

EMBASSY OF INDIA
BAHRAIN
MONTHLY ECONOMIC AND COMMERCIAL REPORT
FOR THE MONTH OF NOVEMBER 2012.

1. Name of the Country: BAHRAIN

2. Trade with India:

INDIA'S TRADE WITH BAHRAIN

(Amount in Rs. Crores/\$ Million)

Details	April 2006- March 2007	April 2007- March 2008	April 2008- March 2009	April 2009- March 2010	April 2010- March 2011
India's non-oil exports to Bahrain	Rs. 830.71 (\$ 184.52)	Rs. 1,013.34 (\$ 252.47)	Rs. 1,314.07 (\$ 286.52)	Rs. 1,185.07 (\$ 250.21)	Rs.4115.43 (\$ 912.18)
India's non-oil imports from Bahrain	Rs. 2,131.10 (\$ 471.23)	Rs. 3,338.82 (\$ 835.42)	Rs. 6,366.72 (\$ 1,442.82)	Rs. 2,384.55 (\$ 502.86)	Rs.2919.49 (\$ 641.25)
Total trade	Rs. 2,961.81 (\$ 655.75)	Rs. 4,352.15 (\$ 1,087.89)	Rs. 7,680.79 (\$ 1,729.34)	Rs. 3,569.62 (\$ 753.07)	Rs. 7,034.92 (\$ 1,553.43)

Source: MOC, New Delhi
February 2012

INDIA'S OIL IMPORTS FROM BAHRAIN

(Amount in Thousand US Dollars)

Details	January – December 2008	January – December 2009	January – December 2010	January-December 2011
India's Oil imports	US\$1,650.08	US\$518.26	US\$517.603	US \$1655.888
January-September 2012				
US \$ 625.653				

Source: NOGA, Kingdom of Bahrain.
November 2012

3. Trade Promotional Activities organized in November 2012 in Bahrain and activities planned in the next six months.-Nil.

4. Trade and Commercial delegation from India to Bahrain and Trade and commercial delegation from Bahrain to India. -Nil

5. Important International Trade Fairs/Exhibitions in Bahrain. Report on recent such fairs/exhibitions, including details of Indian participation & response.

EMERGING TRENDS IN THE INDIAN ECONOMY & PROSPECTS FOR SUSTAINABLE GROWTH:

Ahlia University organized a conference on "Emerging Trends in the Indian Economy & Prospects for Sustainable Growth" on 5th November, 2012 at Golden Tulip Hotel in Manama. H.E. Dr. Mohan Kumar, Ambassador of India to Bahrain, delivered the keynote speech, followed by Q & A.

CAREER EXPO:

The tenth edition of the Career Expo organized by the National Society for the Support of Education, and strategically partnered with Tamkeen, was also supported by VIVA Telecommunications and Aluminium Bahrain (Alba) at the Bahrain International Exhibition and Convention Centre (BIEC) from 6-8 November, 2012. Around 20,000 people attended the expo and it was a huge success. More than 140 organizations from educational, industrial,

hospitality, training, health sectors, universities and vocational institutes participated in the expo.

IRRESISTIBLE INDIAN CULTURE SHOWCASED:

Hundreds of people attended the Irresistible India Gala Dinner on 15th November 2012 at the Sofitel Bahrain Zallaq Thalassa Sea and Spa. Dubai-based DJ Daenan was flown in for the event, which was held under the patronage of the Indian Embassy and organized by La Bonn V events. Event sponsors included Lexus, BBK, Jashanmal, Kempinski, Royal Bahrain Hospital, Gulf Brands, Gulf Daily News, Mannai Properties and B4U.

NAME OF EXHIBITION	SCHEDULED DATE
INDIAN PROPERTY EXHIBITION	DECEMBER 6-8, 2012
GULF INDUSTRY FAIR	JANUARY 15-17, 2013

6. Important Trade & Investment activities by other countries in Bahrain and Analysis of Export performance of competing countries.

UNITED KINGDOM: Bahrain and UK on 20th November 2012 signed a key Memorandum of understanding (MoU), establishing a joint work team. Under the agreement, the two sides pledge to bolster deep-rooted historic relations and step up political and diplomatic co-ordination. They also committed to coordinating stances regarding security, fight against terror, trade, investments and regional co-operation. The annual meetings of the work team will be held alternately in both countries.

7. Analysis of global exports & imports of Bahrain especially with respect to products of export and import interest to India.

Bahrain’s non-oil exports/imports (Top countries)

EXPORTS

(Amount in Million)

S.No.	Country	Amount in BD	Amount in US\$
1	Saudi Arabia	275.30	729.55
2	U.A.E.	100.06	265.16
3	Qatar	77.65	205.77
4	U.S.A.	64.97	172.17

5	India	64.23	170.21
6	Sultanate of Oman	30.46	80.72
7	Kuwait	29.68	78.65
8	Egypt	23.30	61.75
9	Australia	20.05	53.13
10	Jordan	18.39	48.74
	Remaining countries	202.13	535.64
	Bahrain's total exports	906.22	2,401.49

IMPORTS

S.No.	Country	Amount in BD	Amount in US\$
1	Saudi Arabia	171.01	453.17
2	U.A.E.	87.57	232.06
3	China	69.87	185.15
4	Australia	46.88	124.23
5	Japan	46.01	121.92
6	U.S.A.	35.69	94.57
7	Kuwait	28.99	76.82
8	U.K.	28.09	74.43
9	Germany	26.44	70.06
10	France	20.49	54.29
	Remaining countries	176.34	467.30
	Total	737.35	1,953.98
**	India	13.19	34.96

Source : BCCI, Bahrain

*The above figures are not final, as per BCCI.

Total trade in US\$ with India by top 10 commodities

India's non-oil exports/imports with Bahrain (Top commodities)

EXPORTS

Sl. No.	HS Code	Commodity	Amount in US\$ Million
1	84	Boilers, machinery and mechanical appliances, parts thereof	34.53
2	90	Optical, Photographic, Cinematographic measuring, checking precision, medical or surgical instruments and apparatus parts and accessories thereof	28.05
3	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts	20.08
4	72/73	Iron and Steel	19.75
5	28	Inorganic chemicals, organic or inorganic compounds of precious metals, or rare-earth metals, or radi. Elem. or of isotopes	15.07
6	07	Edible Vegetables	9.29
7	08	Edible Fruit and Nuts	8.84
8	39	Plastic and articles thereof	7.51
9	02	Meat and Edible Meat Offal	7.38
10	62	Articles of Apparel and clothing accessories, not knitted or crocheted	7.28
11	52	Cotton	6.78
12	10	Cereals	6.17
		India's total exports to Bahrain	250.21

IMPORTS

Sl. No.	HS Code	Commodity	Amount in US\$ Million
1	27	Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes	248.34
2	76	Aluminium and articles thereof	82.44
3	31	Fertilisers	35.45
4	26	Ores, slag and ash	32.73
5	72/73	Iron and Steel	24.30
6	28	Inorganic chemicals, organic or inorganic compounds of precious metals, or rare-earth metals, or radi. Elem. or of isotopes	19.33
8	74	Copper and articles thereof	9.21
7	78	Lead and articles thereof	8.16
9	25	Salt, Sulphur, earths and stone, plastering materials, lime and cement	7.59
11	47	Pulp of wood or of other fibrous cellulosic material, waste and scrap of paper or paperboard	4.40
10	71	Natural or cultured pearls, precious or semi-precious stones, precious metals and Articles, clad with precious metal and articles,, Imitation Jewellery, Coins	3.59
12	86	Misc	1.60
		India's total Imports from Bahrain	502.86

Source: MOC's website: www.commerce.nic.in

8. Market prospects in respect of major items of Indian export interests.

Total trade in US\$ (Major items)

Bahrain's non-oil imports/exports (Top commodities)

EXPORTS

S.No.	Commodity	Amount in BD	Amount in US\$Millions
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1	Petroleum (Crude & Products)	10,642.32	28,243.96
2	Gems & Jewellery	8,818.01	23,402.35
3	Transport Equipment	4,894.71	12,990.22
4	Machinery & Instruments	3,157.25	8,379.12
5	Drugs, Pharmaceuticals & fine Chemicals	2,792.80	7,411.90
6	Manufactures of Metals	2,481.63	6,586.08
7	Other Commodities	2,437.32	6,468.47
8	Electronic Goods	2,140.37	5,680.39
9	RMG Cotton INCL Accessories	2,107.38	5,592.84
10	Non-Ferrous Metals	2,079.47	5,518.77
	Bahrain's total exports	64,141.82	170,227.77

IMPORTS

S.No.	Commodity	Amount in BD	Amount in US\$Millions
1	Petroleum, Crude & Products	27,631.37	73,331.65
2	Gold	8,056.04	21,380.14
3	Pearls precious semiprecious stones	7,396.02	19,628.49
4	Machinery except Elect & Electronic	6,261.61	16,617.87
5	Electronic Goods	5,875.74	15,593.80
6	Other Commodities	3,467.18	9,201.64
7	Organic Chemicals	3,072.99	8,155.49
8	Coal, Coke & Briquettes etc	2,841.44	7,540.98
9	Iron & Steel	2,741.39	7,275.46
10	Metalifers Ores & Metal Scrap	2,588.75	6,870.36
	Bahrain's total imports	93,151.55	247,217.50

Source: MOC, India.

9. Trade Enquiries from India and Trade Enquiries from Bahrain: Annexure-I

10. Trade Complaints received during November 2012 and follow up action on earlier complaints:

1 complaint was received from Al-Jassrah Trading Est. Muharraq, Kingdom of Bahrain, against Rajesh Industries 119/6 Milestone, Village Daha, Madanpur, Karnal,Haryana-132001, India, for the supply of inferior quality of rice and the complaint has been forwarded to the Foreign Trade Development Officer(MOCI), Director (TA/TC)(MOCI), Director General (MOCI),The Secretary, Indian Council of Arbitration.

11. Indian Investment in Bahrain (company-wise and sector-wise), and performance of existing Indian Subsidiaries/ Joint Ventures/ Collaborations, if any in Bahrain.-Nil

12. Status of ongoing major investments by Indian PSU's/ Pvt Sector in Bahrain, and proposed Indian investments in Bahrain. -Nil

13. Analysis of Investment opportunities in Bahrain.

RMA, a German industrial firm, officially launched its new subsidiary, RMA Middle East, at the Bahrain International Investment Park (BIIP). The new 6000 sq. meter plant will manufacture pipeline inspection guage traps, tee pipe fittings and insulating joints for the oil and gas sector. Furthermore RMA Middle East offers commission processing to other local companies. RMA has invested 13 million Euros (BD 6.8 million) in Bahrain in making its plant here the most advanced plant of the group. It is expected to bring over 100 jobs to the Kingdom, with 95 percent of output expected to be for export. Manufacturing is playing an increasingly important role in Bahrain's economy. The companies will invest a further BD 350 million (\$929 million) at the park and over 80 percent of this total will come from foreign companies.

14. Status of trade and investment related issues taken up by the mission with the Government of Bahrain. - Nil

15. Details and result of meetings & interactions of the Mission with Trade Industry and Economic Ministries/Department/Agencies in Bahrain. -Nil

16. Important policy changes by the government of Bahrain, especially with respect of trade, investment, aid/credit facilities etc. - Nil

17. Position of Bahrain on WTO related issues and issues with respect to other important multilateral fora. Recent important changes in policy and public opinion in these areas - Nil

18. Major International Tenders & Bids invited in Bahrain. Nil

19. Aid/Assistance received by Bahrain from other countries/international agencies, funding organizations etc.-Nil

20. Commercial, Economic and Political Report of Bahrain.

COMMERCIAL (NOVEMBER 2012):

RMA, a German industrial firm, officially launched its new subsidiary, RMA Middle East, at the Bahrain International Investment Park (BIIP). The new 6000 sq. meter plant will manufacture pipeline inspection gauge traps, tee pipe fittings and insulating joints for the oil and gas sector. Furthermore RMA Middle East offers commission processing to other local companies. RMA has invested 13 million Euros (BD 6.8 million) in Bahrain, in making its plant here the most advanced plant of the group. It is expected to bring over 100 jobs to the Kingdom, with 95 percent of output expected to be for export. Manufacturing is playing an increasingly important role in Bahrain's economy. The companies will invest a further BD 350 million (\$929 million) at the park and over 80 percent of this total will come from foreign companies.

A proposed economic city costing BD 5.4 billion will create about 240000 additional jobs when it is complete by 2040. This economic city project will achieve a quantum leap for further development of Bahrain and reinforce its position at the forefront of the Middle East Countries and as the optimal choice for investment with an excellent lifestyle. Work is set to start on a BD 24 million project to create a state-of-the-art public park in Muharraq. Located near Bahrain International Airport, it will include Bahrain's first full-size ice arena, which will cost BD 4 million, an aquarium and aquamarine centre, a major karting track and spectacular amusement rides etc.

ECONOMIC (NOVEMBER 2012):

Bahrain's GDP is expected to grow by at least 2.4 percent in 2012, driven above all by increased manufacturing and government spending. The growth was likely to pick up further in 2013 due to a growth in infrastructure spending, as more than 20,000 housing units are set to be built by the government in the coming five years. In addition, Bahrain expects to receive its first tranche of the \$10 billion GCC fund this year, most of which would be spent on government projects to improve infrastructure and social conditions. Real GDP grew by 4.2 percent in the second-quarter relative to the same quarter last year after businesses began to recover from the events of 2011. Relative to the first quarter of the year, GDP fell by around 1 percent, which makes it the first negative quarter growth since last year. However, the drop was almost entirely due to falling volumes from the Abu Sa'afa field while the non-oil sector continued to rebound, indeed by a remarkable 8.1 percent year-on-year (YoY). Most sectors have by now experienced a clear rebound since last year, including main-stays such as construction, manufacturing and hotels and restaurants. Virtually all the second-quarter weakness has come from temporary production disruptions in the mining (oil and gas) sector, which contracted by 7 percent relative to the first-quarter, and 10 percent relative to the second quarter of 2011. It is expected oil production to increase in the second half of the year. Oil production is expected to increase over the coming decade, in particular due to the project aimed at raising production in the Awali field by Tatweer petroleum. The target is to double oil production within the first five years of operations by using enhanced oil production techniques. There has been a particularly strong rebound in parts of the service sector that recorded the sharpest falls last year. For instance, the hotels and restaurants category grew by 6.5 percent in the first quarter and 5.5 percent in the second-quarter. Bahrain per capita consumer spending is projected to climb by 32 percent until 2016, compared with the regional growth average of only 2.3 percent.

Bahrain's economy has proved outstanding solidity and flexibility in withstanding the security challenges and global economic changes which is evident in the steady growth in foreign investments in the Kingdom. The initiatives taken by the government to diversify sources of revenue have contributed significantly to boost economic growth and promote Bahrain as a favourable investment hub. Bahrain has become a regional centre for Islamic banks with 66 Islamic banks, 7 takaful companies, 100 Islamic investment funds and more than 2700 investment funds, with a total value of \$9 billion.

POLITICAL (NOVEMBER 2012):

In mid-February 2011, Bahrain was gripped by a series of pro-democracy demonstrations in Manama, the capital, set off by the example of revolutions in Tunisia and Egypt. The protests — which took place at the Pearl monument, later destroyed by the government — were crushed in March with the help of troops from Saudi Arabia. Of all the revolts that roiled the Arab world in 2011, Bahrain's government was the only one to manage a tactical, perhaps ephemeral, victory through force. On 24 June 2012, the King of Bahrain delivered a speech during a Council of Ministers meeting. The speech included several messages to local and foreign parties and called for the development of Government apparatuses in order to directly communicate with the citizens and achieve prosperity. Firstly, political disagreements should not be allowed to prejudice the unity and the harmony of the society. Secondly, social initiatives should be encouraged in order to promote national unity and avoid violence and the incitement of hatred and sectarianism. Lastly, for the media should be free from all sectarian, political and social polarisations. In October 2012, after months of protests by antigovernment demonstrators, Bahrain banned all rallies and demonstrations. In an announcement promulgated on Oct. 29 by Lt. Gen. Shaikh Rashid bin Abdullah Al Khalifa.

21. Pending References from the Mission: Annexure – II

22. Monthly expenditure of the commercial Budget.

(Expenditure incurred until 30.11.2012)

Sr. No.	Month	Salaries	Medical	Travel Expenses	Office Expenses	Rent, Rate & Taxes	Trade Promotion	Total Expenditure	Progressive Expenditure
1.	April 2012	253386	16143	0	564	0	0	270093	270093
2.	May 2012	129579	9672	0	29870	0	0	169121	439214
3.	June 2012	164054	41061	0	38032	0	0	243148	682362
4.	July 2012	139653	16646	0	21450	159763	0	337512	1019874
5.	August 2012	138223	0	0	9813	0	0	148036	1167910
6.	September 2012	188219	48466	0	896	160237	0	397818	1565728
7.	October 2012	131424	7396	83632	5739	0	0	228191	1793919
8.	November 2012	133218	0	0	2833	0	0	136051	1929970

23. Any other relevant inputs (November 2012):

- i) A total of around 12 trade enquiries covering around 31 items received from India, were duly replied to (BAH/COM/245/1/2012).
- ii) Progressive Expenditure Statement for the month of November 2012 was sent to TA/TC Section, Ministry of Commerce and Industry, New Delhi (BAH/COM/551/1/2012).
- iii) Details of trade disputes between Indian and Bahraini companies as on 30th November, 2012 were sent to the DGFT, Ministry of Commerce, and New Delhi (BAH/COM/208/1/2012).
- iv) Monthly Economic and Commercial Bulletin for the month of November 2012, along with details of trade enquiries received from India, forwarded to leading Bahraini companies (BAH/COM/211/1/2012).
- v) Upon request, status report on M/s. Travelex, W.L.L, Bahrain, obtained from the Central Bank of Bahrain, a Government of Bahrain financial regulatory authority, was forwarded to ICICI Bank. (BAH/COM/217/1/2012)
- vi) Weekly Economic Bulletins received from the ITP Division of the Ministry of External Affairs were forwarded by e-mail to Ministry of Finance, Bahrain Chamber of Commerce & Industry, Economic Development Board and to the leading Bahraini companies

Sd/-

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