asian and Australian market from Bahrain.



Their largest manufacturing plant outside of Europe, making it the 2nd largest dairy manufacturer in MENA.



Global manufacturing plant where 11 out of 20 Formula 1 drivers wear helmets made in Bahrain.

Recent success stories in Bahrain



One of Asia's largest third-party logistics companies, offering freight services with a focus on regional markets.



Further expansion of its business, with a new facility for assembly & systems integration of instrumented control panels and measuring devices.



The region's first cryptocurrency brokerage - graduated from the regulatory sandbox & received Bahrain's first ever crypto-asset module license.



A seafront shopping & leisure destination with restaurants, cafes & boutiques. There are plans for an expansion.



Private hospital dedicated solely to women's care and pediatrics – first of its kind in the country.



First to graduate from the regulatory sandbox and first licensed open banking provider in the country.



A leading mobile internet company – set up their regional headquarters for its gaming platform, Analive, in Bahrain.



Large mixed-use development focused on high-end residential development towers along with a small portion allocated for retail.

Recent success stories in Bahrain



A partnership between Promoseven Holdings and Intuitive Education Group, this British Curriculum Provider offering quality British Education at an affordable price.



Saint Michael's International School - British curriculum targeting the premium plus fee tier & offering state of the art education – operated by InspirED Education Group.



The first licensed e-broker in the region - it was granted a regulatory approval and e-broker license from the CBB to launch its insurance comparison services in Bahrain.



Industrial engineering group, established an integrated workshop for repair of equipment & tools, manufacturing of servicing parts and storage of spare parts



A mobile time-tracking app offering a service to simplify payments to hourly workers. SINC serves their customers in the US from Bahrain.

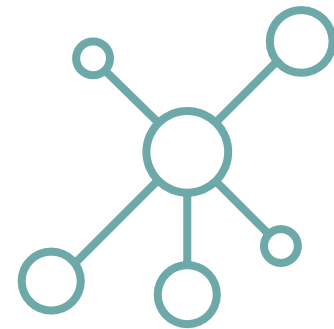
Bahrain Economic Development Board

An IPA responsible for attracting investment and enhancing the business ecosystem



Feasibility

Analysis and information to support your investment decision



Registration

A concierge service to streamline your market entry



Aftercare

Long term support to make your business a success

Contact us

www.bahrainedb.com

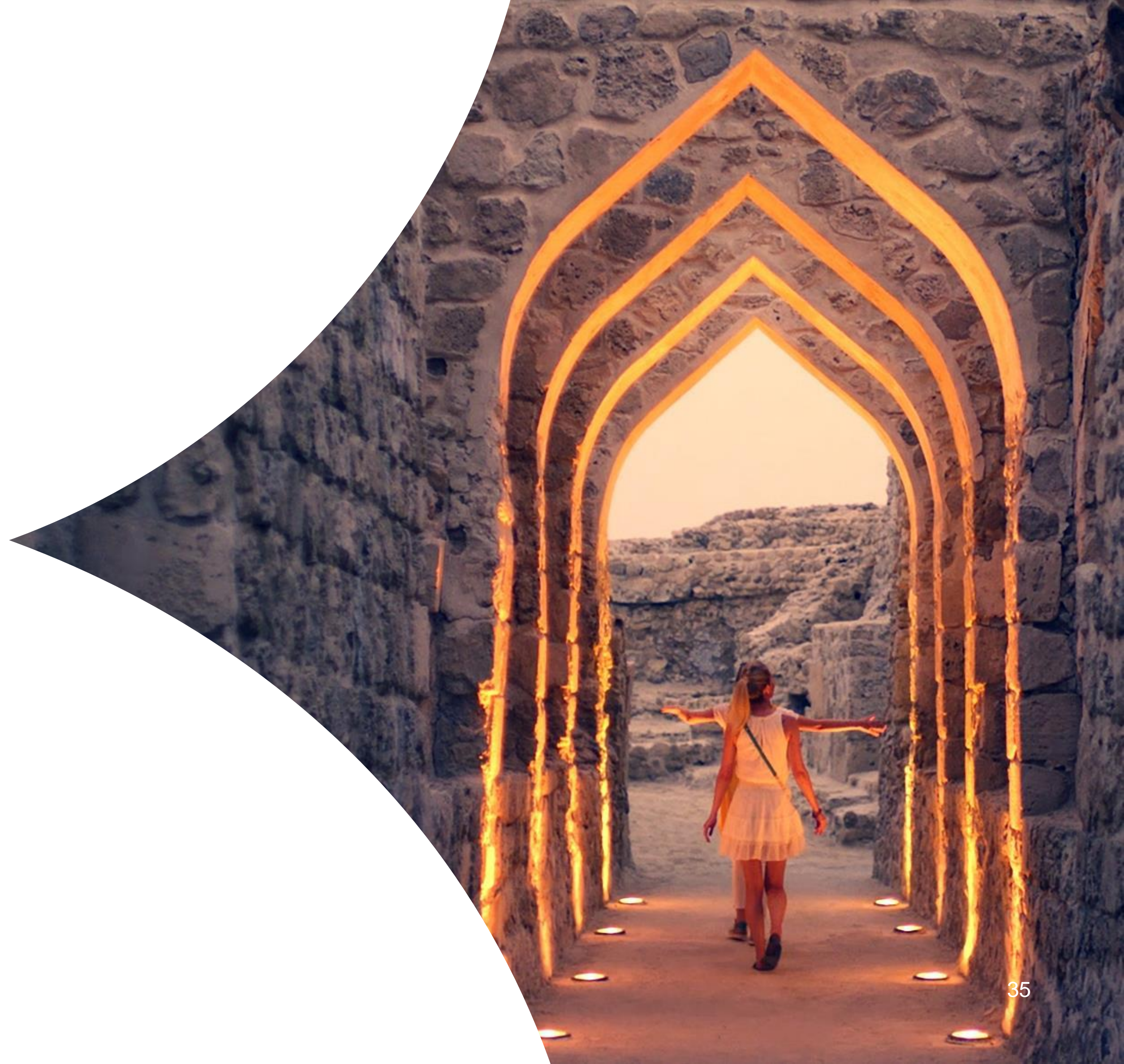
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Appendix



US-Bahrain free trade agreement



Signed in 2006



First GCC member to enter into a US free trade agreement

Duty-free trade



Removes all tariffs and duties on traded goods between both countries

Bilateral investment



Supports bilateral investment, granting citizenship advantages

Doing business with the **USA**

US companies based in Bahrain:



26%

Increase in Non-Oil Trade with USA since 2013

USD 1.6bn

Non-Oil Trade with USA in 2019

Source: Information and eGovernment Authority

Doing business with **India**

Indian companies based in Bahrain:



38%

Increase in Non-Oil Trade with India since 2013

USD 900mn

Non-Oil Trade with India in 2019

Source: Information and eGovernment Authority

Doing business with the UK

UK companies based in Bahrain:



47%

Increase in Non-Oil Trade with UK since 2013

USD 518mn

Non-Oil Trade with UK in 2019

Source: Information and eGovernment Authority

International companies in Bahrain

