Bahrain, an Ideal Location for Regional Manufacturing & Distribution

The Most Cost Effective & Efficient Gateway to the GCC



About Bahrain EDB

A dynamic public agency, chaired by HRH the Crown Prince, attracting and assisting companies as they set up in Bahrain



Guidance

Advice and information to support the decision making process



Facilitation

Access to grants and assistance with company registration



Aftercare

Ongoing support for business development and expansion

Account Manager

Why Bahrain?



Favorable Business Environment



Competitive Costs



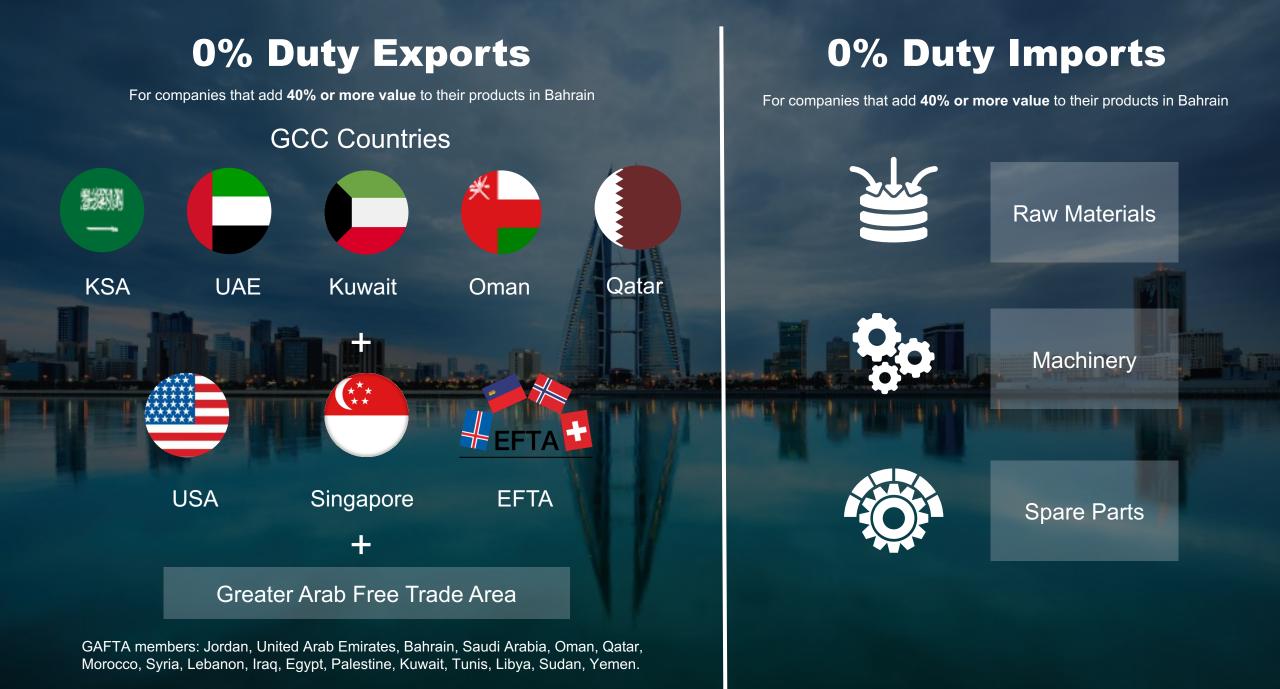
Strategic Location



World Class Logistics Infrastructure



Skilled & Affordable Local Workforce



Bahrain's Bilateral Relations

Gulf Cooperation Council (GCC)

A GCC common market was launched on **January 1**, **2008** which grants **national treatment to all GCC firms** and **citizens** in any other GCC country, and in doing so removes all barriers to cross country investment and services trade

GCC countries have an FTA with EFTA States ((Iceland, Liechtenstein, Norway & Switzerland) and Singapore



Greater Arab FTA (GAFTA)

Signed in January 1st, 2005, an agreement which allows the full trade liberalization of goods through the full exemption of customs duties and charges having equivalent effect between all Arab countries members of the GAFTA

US-Bahrain FTA 📕

The United States-Bahrain Free Trade Agreement (FTA) was signed September 14, 2004 Only such treaty signed between the United States and a member of the GCC and is aimed at stimulating the flow of private investment between the two countries

*Only Bahrain and Oman have signed an FTA with the USA

- Eliminates all tariff and non-tariff barriers to trade, thus reducing the cost burdens of exporting and increasing the competitiveness of Bahrain products in the US markets
- Eliminates all barriers to trade in services and the opening of the US market to Bahrain service providers to provide services through local presence or across border, presenting a platform for the expansion of Bahrain's services sector
- Granting Bahraini service providers national or Most Favored Nation Treatment, allowing competition on common grounds with their US counterparts and to provide their services in the United States without additional regulatory burdens

*Greater Arab Free Trade countries include: Jordan, United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, Morocco, Syria, Lebanon, Iraq, Egypt, Palestine, Kuwait, Tunis, Libya, Sudan, Yemen.

Attractive and liberal business environment for manufacturing investments

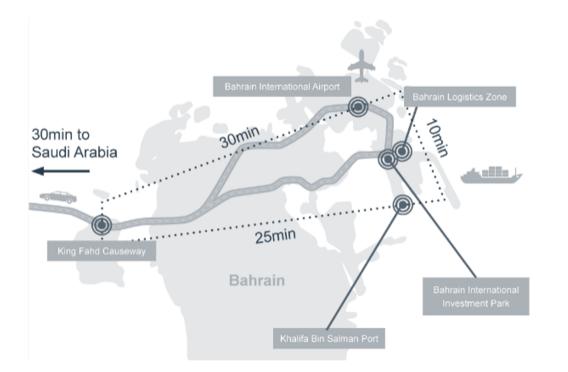
Bahrain is leading the region in the tax, duty, and regulatory environment for business

	Bahrain	UAE	KSA
Corporate Income Tax	0%	0%	Foreign Investors: 20% Saudi/GCC Investors: 2.5%
Withholding Tax	0%	0%	5% – 15% on foreign shareholding component
Export Customs Duty to GCC, Egypt & all other Arab Countries (GAFTA)	0%	5%	0%
Export Customs Duty to USA	0%	5%	5% - 20% (depending on the product type)

	Bahrain	UAE	KSA
	Bahrainization: 20% to 25%	Emiratization: 2 to 5%	Saudization: 20 to 35%
Employment Localization Requirements	100% non-Bahraini workforce allowed on paying a fee	On employing 50 or more annually	USD 53 per expat fee for workforce of below 50% of Saudi Nationals
100% Repatriation of capital/profits		\checkmark	×
Exemption on Duty Free Imports of raw Material/Equipment			

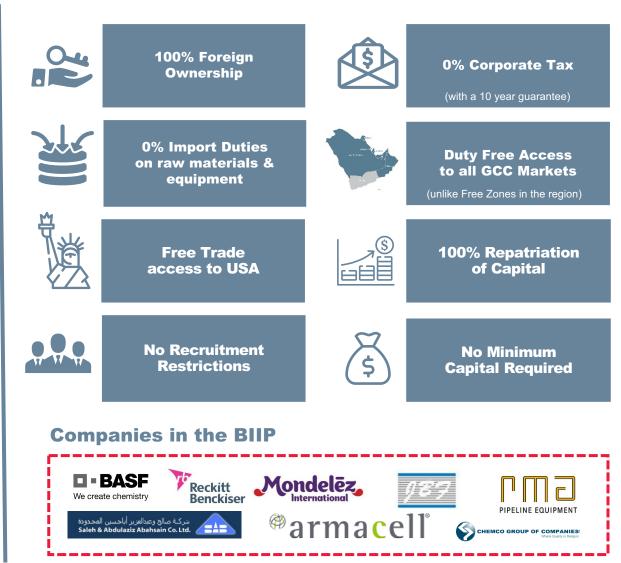
Access to Efficient Infrastructure

Bahrain International Investment Park



Dedicated Customs Offices, Bonded & Non Bonded areas, Support Team, World Class Infrastructure, account managers who offer personalised service and end-to-end solutions.





Low Production Costs

	Bahrain	KSA	Qatar	Kuwait	UAE ¹	Oman
	•			C	C	-
Gas (USD per MMBTU)	3	1.25	3	1.50	1.50 ²	3
Water (USD per m ³)	1.06	2.14	1.49	1.81	1.09- 3.35	2.40
Industrial Land (USD per m ²)	2.65	5.41	2.75	10-11	6.94- 22.20	7.0
Electricity (USD per kWh)	0.04- 0.08 ³	0.05	0.04	0.03	0.04- 0.13	0.05- 0.06

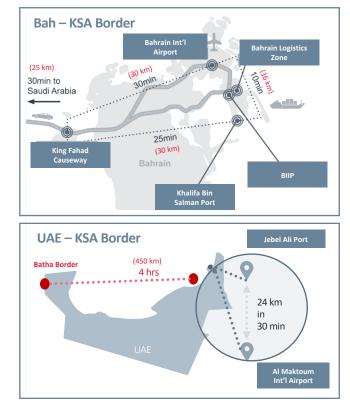
Industrial Land Price

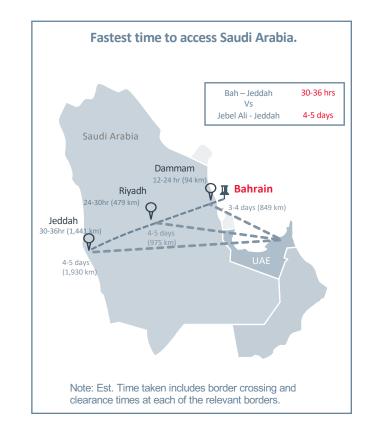


The range is due to the different free zones in The United Arab Emirates (RAK, SAIF, JAFZA, KIZAD)
 Note that this number is an estimated figure
 This range is dependent on the usage of electricity
 Source: KPMG, Cost of Doing Business Report 2017

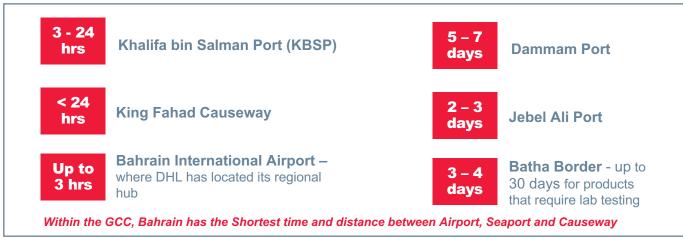
Fastest and Cheapest access to Regional Customer Base

Fastest Time to Market





Bahrain has the Fastest Customs Clearance times in the GCC:



Efficient infrastructure, ideal for accessing the Saudi market

King Fahad Causeway

4 lane causeway with a dedicated customs road for cargo connecting Bahrain to Saudi Arabia

30 mins

from Bahrain to Eastern Province

1,000+

trucks cross over the causeway on a daily basis

20,000+

passengers cross over the causeway on a daily basis

Planned King Hamad Causeway

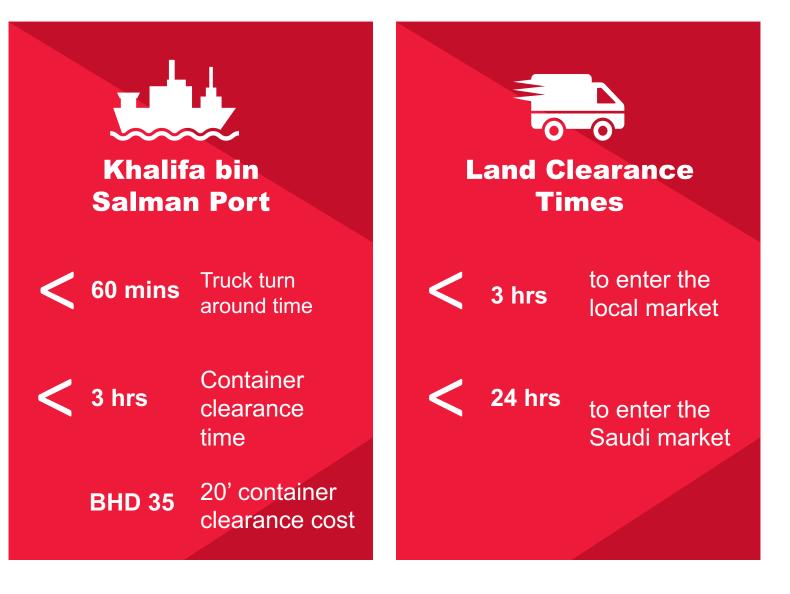
Bi-Modal causeway connecting Bahrain to the GCC via road and railway network



Top Exporters to Saudi Arabia via land (trucks per day)

DHL	17
Sulb	15
Mondelez	14
Aramex	12
Midal	10
Olayan Kimberly Clark	9
Reckitt Benckiser	8
BAT	8
Agility	8

Some of the worlds top manufactures such as BASF, Siemens, SMS Meer, Olayan Kimberly-Clark & Mondelez choose to send their goods through the Causeway The fastest movement of goods and equipment from start to finish in the GCC



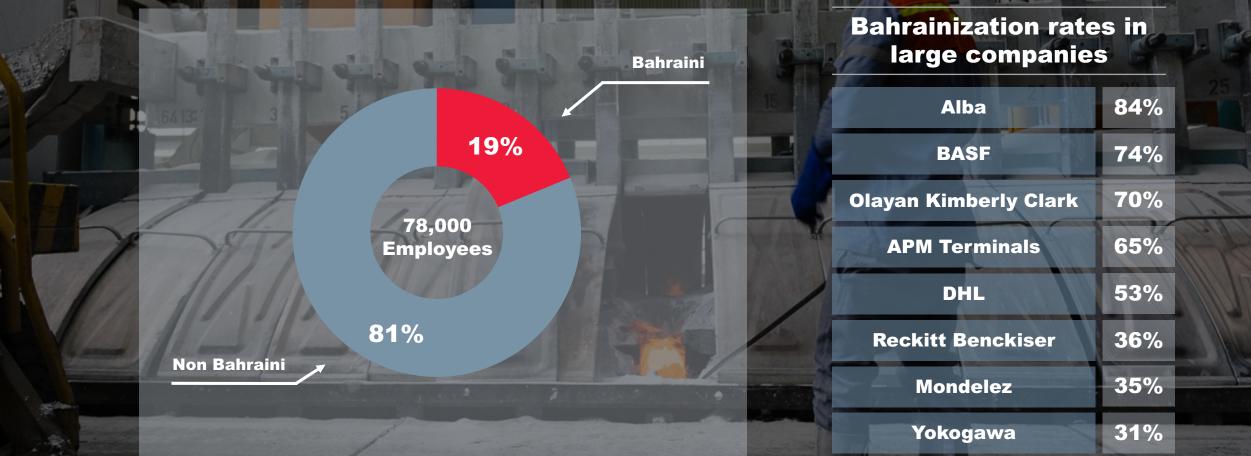
- KBSP can withstand a capacity of 1.1 Mn TEU with the opportunity to expand to 2.5 Mn TEU.
- Cost effective handling & demurrage rates with 11 days free storage.

Access to an educated workforce at competitive costs

Average Yearly Wages ('000 USD)*	Bahrain	KSA	Qatar	Kuwait	UAE	Oman
		\$%%%		C	C	
Unskilled Worker	30	36	38	36	38	32
Semi Skilled Worker	94	107	115	110	117	96
Skilled Worker	308	345	374	358	386	331
Administration Staff	25	29	31	29	31	26
Management	308	354	376	361	385	324
Total	765	871	934	894	957	809

*This figure includes gross annual salaries, which includes housing allowance, transport allowance, schooling allowance and medical insurance. The allowances account for 25% to 50% of the total salary. Source: KPMG, Cost of Doing Business Report 2017

Manufacturing Sector Employment



Talented young, educated and industryskilled human capital

Manufacturing Manpower Costs ('000 USD per annum)	Bahrain	KSA	UAE
	•	1200	C
Operations Manager	49	56	55
Logistics Officer	17	21	20
Machine Operator	13	15	14
Warehouse Incharge	14	19	16
Driver	13	17	14
Customs Clearance agent	18	22	20
Maintenance Coordinator	13	16	15
Sales Manager	50	61	55

21%Lower
than
KSA18%Lower
than
Qatar11%Lower
than
UAE

Tamkeen Support

Established in 2006, Tamkeen fosters the creation and development of enterprises by providing support to enhance the productivity and growth of enterprises and individuals

6 Support Schemes FDI Investment Grant Tamkeen provides a grant to foreign **Machinery & Marketing &** investors based on various factors: Equipment **Promotion** Quality **Business** Improvement **Consultancy Exportability** Industry **Participation in ICT Support Exhibitions 50% support over 3 years contract Bahrainization Salaries Financing Schemes Tamweel** Tamweel+ BHD 5k to BHD 1mn to **BHD 500k BHD 2.5 mn Training Plan** Technology

Why Bahrain?



Favorable Business Environment

Zero Taxation

100% Foreign Ownership

Government support

Ranked highly in global indices



Competitive Costs

Industrial operating costs are 22% lower than Dubai and 18% lower than Saudi Arabia

Rebates on importing raw materials, machinery and spare parts

Duty free exports of finished goods to GAFTA, GCC and USA



Strategic Location

The closest to Saudi Arabia, the largest market in GCC

Access to 75% of the Saudi Market within a two hour drive



World Class Logistics Infrastructure

Shortest transit between seaport, airport and logistics zones in the Gulf

Fastest Customs clearance times in the region

Efficient Procedures



Skilled & Affordable Local Workforce

> Access to the most highly educated workforce in the GCC

Access to government financial and training support

Success Stories

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Chinese Companies in Bahrain





Chongqing Polycomp International Corporation (CPIC 重庆多宝国际股份有限公司)

CPIC is the largest leading fiberglass manufacturer in China

Investment size: US\$ 200 million Number of Jobs: 400

PROJECT

In 2013, CPIC -Abahsain established a manufacturing facility for fiberglass in the Bahrain International Investment Park (BIIP)

PRODUCTS

The company are currently producing 200.000 tons of Multiend roving products as well as fabric and mat products



China International Marine Containers (CIMC Vehicle 中集集团)

CIMCs a subsidiary of the largest container manufacturing groups in the world. CIMC specializes in logistics and energy equipment.

Investment size: US\$ 7 million Number of Jobs: 20

PROJECT

In 2016. CIMC established a new facility manufacturing reefer trailers which are aimed at the Middle East and North African Markets.

PRODUCTS

The company currently manufactures a diverse range of trailers ranging between 40 to 20 foot as well as small vehicles like food trucks



Tsinx Environment Technology W.L.L

Qingxi Enviromental Protection provides industrial waste water treatment services to CPIC.

Investment size: US \$ 7 million Number of Jobs: 20

PROJECT

Management office to

treatment for CPIC as

well as using Bahrain

development hub for

the MENA Region.

as their business

manage water

PRODUCTS

A variety of water treatment related technologies particularly in relation to industrial waste water treatment

Japanese Companies in Bahrain



SULB (GIIC & Yamato Kogyo JV)

JV between Gulf United Steel Holding Company ("Foulath"), the Middle East's leading steel investment vehicle and holding company and Japan's Yamato Kogyo, a leading global beams and structural sections

Investment size: US\$ 1.4 billion on US\$1.3 million m² plot Number of Jobs: 620

PROJECT

A manufacturing facility of steel midstream projects aimed at the Middle Eastern Market Between Gulf

PRODUCTS

I BeamsEqual angles

- U shape
- Channels
- H Beams



Yokogawa Corporation

Yokogawa is a leading provider of Industrial Automation and Test and Measurement solutions. Combining superior technology with engineering services, project management, and maintenance

Number of Jobs: 400

PROJECT

Established Middle East HQ Office in Bahrain in 1990s to oversee its business in the region and entered the confocal scanner and biotechnology businesses.

PRODUCTS

Offer Process Automation Solutions locally for engineering and commissioning projects



SBI Pharmaceuticals

A leading Japanese company in conducting research, development and manufacturing of 5 ALA products (Aminolevulinic Acid) in the fields of medicine, cosmetics, health foods (dietary supplements) and fertilizers.

Number of Jobs: 10

PROJECT

The Company set up a representative office in Bahrain for clinical trails. In 2013, the company also set up a JV with Dawani Group.

PRODUCTS

Clinical trials for food supplements with BDF, Arabian Gulf University and King Hamad Hospital in Bahrain.

Indian Companies in Bahrain







Chemco Group

A leading manufacturer of PET preforms in Asia with a 26 per cent market share inclusive of exports

Investment size: US\$10 million in 2015 with planned expansion taking it to US\$20 million in 2017 Number of Jobs: 40

PROJECT

A Set up a manufacturing facility in Bahrain to supply companies likeCoca Cola, Pepsi, Reckitt Benckiser and others

PRODUCTS

Polyethylene terephthalate (PET) preforms

JBF Industries

JBF is the largest manufacturer of Polyester film in India producing polyester chips, bottle grade resins, PET film and many other applications

Investment size: US \$200 million Number of Jobs: 320

PROJECT

Set up a production plant in Bahrain to export to the US (making use of the FTA) and a \$5.3 million warehouse in 2017 to accommodate further production.

PRODUCTS Polyester films and

chips

Electro Steel

World's third largest producer of ductile iron (DI) pipes and ancillary products, and acts as a global supplier in over 50 countries and has 9 subsidiary companies and distribution centres around the world.

Investment size: US \$6.6 million Number of Jobs: 320

PROJECT

A warehouse to cater to the needs of all the water projects currently being developed in Bahrain and the Middle East.

PRODUCTS

- Electrosteel castings
- Steels
- Siralahasthi pipes

German Companies in Bahrain



@armacell

The Chemical Company

RMA is a German company with 4 plants, two in

Armacell Middle East

Global leader in flexible foam for the equipment insulation market and a leading provider of high performance engineered foams.

Investment size: US \$ 16 million Number of Jobs: 140

PROJECT

A manufacturing facility to produce elastomeric rubber insulation for the heating, ventilation and air conditioning market in the GCC and Africa.

PRODUCTS

Thermal, lowtemperature and cryogenic industrial insulation materials

BASF

It is the world's leading chemical company and covers chemicals, plastics and performance chemicals, agricultural products, fine chemicals and oil & gas.

Number of Jobs: 50

PROJECT

to produce 16.000 MT

of plastic additives for

(mainly Saudi Arabia

the GCC region

and Kuwait)

A manufacturing facility

Plastic additives

ntioxidant blends

PRODUCTS

Bahrain, employing over 500 people

RMA

Investment size: US\$ 18 million Number of Jobs: 100

PROJECT

Manufacturing and service facility for special pipeline equipment with a recent plant expansion that will of 4.7 million dollar in Bahrain.

PRODUCTS

RMA designs, manufactures, and services special valves, tees and fasteners for oil pipelines, Inspection Gauge (PIG) traps and tee pipe fittings

US Companies in Bahrain



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Olayan Kimberly-Clark

Olayan Kimberly Clark

A joint venture between Olayan Group, a Saudi Conglomerate and Kimberly Clark, an American personal care corporation (owning 49% of Olayan Kimberly Clark). Established one of the largest tissue mills in the GCC

Investment Size: US\$ Number of Jobs: 122

PROJECT

Manufacturing facility to export to OKC's sister plant in the Easter Province, KSA, to distribute all over the GCC and part of Middle East.

PRODUCTS

Jumbo tissue rolls for Kleenex

Mondelēz, International

Mondelez International (Kraft Foods)

Mondelez is the world's second largest food and beverage company. It has a global workforce of over 127,000 employees, 180 manufacturing facilities and sales in 150 countries.

Investment size: US \$40 million Number of Jobs: 300

PROJECT

Manufacturing facility for powdered beverages and cheese as well as a \$100 million biscuit expansion to export to the Middle East Market

PRODUCTS

- Cheese
- Powdered beverages
- Biscuits

PROJECT

Number of Jobs: 1,530

WestPoint Home. Inc

Manufacturing facility for export to the United States. Their main clients include Target, Ralph Lauren, JC Penny, Kohl's and Hanes

PRODUCTS

- Bedding products
- Graphic printing/ bleaching
- Yarning

west Point"

HOME

WestPoint Home, Inc. is one of the world's leading

textiles. Their operation in Bahrain is the largest

home textile manufacturing facility in the GCC.

Investment size: US \$150 million

manufacturers and distributors of high quality home

Turkish Companies in Bahrain









Orta Anadolu

Orta Anadolu is a global spinning and weaving company of denim fabric. Today, Orta produces over 60 million meters of denim in its Turkey and Bahrain factories

Investment size: US \$ 75 million Expansion size: US\$ 25 million Number of Jobs: 700

PROJECT

Orta Anadolu Textile has three production units - denim fabric manufacturing unit , spinning yarn manufacturing unit and 3rd unit is a weaving unit.

PRODUCTS

Manufacturing for Internationally recognized brands like G-Star, Mavi, Levis, Little Big, Tommy, Diesel, Replay, J Brand, Miss Sixty, D Squared, Paige and GAP.

Sonmez Metal

Specialists in Electro Mechanical Engineering providing fully developed engineered to the HVAC needs of these industries.

Investment size: Number of Jobs:

PROJECT

Initially established as a sub contractor (project office) of TAV Airports in Bahrain but have more recently decided to establish a fully fledged facility based on a continued pipeline of projects

PRODUCTS

Mainly responsible for engineering works related to HVAC.

TAV Airports

Tav Airports leads several large airport construction projects worldwide, notably Turkey's Ataturk airport, Tunisia's International Airports and a select few in Saudi Arabia.

Investment size: Number of Jobs:

PROJECT

contractor of Bahrain

Set up as a lead

Airport Expansion

project

PRODUCTS

Provides construction services for the airport expansion which aims to increase airports capacity from 4 to 14 million, and is to be built in the span of 51 months.

Saudi Companies in Bahrain







Inma Steel

Specialist manufacturer of custom built process equipment for end users in the Oil & Gas Processing, Refineries, Petrochemicals, Fertilizers, Power & Desalination and Chemical Process industries.

Investment size: US \$ 1 million Number of Jobs: 20

PROJECT

Subsidiary of Al Turki and Sons whereby they have established a representative office in Bahrain to coordinate their local business

PRODUCTS

Currently utilizing Bahrain to co-ordinate their local shutdown maintenance works as well as leveraging Bahrain's local talent for recruitment of Bahraini's for their Saudi Arabian Operations.

Smsa Express

Saudi Arabia's leading express transportation and logistics service provider with more than 20 years of service an environmental friendly ISO 9001-2008 certified maintains a fleet of more than 1424 vehicles covering broadest territorial area of 325 cities, villages and town in KSA.

Investment size: US \$3 million Number of Jobs: 100

PROJECT

Logistics service office as part of the company's regional growth strategy, SMSA Express has decided to setup in Bahrain in 2017 and will launch operations in Q1 2018.

PRODUCTS

- Courier and express Services
- Air & sea Cargo services
- Full truckload (FTL) services
- B2C e-commerce solutions

UK Companies in Bahrain





htfoot	

Lightfoot Defence is a UK-based refrigeration and heating, ventilation and air conditioning contractor.

Investment size: US \$ 663,318 Number of Jobs: 24

PROJECT

An agreement that gives Lightfoot permanent presence of Lightfoot in ASRY.

PRODUCTS

Upgrades, modifications, and repair to standard and non-magnetic AC plants and associated equipment of naval vessels

Davis & Mills	
PROJECT	PRODUCTS

Euroscot Engineering		
Investment size:		
Number of Jobs: PROJECT	PRODUCTS	
FROJECT	FRODUCTS	

















Malaysia's leading certification, inspection and testing body, with regional HQ in Bahrain.

Investment size: US \$ 150,000 Number of Jobs: 100

PROJECT

Set up to become a certified body by GCC Standardization Organization to provide conformity certificates based on GCC product safety programs.

PRODUCTS

IECEx certification of personnel competence for explosive atmospheres, IECEx certified service facilities certification, product certification and management system certification services.

MTQ

Provides engineering services for the oilfield and gas industry in Bahrain and the Gulf.

Investment size: Number of Jobs:

PROJECT

Set up a facility to provide a complete range of oilfield engineering, repair and refurbishment services

PRODUCTS

Manufactures blowout preventers- a key precision safety device used on oil gas ringsfor Oil & Gas industry in Bahrain and supply to KSA, Kuwait, UAE and Iraq market.

YPPC

Young Poong Precision Corporation is a member of Young Poong Business Groupone of the 30 largest industrial conglomerate in Korea.

Investment size: Number of Jobs:

PRODUCTS

Offers design, engineering, manufacturing, supplying installation and commission services.

PROJECT Set up a manufacturing and service facility in Bahrain

Appendix

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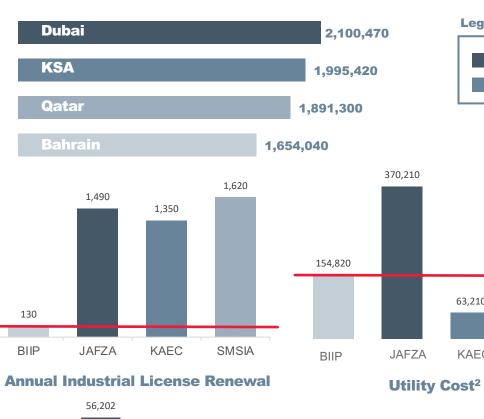
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OCCL

Bahrain offers the lowest Industrial Operating **Costs in the** GCC



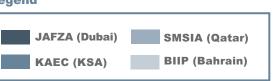


63,210

KAEC

62,390

SMSIA





Lower than Dubai

18%

Lower

than

KSA



Manpower and Visa¹

Note: All figures are in USD

JAFZA

13.300

BIIP

¹Reflects the annual average manpower and visa costs for 65 employees consisting of: 15 unskilled workers, 15 semi-skilled workers, 10 skilled workers, 7 administrative staff, 7 associates, 5 deputy managers, 4 managers and 2 senior management members

² Reflects the annual utilities cost based on a 3,000 sqm built-up area consuming 255,810 kWh of electricity per month and 70m³ of water per month Source: KPMG, Cost of Doing Business Report 2015

The most friendly & hospitable **location for** expats in the GCC

Bahrain ranks fourth overall in the world for expat satisfaction



100% foreign ownership allowed





Individuals may purchase land- freehold in prime locations for residential usage and accordingly obtain permanent residency

Companies allowed

100% foreign

ownership



Companies may purchase land-freehold throughout Bahrain for commercial usage

Other means to register operations

- Public Joint Stock Company (up to 49% foreign ownership in any activity / sector)
- Branch office
- Regional office

Other Notable Companies in Bahrain



Other Notable Companies in Bahrain



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Unilower

Contact Us

Husain Rajab

Executive Director – Manufacturing, Transport, Logistics & Industrial ServicesEmail: Husain.Rajab@bahrainedb.com

Tel: +973 1758 9890

Ryaan Sharif

Senior Manager – Manufacturing, Transport, Logistics & Industrial Services Email: Ryaan.Sharif@bahrainedb.com Tel: +973 1758 9925

ECONOMIC DEVELOPMENT BOARD

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