

EMBASSY OF INDIA
BAHRAIN
MONTHLY ECONOMIC AND COMMERCIAL REPORT
FOR THE MONTH OF OCTOBER 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 \$957.954
January- June 2012				
US \$ 591.558				

Source: NOGA, Kingdom of Bahrain.
August 2012

3. Trade Promotional Activities organized in October 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.

JEWELLERY ARABIA 2012: The watches and jewellery exhibition was held at the Bahrain International Exhibition and Convention Centre from October 16 to 20, 2012. Jewellery Arabia 2012 was Inaugurated by the His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa. The 2012 Five day Edition attracted more than 550 local and international exhibitors from 30 countries. The expo spanned over 16,500 sqm of floor space with jewellers from Brazil, Hog Kong, India, Malaysia and other countries also. This expo is certainly important for the economy. It's the sixth Largest exhibition of its kind in the World, which puts Bahrain in the Global arena for hosting such prestigious events annually.

NAME OF EXHIBITION	SCHEDULED DATE
CAREER EXPO 2012	NOVEMBER 6-8, 2012
INDO-BAHRAIN TRADE FEST 2012	NOVEMBER 8-10, 2012
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.

JAPAN: A delegation representing Japan Co-operation Centre for the Middle East (JCCME) from Japan visited Bahrain on October 11th 2012, and met with the Bahrain Chamber of Commerce and Industry (BCCI) to introduce the latest products and technologies in the field of renewable energy. JCCME is an independent, non- profit foundation authorized and supervised by the Japanese Ministry of Economy, Trade and Industry. Introducing advanced Japanese products and technologies in the fields of renewable energy and energy efficiency improvement in Bahrain is an obvious demonstration of the vigour and determination of our two countries in attaining higher levels of co-operation on technological advancement and environmental sustainability Japan is currently Bahrain's fifth largest trading partner. Bahrain is home to number of leading Japanese Companies.

THAILAND: A delegation headed by Thai Commerce Minister Boonsong Teriyapirom visited Bahrain on October 16th 2012, for a three day trip to explore opportunities to distribute Thai Halal Products in Bahrain. The halal food and rice trade show, which brought 18 Thai producers to Bahrain, was one of a series of trade delegations from the country to Bahrain to build on the growing amount of business being carried out between the two countries. Trade between Bahrain and Thailand is still small but has been rising in recent years and is now worth \$350 million. Thailand is a strategic hub of food production for Asia and the rest of the world due to its biodiversity and natural agricultural productivity.

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
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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
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 October 2012 and follow up action on earlier complaints: Nil

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. Nil

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 for. 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 (OCTOBER 2012):

The Financial Services sector in Bahrain is particularly strong. Thomson Reuters, the world's leading source of intelligent information for businesses and professionals, is to establish a global Islamic finance hub in Bahrain. Bahrain has been a pioneer in the Islamic finance sector, and the establishment of this knowledge hub by Thomson Reuters will both enhance the Kingdom's position in the sector and in the global knowledge economy.

Boston Analytics, a US-headquartered global business analytics and advisory firm with operations in North America, the Middle East and Asia, has signed a Memorandum of Understanding (MoU) with Bahrain Institute for Banking and Finance (BIBF). Boston Analytics is opening its first Middle East delivery centre in Bahrain. The firm's Bahrain office will provide analytics and advisory services to clients in the region and will assist in project engagements with other clients in the GCC. The centre will employ a high calibre talent pool with analytical mind set, of which majority would be Bahraini graduates. Boston Analytics strongly believes in the large talent pool currently available in Bahrain, and are impressed with the government's willingness to invest in and support the development of country's human resources.

Bahrain's main appeal to international investors was the access it provides to the fast growing Gulf market, a market that is already worth approximately \$1.4 trillion and which is expected to exceed \$2 trillion by 2020. The Kingdom's track record of macroeconomic stability, Bahrain's low cost, open business environment and its high quality of regulation and finally, the Kingdom's educated and skilled local workforce. Japanese officials and financial leaders, as well as visits to leading businesses in Tokyo leads to provides an opportunity to further strengthen economic and trade relations between Bahrain and Japan. Japan is currently Bahrain's fifth largest trading partner. Trade between Bahrain and Japan surged by almost 30% in 2010, and reach \$1.25 billion compared with \$961.5 million in 2009. Bahrain is home to a number of leading Japanese companies including Nomura Securities, Toyota Training Centre, Yokogawa and Daiwa Securities, Bank of Tokyo-Mitsubishi and Yamato Kogyo.

ECONOMIC (OCTOBER 2012):

Bahrain's economy is on the right track due to the government's sound policies and determination to overcome global economic challenges. The kingdom's continuous success in attracting key exhibitions and economic functions testified to its solid infrastructure and was living proof of worldwide interest in investing in Bahrain. The exhibitions, conferences and tourism were among the best ways through which Bahrain's pioneering position and competitiveness in traditional crafts and trades, such as pearl and gold could be maintained. Bahrain's position as a hub of exhibitions, including Jewellery Arabia in which Kingdom has achieved remarkable success, and diversify revenue sources. The Kingdom's Key areas of focus include manufacturing, ICT, and logistics and transport services as well as other sub-sectors. The Financial Services sector in Bahrain is particularly strong and the EDB supports in the continuing growth of the banking industry and key sub-sectors, including Islamic Finance, Wealth Management, Asset Management, Insurance and Re-Insurance.

POLITICAL (OCTOBER 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 31.10.2012)

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

23. Any other relevant inputs (October 2012):

- i) A total of around 25 trade enquiries covering around 56 items received from India, were duly replied to (BAH/COM/245/1/2012).
- ii) Progressive Expenditure Statement for the month of October 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 31st October, 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 October 2012, along with details of trade enquiries received from India, forwarded to leading Bahraini companies (BAH/COM/211/1/2012).

Sd/-

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