

INVESTMENT ADVOCACY

STRATEGIES – CASE

STUDY - BAHRAIN

ARAB – EU BUSINEES NETWORK

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Bahrain Case Study

BAHRAIN

Economic Strategy – Economic Strategy
– up to 2030

Aim : To transfer Bahrain economy from relying on oil only to an open productive diversified economy capable to sustain under global competition



STEPS TAKEN

The Constitution calls for encouragement and protection of private properties & investments.

Calls for promotion of trade to sustain healthy and good relations at the local & international levels.

Calls for free economy system.

Issuance of laws, in Bahrain, in line with the parameters set by the Constitution.



Private sector

Great role for private sector

Chamber of commerce role

Businessmen forum

Businesswomen forum

Entrepreneurs forum

PPP CONTRACTS



STEPS TAKEN

- Developed legislations, particularly in business & corporate issues.
- Financial Trust Law: Bahrain the 1st country in Arab countries to regularize financial trusts.
- In company Law, regulating Single Person Company – SPC. This helps in promoting corporate culture at lower levels in the community.
- This structure, opens the room for banking & economic cooperation.



BAHRAIN VISION

This vision aims to promote foreign investments in all economic sectors in Bahrain, so as to promote diversification of the economy.

Economic Sectors cover:

Financial sectors, trade, tourism, industry, services.....

This opens the Country for investments from all parts of the world particularly EU.



Bahrain vision

To encourage and promote exports & exports policies to put the local enterprises in a real competition with their international peers particularly from EU.

At the same time, opening the door for all international companies to work in Bahrain, to give competitive environment for local companies.



BAHRAIN VISION

To focus on clear policies to enhance the real presence of foreign companies / enterprises in Bahrain. In the banking sector, as example, there are banks in Bahrain from all over the world. They all meet & work together under one regulator.

Foreign companies are competing under clear competition policies without discrimination to any part.



BAHRAIN VISION

To achieve the vision, Bahrain works for laying proper infrastructure with international standards so as to promote foreign investments in Bahrain. Infrastructure is there at all levels & to serve all customers.

This infrastructure, at the same time, aims to link Bahrain with other parts of the world.



Outcome of Bahrain Vision

Bahrain became a suitable place \ haven for foreign investment & investors:

**Bahrain signed about (40)
Double-Taxation
Avoidance Treaty**

**Bahrain signed about (30)
Encouragement and
Protection of Investments
treaties.**



Benefits of Bilateral Treaties

- Opening the door for foreign & joint investments based on international standards
- OECD & G – 20: taxation standards
- GFTEI: International Forum on Transparency & exchange of taxation information.
- Taking Bahrain from Grey List of “Havens Tax” & posting in White List of cooperating countries to escape economic penalties.



Benefits Cont...

- Avoidance of Double-Taxation Treaty on nationals of signed countries will encourage investments from such countries.
- Moreover, based on the treaty there is a legal obligation to give necessary information about taxation whenever requested.
- Guarantees to foreign investments & foreign investors, as stipulated in the treaties and based on international standards



Free Trade Agreements

- Bahrain signed Free Trade Agreement with USA – This opens the door for USA companies.

- On collaboration with other GCC Countries Bahrain signed, Free Trade Agreement with Singapore , EU Countries (AFTA)

Such agreements show the willingness of Bahrain to promote investment ties with all the globe.

AFTA is a good example of joint cooperation between Bahrain and Europe.



Bahrain Economic Board

- **Vocal point for foreign investments**
With branches in many international centers including Europe.
- **MolT – Investors Center , a one window shopping for all investors.**
- **This facilitates procedures for investors.**
- **All info is available online for locals & foreigners**



Benefits ... cont

- Most open system & policy in Middle East
- Low rate of inflation
- Hundreds of banks & Investment Funds
- Operating in Bahrain
- Off-Shore banks



Benefits.... cont

- _ Non-discrimination between all investors**
- Easy & fast procedures for investors**
- Proper legal system**
- Proper Judicial system**
- Proper arbitration systems**
- International legal firms**



Benefits... cont

Bahrain Bourse

Bahrain Stock exchange

Enrollment of foreign companies & foreign
investors







