



Welcome To Bahrain



Services Provided by the Economic Development Board (EDB)

The EDB's Business Development Department provides free facilitation services for companies planning to establish or expand their business operations in Bahrain. These services include the following:

Administrative Assistance

- Acting as the interface for investor questions relating to establishing a business in Bahrain

Investor Relations Support

- Handholding through the full registration process

Identification of Potential Business Partners

- Establish contacts to high calibre partners (if interested in a joint venture)

Ensuring Access to Resources

- Ensuring access to resources such as access to gas, electricity and water.

Assisting in Property Selection

- Help find the right type of property according to the industry

Access & Training of Local Labor Force

- Introducing investors to entities that provide training (the Polytechnic, Bahrain Training Institute and Tamkeen) and recruitment agencies

Aftercare Services

- Support provided after the company has registered (includes liaising with government entities, assisting with employee related issues and supporting with re-expansion of projects)



Population: 1,195,020 (approx. 51% expats)

Real GDP: \$26.1 bn (2011)

Area: 770 sq. km

30-min causeway to Saudi Arabia (biggest GCC market)

50-min causeway to Qatar in progress (Highest global GDP/capita)

Easy access to an economy worth \$2 trillion by 2020¹:

4.5% GCC estimated growth

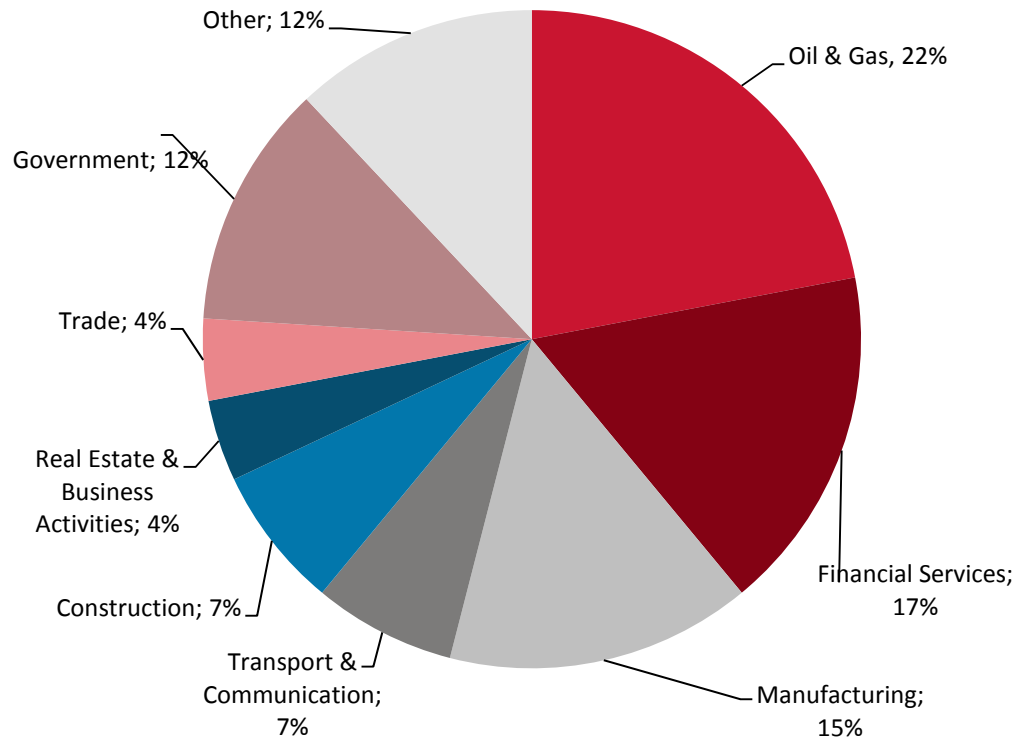
3.3% Global average growth

36 million GCC consumers

440 million MENA consumers



Contributors to Bahrain's 2011 GDP



Growth of real GDP by sector (2011)

GDP grew by 2.2%

Transport & communication 11%

Electricity & water 9.8%

Social & pension services 9%

Gov. services 5.6%

Others 4.8%

Manufacturing 3.9%

Oil & Gas 3.2%

Finance 2.6%

Trade 1.2%

1st

Ease of finding finance to start a business in the MENA region¹

Most economically free nation in the MENA region²

Low cost of living in the MENA region¹

Overall experience in the GCC: Setting up, integration & quality of life(11th Globally)³

Overall quality of life in the GCC (12th Globally)³

2nd

Ease of access to loans (global ranking)⁴

Lack of bureaucracy in procedures & paper work in the MENA region¹

12th

Freest economy in the world⁵

14th

Quality of overall infrastructure (global ranking)⁴

16th

Goods market efficiency (global ranking)⁴

21st

Labour market efficiency (global ranking)⁴

#1

Most favorable tax regime in the world¹

Bahrain Tax Rates

No corporate income tax

No personal income tax

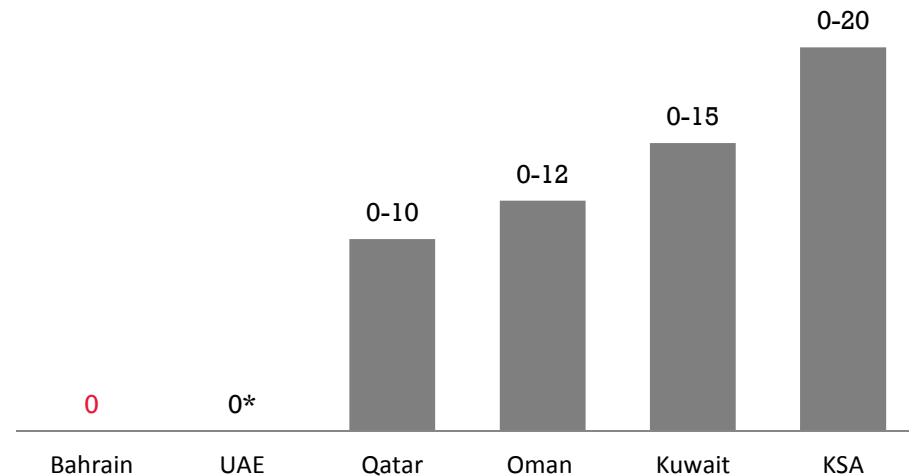
No wealth tax on capital gains

No withholding tax

No restriction repatriation of capital, profits or dividends

Few indirect taxes
e.g. 10% municipal tax on rents

Corporate income tax rates in GCC countries



*Although no federal taxation currently exists in the UAE, each of the individual Emirates (Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain) has issued corporate tax decrees that theoretically apply to all businesses established in the UAE.



Businesses Can Be 100% Foreign Owned

- **No 'free zone'** restrictions
- Companies may **purchase land-freehold** for **commercial** usage
- Individuals may **purchase land-freehold** in prime locations for **residential** usage & accordingly obtain permanent residency

Types of 100% owned commercial operations

With Limited Liability Company (Partnership) W.L.L

Single Person Company S.P.C

Branch of Foreign Company

Holding Company

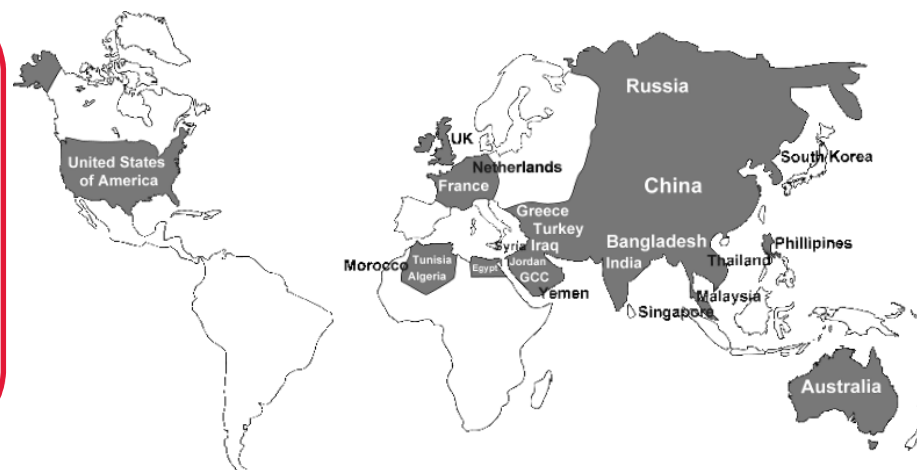


*Disclaimer: 100% foreign ownership within 96% of Bahrain's business activities

Duty free access of manufactured goods to the Gulf Cooperation Council (GCC)¹ & the Greater Arab Free Trade Area (GAFTA)²

US-Bahrain FTA signed in 2006 (1st treaty signed between the USA and a member of the GCC) offers opportunities, eliminates tariffs & trade barriers with: 96% financial, industrial, services & agricultural duty exempt; tax-free benefits for textiles & garments; 0% export duty on products manufactured in Bahrain; 0% import customs duty on factory raw materials & machinery

4 types of trade agreements including Avoidance of Double Taxation with 37 countries, Investment Protection and Promotion with 29 countries, Economic Trade and Technical Cooperation with 15 countries & the GCC, CAEU & OIC, Reciprocal Exemption from Air Transport Taxes with 41 countries



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

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



Low Production Costs

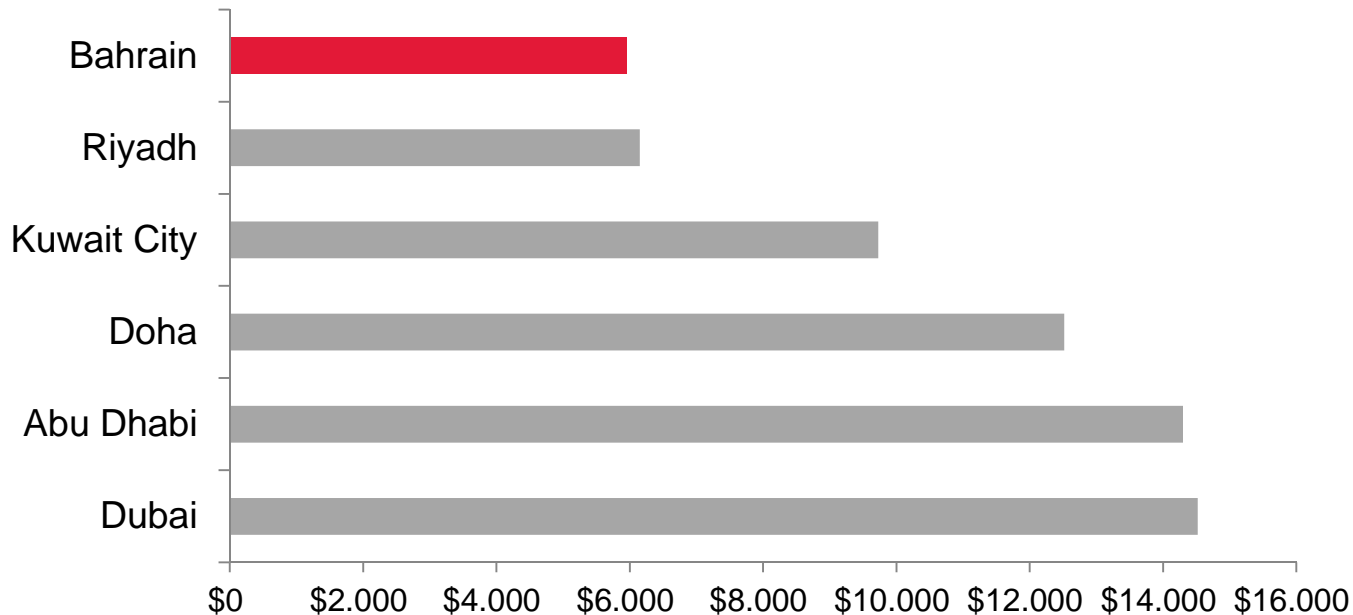
12th

Lowest cost location to do business in the world¹

1st

Most affordable utilities charges in the MENA²

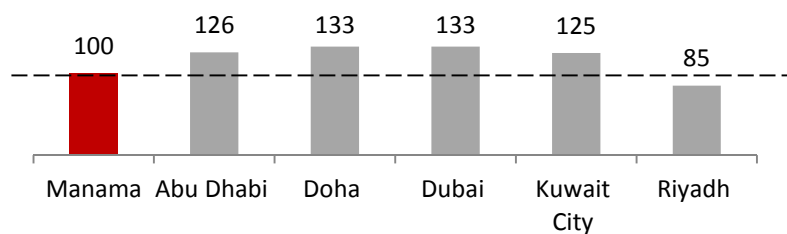
Total office occupancy costs per workstation - Middle East³



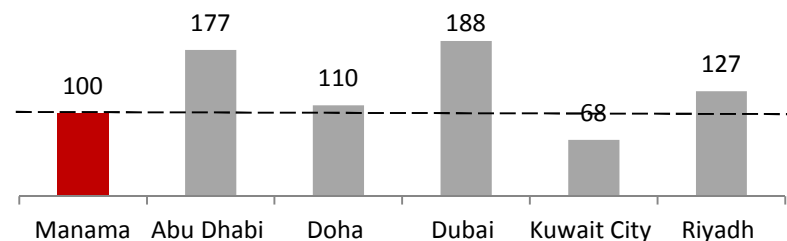
Best Value In The Region

Cost of living index %, Manama=100%

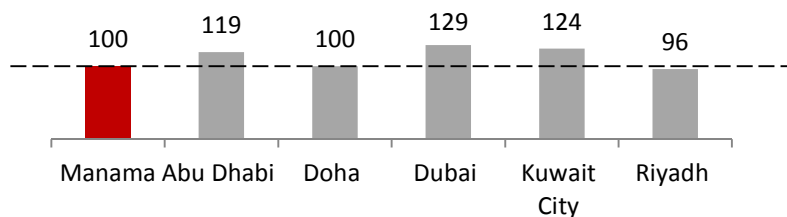
Food



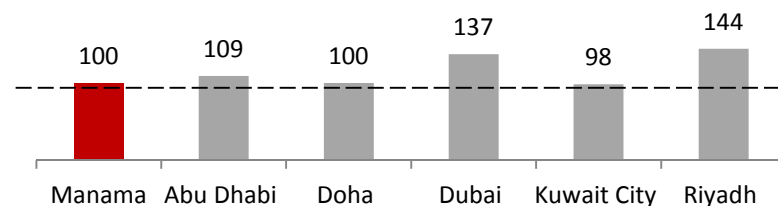
Utilities



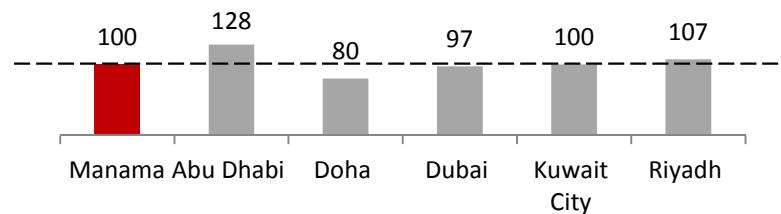
Household Supplies



Recreation



Personal Care



- Bi-lingual highly skilled & educated workforce
- Substantial, ongoing investment in training Bahrainis by Tamkeen
- Tamkeen provides salary subsidies, training & financing grants (BD166M investment in the private sector)
- 2/3 of financial services workforce are Bahrainis, of which 37% are women
- High quality financial focused training institutes and courses

Investing in people

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



Tamkeen (The Labor Fund)

Tamkeen Enterprise Support:

Business Development

Under its Enterprise Development Support Agency, Tamkeen supports the development of enterprises through a number of subsidy schemes (*Cap of BD15,000 for small companies and BD20,000 for large enterprises*):

- Tasweeq (Marketing): 80% subsidy of the cost of branding, marketing and advertising activities
- Istishara (Consultancy): 80% subsidy of the cost of consultancy services
- Tarweej (Exhibition Participation): 80% of the cost of participating in local and international exhibitions
- Jawda (Quality Management): 80% subsidy of the cost of quality management consultancy services
- Techania (Technical Assistance): 80% of the cost of purchasing equipment

Access to capital

Through a number of participating banks, Tamkeen can provide enterprises with access to capital up to BD500k, with the support of paying 50% of the interest and guaranteeing 50% of the loan principal (security)

Accounting and Auditing

A largely subsidized two year accounting and auditing service through BDO, E&Y and KPMG

Customized Training Solutions

Tamkeen can support enterprises with customized recruitment and training requirements, with completely subsidized training costs, in addition to wage subsidies up to 18 months.

Career Progression Program

Training subsidy for existing employees and support with wage increment





Bahrain Development Bank (BDB)



BDB Enterprise Support:

Financial Services

BDB Finances businesses that are:

- Under formation (still an idea)
- Startups (have been running for 6 months or less)
- Businesses that have been running for some time

Services include the following:

- Financing
- Letters of Credit
- Letter of Guarantee
- Overdraft Facility
- ICT Finance Scheme
- Education Finance
- GAA Pilot Training Finance
- Pilot Training Finance
- Islamic Taxi Finance
- Agricultural Loans
- Fisheries Loans

Advisory Services

The Advisory Department focuses on providing the following:

- Start-up Business Advisory
- Business Expansion Advisory
- SME Financial and Technical Assistance
- Financial Accounting Advisory
- Internal Structure Advice
- Organizational Management Advice
- E-Advisory
- Feasibility Study Support Scheme
- Pre-seed Capital Support Scheme
- Entrepreneurial Training & Business Counseling
 - Entrepreneurship Orientation Program
 - Entrepreneurship Development Program
 - Post program business counseling to facilitate business creation and development



Quality Of Living

“I like the climate & there are good international schools too. Bahrain is a very pleasant place to live in” Austin Rudman, Ernst & Young Partner

“Our expats say this is home away from home. It’s friendly, has an excellent standard of living, modern infrastructure, good schools, and provides safe, nurturing place for families” Mazin Khoury, American Express Partner

“My wife and children enjoy the lifestyle in Bahrain and the freedom to work and live where you wish” Terry Denton, Kraft Foods Plant Director





World Leaders With Headquarters In Bahrain





Thank You

Bahrain Economic Development Board

Business Development DACH-Region

Sebastian Gerlach

Klingelhöferstr. 7

D-10785 Berlin

Tel: + 49 30 868 777 92

Fax: + 49 30 868 777 88

E-Mail: sebastian.gerlach@bahrainedb.com

Web: www.bahrain.com

This document and any oral presentations made by the Economic Development Board (EDB) contain proprietary information about the Kingdom of Bahrain and EDB. Such proprietary information shall not be disclosed, copied, duplicated, reproduced or used – in whole or in part – for any purpose other than by the reader in evaluating Bahrain's Value Proposition(s). Otherwise, the use of such information shall be subject to the prior written consent of the EDB and any unauthorized disclosure, copying, duplication, reproduction or use will constitute an infringement of copyright.

© Bahrain Economic Development Board 2006 – 2013.
All Rights Reserved.