

# COUNTRY BAHRAIN



<b>COUNTRY:</b>	THE KINGDOM OF BAHRAIN
<b>CAPITAL:</b>	MANAMA
<b>LAND AREA:</b>	712 SQ KM
<b>POPULATION:</b>	1.3 MILLION (2012)
<b>FORM OF STATE:</b>	CONSTITUTIONAL MONARCHY BICAMERAL LEGISLATURE: NATIONAL ASSEMBLY AND THE SHURA COUNCIL (CONSULTATIVE ENTITY)
<b>CURRENCY:</b>	BAHRAINI DINAR
<b>GDP:</b>	US\$ 27.2 BILLION (2012)
<b>REAL GDP GROWTH:</b>	3.9% (2012)
<b>GDP PER CAPITA:</b>	REAL - US\$ 20,900; PPP - US\$ 24,300
<b>ORIGIN OF GDP:</b>	1 - TRADE 2 - FINANCIAL SERVICES 3 - TOURISM 4 - INDUSTRY: ALUMINIUM
<b>FOREIGN RESERVES:</b>	US\$ 4.8 BILLION
<b>COUNTRY RATING:</b>	BBB (S&P DEC 2012) WITH NEGATIVE OUTLOOK

## POLITICAL & ECONOMIC OUTLOOK

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Since February 2002 Bahrain has become a Constitutional Monarchy. The King Hamad Bin Isa Al Khalifa is from the powerful Al-Khalifa Family Government members and most key ministers are also from the Al-Khalifa Family. It is expected that Bahrain will continue to experience persistent unrest caused social and political grievances over the coming years.

The USA will remain a key international ally and the US Navy's fleet is based in Bahrain. In addition Bahrain has the full support of the Kingdom of Saudi Arabia, as was seen in the past when Saudi Arabia has dispatched troops to Bahrain.

In 2012 Bahrain has seen an economic growth of around 3.9% however, given the prevailing circumstances growth is expected to slow to 3.7% in 2013.

Inflation averaged 3.1% in 2012 however inflation is expected to creep higher in the coming years.

## OPPORTUNITIES FOR ITALIAN COMPANIES

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There are opportunities for Italian companies such as:

- Equipment related to oil and gas exploration and maintenance;
- Petrochemical equipment;
- Construction material including marble, ceramic etc;
- Water purification plant;
- Solar energy panels and products;
- Transportation equipment (including vehicles);
- As well as usual traditional Italian products: men fashion, food and agricultural products.

There are taxes on profits on foreign joint ventures of around 25% but this is subject to review.

Legal system is based on the British Legal system, however as far as family matters are concerned reference law is based on Sharia Law. In addition financial contracts may specify "reference law" as is the case in most banking syndicated loans.

Usually British or American Law.

## PRINCIPAL BANKS WE WORK WITH/PARTNER BANK

- 1 - AL UBAF
- 2 - BAHRAIN ISLAMIC
- 3 - AHLI UNITED
- 4 - TAIC
- 5 - AL BARAKA BANKING GROUP

## PUBLIC HOLIDAYS (2014)

1ST January 2014	New Year's Day
13TH January 2014	Birthday Of The Prophet
27TH July 2014	Eid El-fitr 3 Days (End Of Ramadan)
3RD October 2014	Eid El-adha 4 Days
24TH October 2014	Islamic New Year
3RD November 2014	Ashura
16TH December 2014	National Day

## USEFUL CONTACTS IN THE COUNTRY

### **UBAE BUSINESS CONSULTANT**

Jacques PSALTIS - Senior Consultant  
Based in Dubai: Tel (+971 50) 46 86 857  
Radisson Blu Hotel, Dubai Creek,  
Baniyas Road - Deira, Dubai - UAE  
Tel (+971 4) 222 71 71  
Fax (+971 4) 228 47 47

### **ITALIAN EMBASSY**

Embassy of Italy in Bahrain  
P.O. Box 347  
Villa 1554, Road 5647, Block 356  
Manama - Kingdom of Bahrain  
Tel (+973) 17 252 424  
Fax (+973) 17 277 060

### **LOCAL LEGAL FIRMS**

Details provided upon request