

EMBASSY OF INDIA
BAHRAIN
MONTHLY ECONOMIC AND COMMERCIAL REPORT
FOR THE MONTH OF SEPTEMBER 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 September 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.

ARAB YOUTH FORUM:

The Arab Youth conference was inaugurated on 16th September 2012 at the University of Bahrain in Sakhir with delegates from around the Arab world. An opening mixed-media presentation was performed by several Bahraini youth. One of the subjects to be highlighted at the conference was the Arab identity, and participants were expected to come up with many important recommendations that emphasize the ability of the Arab Youth to preserve their identity and overcome the challenges in this regard. A Five day pan Arab youth forum was organized by the General Organization for Youth and Sport concluded on 19th September 2012 at the Sofitel Bahrain Zallaq Thalassa Sea and Spa. This forum include enabling young people to express their view points and involve them in decision making; unifying curriculums in primary schools across the Arab World to consolidate an Arab identity in young children; supporting creative Arab youth; and striving to include Arab historical sites on world heritage

lists. Delegates from across the Arab world took part in the event, which featured lectures and workshops on the theme "Arab Identity, Global Culture".

NAME OF EXHIBITION	SCHEDULED DATE
21 ST JEWELLERY ARABIA 2012	OCTOBER 16-20, 2012
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.

KUWAIT:

A framework agreement was signed on 3rd September 2012 between Bahrain government and the Kuwait Arab Economic Development fund, marking one of the first steps in the implementation of the \$10 billion GCC Development Programme. Under the agreement, \$2.5 billion has been earmarked as a grant from Kuwait as its share in the GCC Development Fund Programme, which aims at providing finance for development projects in Bahrain over ten years. The amount will be disbursed in tranches of \$250 million per annum to finance vital housing, roads, electricity and water, industrial and social development projects. It paves the way for Bahrain's accelerated development and cements the historic deep-rooted fraternal relations between the two nations. The funds will speed up the implementation of projects and improve the country's socio-economic environment.

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
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 September 2012 and follow up action on earlier complaints: 1complaint received in the month of September 2012.

1) Complaint against the Bahraini company "Sari Trading Store" by the Indian company "Goel International Pvt. Ltd." for the Pending Claim of US \$332000/- from Bahraini Company to Indian Company for the rice shipment. (BAH/COM/208/6/2012). Matter taken up with Sari Trading Store who has promised to sort out the matter amicably with Goel International Pvt. Ltd.

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 (SEPTEMBER 2012):

Bahrain has earmarked \$2 billion on current and future road and bridge infrastructure projects. Highlighting enormous business opportunities for the regional traffic sector reveal that the Gulf region is forging ahead with plans to improve its regional transportation infrastructure, with \$121.3 billion worth of road and bridge projects already underway or in the planning phase. In line with a combined vision to improve road infrastructure and safety, GCC governments have outlined impressive plans to significantly boost investments in developing their road networks. A large amount of the planned spend is toward the \$260 million North Manama Causeway. The project is aimed at easing traffic congestion along the corniche in the Bahrain Financial Harbour area. Alba has invested nearly \$100 million in providing new air ventilation louvers for two of its pot lines. The new investment underlined its commitment to achieve zero harm across the plant. The air ventilation louvre project was started last year as part of an initiative to improve work conditions for employees on a regular basis. It aims at increasing productivity and enhancing performance levels. More than 2000 local and international exhibitors have flocked to Bahrain in the last eight months, a 100 percent increase from last year.

ECONOMIC (SEPTEMBER 2012):

Bahrain's economy has returned to a solid growth path after last year's unrest. On an annual basis, real gross domestic product (GDP) expanded 4.3 percent in the second quarter after a 5.9 percent jump in January-March. These figures showed the economy had returned to a solid growth path after last year's uprising, which temporarily forced banks and shops to close and triggered an outflow of funds. Bahrain's balanced fiscal and monetary policy helped economic growth and fiscal stability, enabling the economy to face the challenges and local disturbances and foreign financial crises that remain. By containing the negative effects of the regrettable events of February 2011, interest has returned to the positive aspects of the local economy. The attention that was focused on the country in the past year has softened and things have returned to normal. Gross domestic product, adjusted for inflation, dropped 1.3 percent quarter-on-quarter in April-June compared with 0.9 percent growth in the previous quarter. The quarterly decline is the first since a 6.6 percent slump in the first three months of 2011. Output in the hydrocarbon sector, which accounts for almost a third of Bahrain's roughly \$287 billion economy, fell 7.5 percent quarter-on-quarter during April-June after a 13.9 percent slide in the previous quarter. Other sectors directly dependent on investor confidence also slowed. Financial corporations output decreased 1.2 percent, worse than construction sector shrank 0.7 percent quarter-on-quarter after a 10.2 percent jump in January-March. Real growth was expected to be strong in the second quarter of 2012. The overall economic activity improving with increased investment and government spending, although it is expected the rate to slow in the second half of 2012. Bahrain's sound economic fundamentals and core strengths have come into play with growth indicators reflecting the revival in sentiment. The banking industry is in good health with loans and advances registering growth of 6.2 percent as at end-July 2012, when compared with July 2011. Over the same period, deposits and balance sheets have grown 8 percent and 4.5 percent respectively. The country's GDP is expected to grow by 4-5 percent in 2012, driven primarily by increases in crude oil production,

manufacturing and government spending. While a fall in private sector demand and oversupply of commercial properties has slowed construction, government spending is projected to compensate and fuel construction for infrastructure, social housing and other social spending projects such as schools and hospitals. Bahrain's corporate profits dropped 29percent in the second –quarter (Q2-12) to \$370 million when compared with results in the same quarter a year ago. Over 650 companies across GCC for Q2-12 earnings, banking profits in Bahrain have plunged 28 percent to \$186 million. Major events in Bahrain are set to attract approximately 300,000 visitors. The number of exhibitions and conferences that were held in the last eight months stood at 61, which is a 177 percent increase from the 21 events which took place during the same period last year. Bahrain occupied a strategic place in the international exhibitions and conventions market. The government has played a crucial role in strengthening the sector and its contributions to the economy.

POLITICAL (SEPTEMBER 2012):

Calls for a 'union' with other GCC states, particularly its powerful neighbor Saudi Arabia, has dominated the national agenda in recent months, as the Kingdom seeks a response to unrest at home since February 2011. Back then, protests and clashes had led to the declaration of martial law and the entry of military forces from the Gulf Co-operation Council Peninsula Shield last March. A resolution between the government and opposition groups has still not been reached, although contacts are believed to be taking place in a bid to resolve the impasse, and the government has stated its renewed willingness to enter dialogue. There is, however, continued uncertainty over the direction of Bahrain's political reform process, which began in 2002 with the first parliamentary elections. Parliamentary elections were held on 24 September 2011 to fill 18 seats vacated by al Wafeq, the country's largest opposition party, which had pulled out of the nation's legislature. There are concerns that sections of the population have been radicalized due to the crackdown on opposition figures and military intervention. The King has pledged to implement further reforms in light of an independent commission of enquiry established to investigate events in the country last year.

21. Pending References from the Mission: Annexure – II

22. Monthly expenditure of the commercial Budget.

(Expenditure incurred until 30.09.2012)

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
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23. Any other relevant inputs (September 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 September 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 September, 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 September 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 Punjab National Bank. (BAH/COM/217/1/2012)

Sd/-

(Pramod K Sharma)

Second Secretary (Commerce)

E-mail: commerce@batelco.com.bh

E-mail: sscom@batelco.com.bh

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