



Cost of Doing Business: Logistics

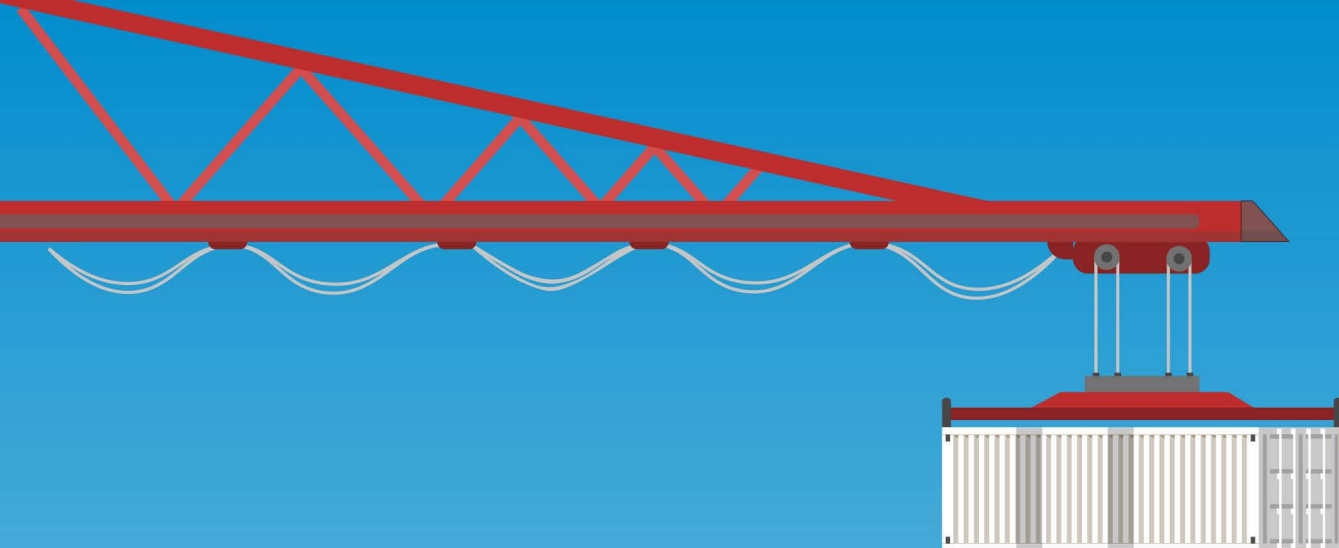


September 2021

kpmg.com/bh







Note to the reader

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. KPMG does not guarantee that the use of the guidance in the report will lead to any particular outcome or result. KPMG shall not be liable to anyone in respect of any business losses including, without limitation, loss of or damage to profits, income, revenue, use, production, anticipated savings, business, contracts, commercial opportunities or goodwill.



Glossary of frequently used terms

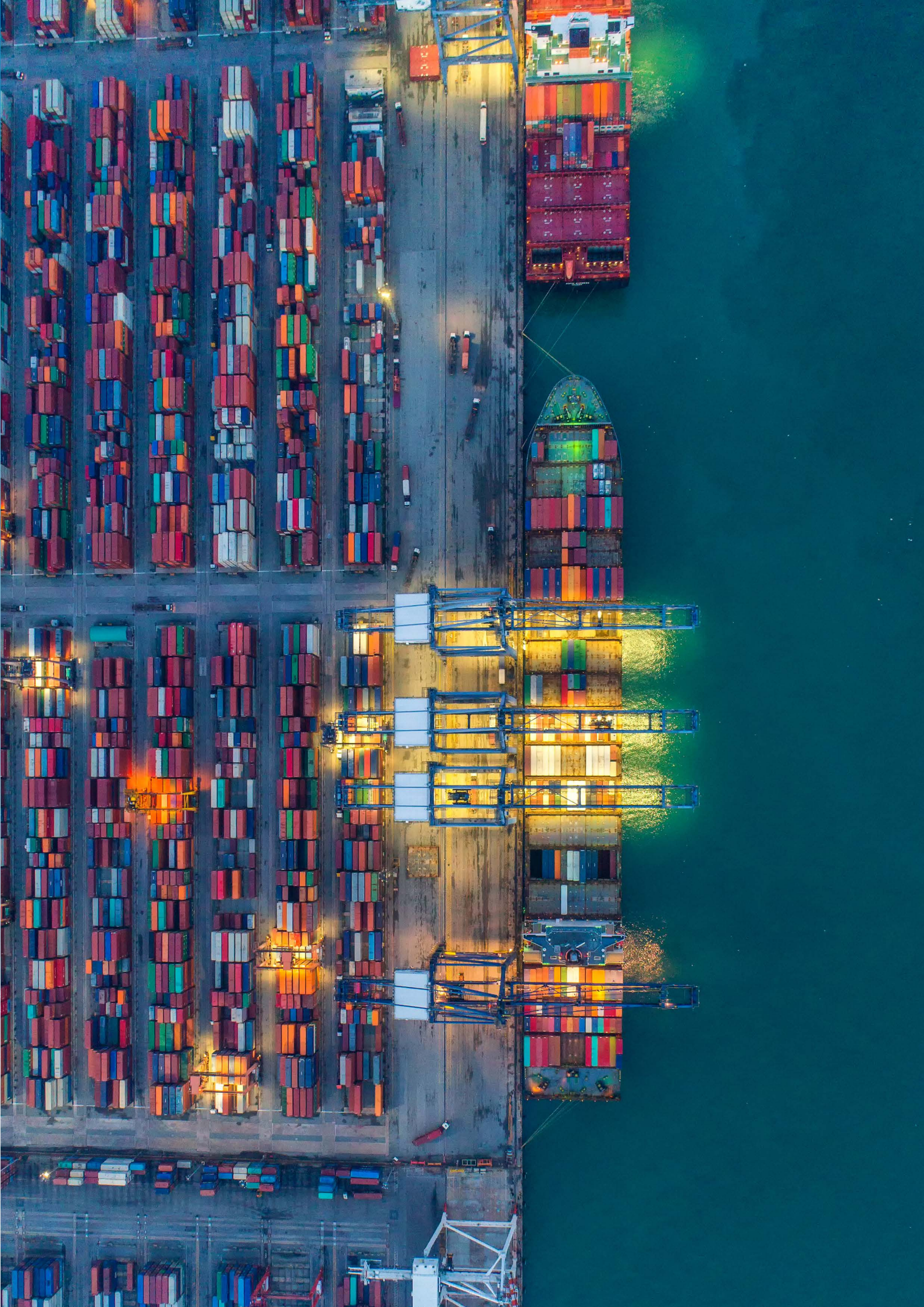
BLZ	Bahrain Logistics Zone
DAFZA	Dubai Airport Free Zone
DEWA	Dubai Electricity and Water Authority
DIP	Dubai Investments Park
GAFTA	Greater Arab Free Trade Area
GCC	Gulf Cooperation Council
LMRA	Labor Market Regulatory Authority
JAFZA	Jebel Ali Free Zone
KAEC	King Abdullah Economic City
KIZAD	Khalifa Industrial Zone
SPFZ	Sohar Port and Freezone
USD	United States Dollar
UAE	United Arab Emirates
VAT	Value-Added Tax



Contents

I. Executive Summary	8
II. Key Cost Components	11
2.1 Business Registration and Licensing	11
2.2 Land Rental and Construction	12
2.3 Infrastructure Levy	14
2.4 Industrial Utilities	16
2.5 Office Rental	19
2.6 Manpower Cost	21
2.7 Visa, Permits and Localization Requirements	24
2.8 Taxes, Fees and Incentives	29
2.5 Transport and Logistics	32
2.5 Overall Cost of Doing Business	44
III. Appendix	47





I. Executive Summary

Introduction

This report looks at the typical costs associated with operating a logistics business in the following GCC jurisdictions:

- **Bahrain:** Bahrain Logistics Zone (BLZ)
- **Saudi Arabia:** King Abdullah Economic City (KAEC), Jeddah
- **UAE:** Dubai Investments Park (DIP), Dubai; Jebel Ali Free Zone (JAFZA), Dubai; Dubai South, Dubai; Dubai Airport Free Zone (DAFZA), Dubai; Khalifa Industrial Zone (KIZAD), Abu Dhabi
- **Oman:** Sohar Port and Freezone (SPFZ), Sohar

The report analyzes the cost of business registration and licensing; land rentals; construction cost for warehouse units; renting cost for office and pre-built warehouse facilities; infrastructure levy cost; utility charges; manpower and labor accommodation cost; employment visa cost; transport and logistics-related costs. Overall, the annual cost of operating a logistics business in Bahrain is significantly lower (50 to 72 percent) than that of its select GCC peers.

With respect to the land leasing prices, Bahrain is significantly cheaper than the GCC average. Bahrain is the most competitive in transport and logistics costs, as the cost in Bahrain is lower by 35 to 50 percent when compared to the GCC markets studied.

Bahrain has the lowest manpower cost in the GCC, with an estimated annual manpower salary cost 20 to 40 percent lower than its GCC peers.

Additionally, visa and permit costs in Bahrain remain considerably lower than Saudi Arabia and Oman. Visa and permit costs are the highest in Saudi Arabia.

Blue-collar accommodation cost in Bahrain is 30 to 70 percent lower than all benchmarked jurisdictions, except Khalifa Industrial Zone and Sohar Port and Freezone, which are 13 to 23 percent lower than Bahrain. Based on the average monthly consumption for a typical light industrial unit, the electricity costs incurred in Saudi Arabia are the lowest, followed by Oman and Bahrain.

Value-added tax (VAT) was introduced in Saudi Arabia and the UAE in January 2018, followed by Bahrain in January 2019, and Oman in April 2021.



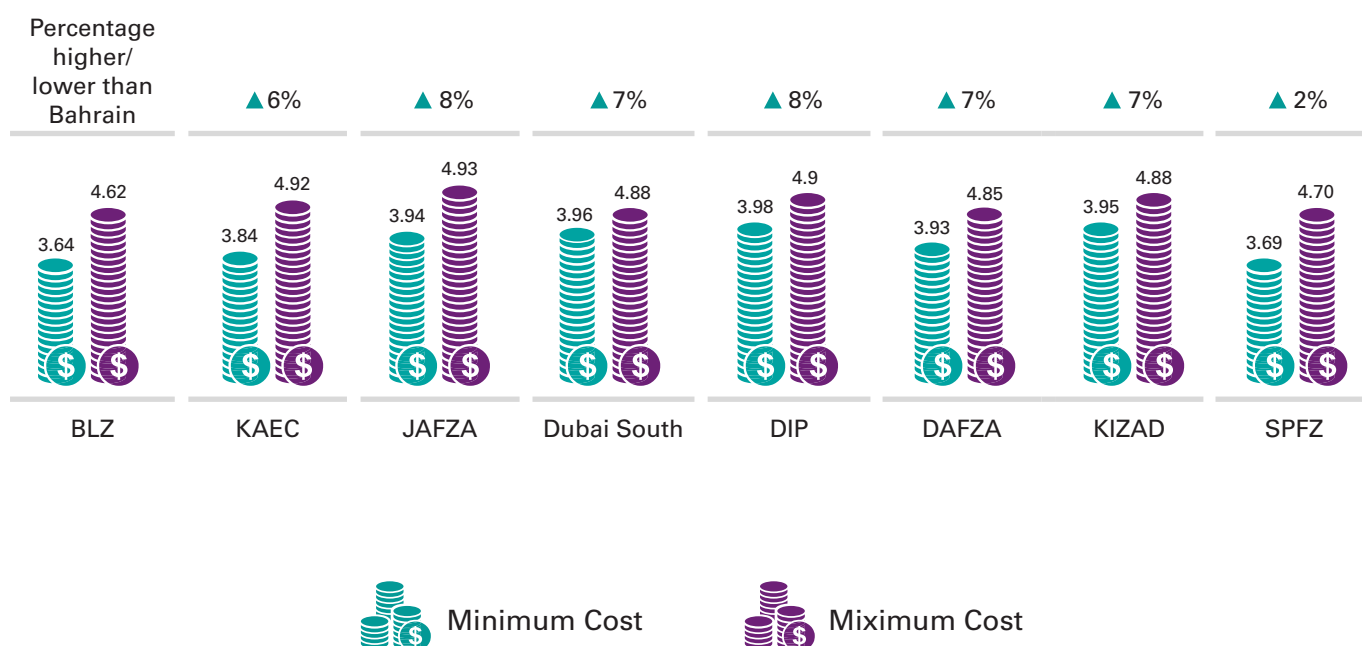
Cost of Setting up a Logistics Business

Figure A below outlines the estimated overall cost of setting-up a logistics business across the benchmarked logistics parks. To estimate the cost of setup an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60 percent of the land size)
- Number of Employees in the Setup Phase: 8

Based on the parameters taken to arrive at the estimated business setup cost, BLZ emerges as the most competitive destination. The setup cost in Saudi Arabia and the UAE is around 6 percent to 8 percent higher than in Bahrain (refer to Chapter 2.10).

Figure A: Cost of Setting up a Logistics Business (USD million)



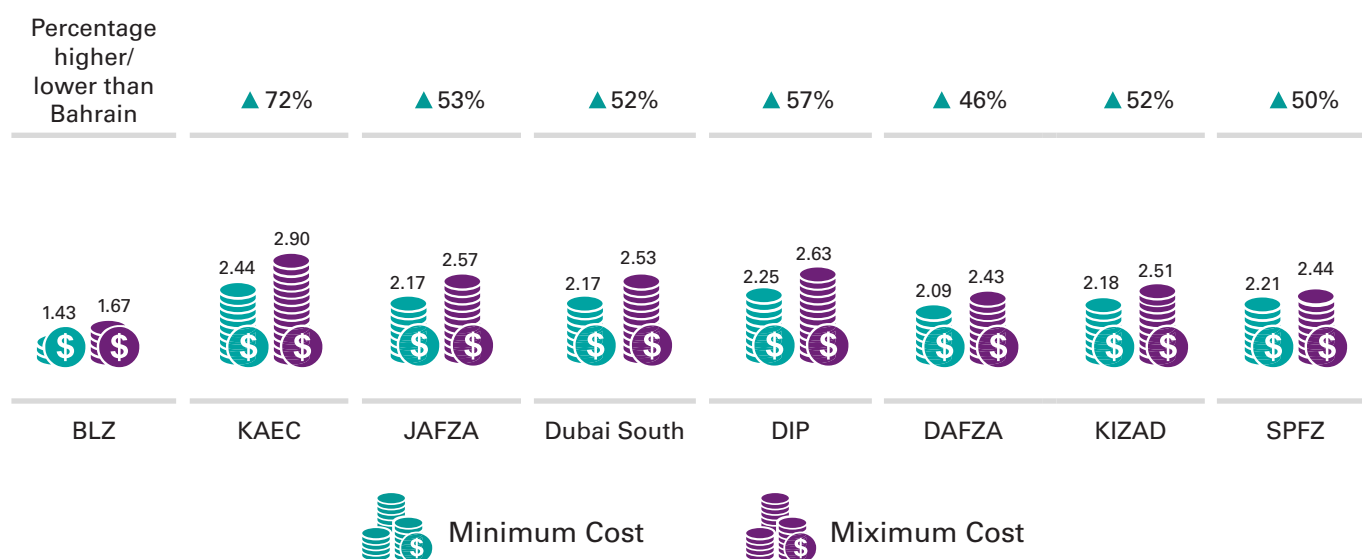
Annual Cost of Operating a Logistics Business

Figure B below outlines the estimated overall annual cost of operating a logistics business across the benchmarked logistics parks. To estimate the annual cost an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60 percent of the land size)
- Number of Employees in the Operating Phase: 51
- Annual cost of dependents visa, national ID and health insurance for a spouse and two children for eight management level staff
- Corporate tax* on 49 percent foreign shareholding for a logistics company with a net profit of USD 410,000
- Transport and Logistics cost: by sea, import of thirty 40' FCL (full container load) per month; and by road, movement of thirty 40' FCL per month. The estimated logistics costs were arrived at by incorporating sea and road freight costs, customs clearance charges and terminal handling charges as applicable. Transport and Logistics cost assume a scenario wherein goods from respective logistics parks are exported to Riyadh while goods from Saudi Arabia are exported to Dubai.

Based on the parameters taken to arrive at the estimated annual operating cost, BLZ emerges as the most competitive destination followed by SPFZ. Compared to BLZ, the annual operating cost at other logistics parks is around 50 percent to 70 percent higher. (refer to Chapter 2.10).

Figure B: Annual Cost of Operating a Logistics Business (USD million)



**It is to be noted that there is no corporate tax in Bahrain*



II. Key Cost Components

2.1 Business Registration and Licensing

Business Registration

A business registration cost is the estimated cost incurred in fees paid towards legally registering a free zone company in the respective logistics parks. With the exception of BLZ and DIP, where an investor needs to register the business with the respective mainland government agency⁽¹⁾, the remaining logistics parks have the authority to register the business.

The minimum capital requirement represents the mandatory paid-up capital for starting the business. Some jurisdictions do not impose a minimum capital requirement, some have specific requirements, while others allow businesses to be setup with capital sufficient for the activities applied for. Despite minimum capital being nil in select jurisdictions, the businesses need to show working capital requirements.

Figure 1: Business Registration Fee
Cost of Registering a Business (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Application Fee (one-time)	Nil	Nil	Nil	Nil	33	Nil	Nil	Nil
Registration Fee (one-time)	133	6,650	1,360	Nil	1,142	1,904	1,428 - 2,142	2,731
Minimum Capital Requirement	Nil	Nil	Nil	81,600	Nil	272	40,800	Nil

Source: Respective logistics park jurisdictions, government agencies, primary and secondary research, KPMG analysis

Licensing

BLZ has the most competitive license renewal cost. The license renewal cost of USD399 for BLZ is for up to three activities and the same cost is applicable per activity thereafter. Similar to business registration, the annual license renewal for businesses operating at BLZ and DIP, needs to be done through the respective government agencies.

Other annual fees include general administrative charges.

Figure 2: Licensing Fee
Cost of Annual License Renewal (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
License Renewal Fee (USD/Year)	399	1,330	4,080	2,720	3,808	4,080	1,428	1,001
Other Fee (USD/Year)	Nil	Nil	Nil	857	Nil	549	Nil	Nil

Source: Respective logistics park jurisdictions, government agencies, primary and secondary research, KPMG analysis

⁽¹⁾ To setup business at BLZ the registration is made with the Ministry of Industry, Commerce and Tourism in Bahrain and for DIP with Department of Economic Development in Dubai



2.2 Land Rental and Construction

Land Rental

All logistics parks provide land plots to build warehouse on a mid to long-term renewal lease. The significant variation in land rental within a jurisdiction can be attributed to the supply and demand characteristics in the country, the maturity level of the particular logistics park, as well as the location of the land plot within the logistics park.

Figure 3: Land Rental
Cost of Leasing a Plot of Land (USD)

Cost Type	BLZ ⁽²⁾	KAEC ⁽²⁾	JAFZA ⁽²⁾	Dubai South ⁽²⁾	DIP ⁽²⁾	DAFZA	KIZAD ⁽²⁾	SPFZ
Land Rental (USD/Sqm/Year)	9.6	5.0 – 6.1	6.8 - 21.8	10 - 11.4	13.7	4.5-6.5	9.0	9.0
Service Charge (USD)	1.4 per sqm/year	1.4 per sqm/year	Nil	0.7 per sqm/year	0.9 per sqm/year	Nil	0.9 per sqm/year	Nil

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

Construction

Based on the estimated construction cost for a warehouse⁽³⁾, Bahrain, followed by Oman emerge as the most competitive destinations.

Figure 4: Warehouse Construction Cost
Cost of Purchasing 'Basket' of Telecommunication Services (USD)

Warehouse Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Light Duty Warehouse (USD/Sqm)	634 – 807	640 – 815	680 - 820	680 - 820	680 - 820	680-820	680 - 820	640 – 815

Source: Survey of leading engineering consulting firms, KPMG analysis

⁽²⁾ Land Rental rate and service charge are inclusive of 5 percent-15 percent VAT where applicable. Some jurisdictions in Saudi Arabia and the UAE apply VAT on both land rental and service charge while some levy it on service charge alone. VAT is not applicable on land rental and service charge in BLZ

⁽³⁾ Warehouse construction cost is exclusive of 5 percent VAT for Bahrain and the UAE; and 15 percent for Saudi Arabia



Pre-built Warehouse Rental

Pre-built warehouse facilities are available across all the benchmarked logistics parks. KAEC, followed by BLZ and SPFZ, offer pre-built warehouse units at the most competitive rates. Pre-built units are most expensive at DAFZA and Dubai South.

Figure 5: Pre-built Warehouse Rental
Cost of Leasing Pre-built Warehouse (USD)

Cost Type	BLZ	KAEC ⁽⁴⁾	JAFZA ⁽⁴⁾	Dubai South ⁽⁴⁾	DIP ⁽⁴⁾	DAFZA	KIZAD	SPFZ
Pre-built Warehouse Rental (USD/ Sqm/Year)	64 – 98	49	82 – 177	131 – 151	69 – 88	300	95	94
Service Charge (USD)	Nil	20% of annual rent ⁽⁵⁾	10% of annual rent ⁽⁵⁾	7.7	Nil	10% of annual rent	Nil	Nil

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

Construction Permit

A construction permit is required to construct a warehouse on a leased plot of land. Figure 6 below highlights the cost of obtaining a construction permit across the benchmarked logistics parks.

Figure 6: Construction Permit Cost
Cost of obtaining Construction Permit (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD ⁽⁶⁾	SPFZ
Construction Permit Fee (USD)	0.9 per sqm of built-up area	306 + 0.4 per sqm of built-up area	0.9 per sqm of built-up area	0.3 per sqm of built-up area	0.9 per sqm of built-up area	Nil	1,300 - 2,600

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

⁽⁴⁾ Pre-built industrial unit rental and service charge are inclusive of 5 percent VAT. Some jurisdictions in Saudi Arabia and the UAE apply VAT on both land rental and service charge while some levy it on service charge alone. VAT is not applicable on pre-built warehouse rental and service charge in BLZ

⁽⁵⁾ Additional 5 percent VAT is levied on service charge

⁽⁶⁾ The Abu Dhabi municipality has done away with the construction permit cost















2.3 Infrastructure Levy

Land Rental

An infrastructure levy is incurred in order to obtain electricity, water and sewage connection for a warehouse based at logistics parks. At some logistics parks no additional cost is incurred as the plot of land comes ready with the infrastructure. The cost of providing this ready infrastructure, however, is generally covered through the higher land rental and the service charge paid for land rental. All logistics parks also come with the necessary road infrastructure. Figure 7 below indicates the tariff slab for obtaining the electricity, water and sewage connection at the benchmarked logistics parks, as levied by the relevant local service provider. In order to obtain electricity connection above a certain load capacity threshold businesses may incur additional costs related to building the necessary network infrastructure.



Figure 7: Infrastructure Levy

	 Electricity Connection (Load Capacity in kVA)	 Tariff (USD/kWh)	 Water Connection (Connection Size in mm)	 Tariff (USD)	 Sewage Connection	 Tariff (USD)
BLZ 	1 – 3,500	93	15	133	Sewage connection	Nil
	3,501 – 12,000	40	25	798		
	> 12,000	Infrastructure cost to connect to network	50	2,393		
KAEC 	1 – 30	18.4	Standard	92 + 46 per m ³	Sewage connection	92 + 46 per km of land plot size
	31 – 60	28.8				
	61 – 90	46				
	91 – 120	50.6				
	121 – 152	54				
	> 152	8,165 + 77 per kVA				
JAFZA and DIP 	1 – 170	71.4	Standard	No standard rate. Cost is estimated based on site inspection and specific requirement of the business	Sewage connection	1.5 per m ² of land plot size
	171 – 400	83				
	401 – 1,000	86				
	1,001 – 2,000	88.2				
	2,001 – 3,000	90.3				
	3,001 – 4,000	137.5				
	4,001 – 5,000	301.3				
	5,001 – 6,000	532.4				
	6,001 – 7,000	615.3				
	7,001 – 8,000	698.3				
	8,001 – 9,000	766.5				
	9,001 – 10,000	865.2				
	10,001 – 11,000	961.8				
	> 11,000	473.5				
Dubai South 	All capacity	Nil	Standard	Nil	Sewage connection	Nil
KIZAD 	1 – 100	15	Standard	No standard rate. Cost is estimated based on site inspection and specific requirement of the business	Sewage connection	Nil
	101 – 500	44.9				
	501 – 1,000	60				
	1,001 – 5,000	75				
	> 5,000	15 + infrastructure cost to connect to network				
SPFZ 	All capacity	Nil	Standard	42 per m ² of built-up area	Sewage connection	Nil

Source: Respective electricity and water authorities, respective logistics park jurisdictions, primary and secondary research, KPMG analysis



2.4 Industrial Utilities

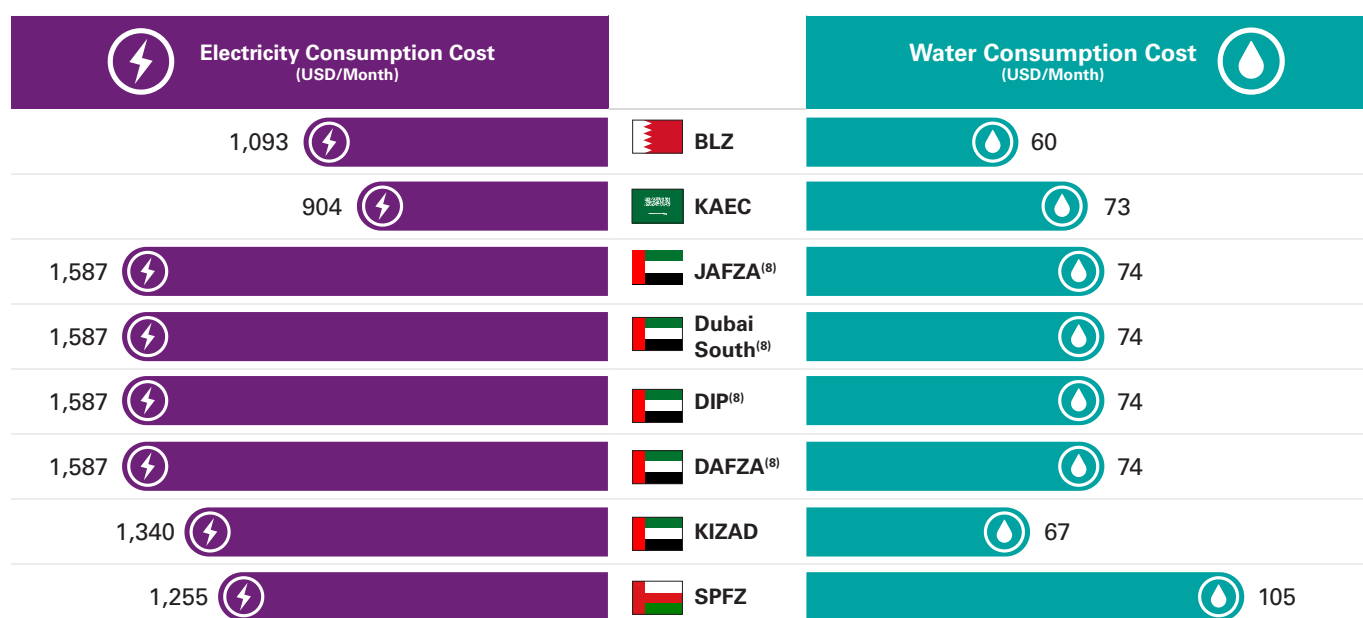
Electricity and Water Cost

Electricity and water are key utilities in the logistics sector. Electricity and water tariffs vary based on multiple factors, including total number of units consumed, as well as peak, off-peak and seasonal rates.

Based on average monthly consumption for a typical light duty warehouse unit, the electricity cost incurred in Saudi Arabia is the lowest, followed by Bahrain and Oman. For water consumption, BLZ emerges as the most competitive, followed by Saudi Arabia. At an overall level, logistics parks in Dubai have the highest electricity and water tariff.

Scenario: For a typical light duty warehouse unit of 3,000 sqm built-up area consuming on average 5.47 kWh of electricity per sqm per month and 30 m³ water per month.

Figure 8: Estimated Monthly Electricity and Water Consumption Cost⁽⁷⁾



Source: Respective electricity and water authorities, respective logistics park jurisdictions, primary and secondary research, KPMG analysis

⁽⁷⁾ The electricity and water tariffs are inclusive of 15 percent VAT for Saudi Arabia and 5 percent for the UAE and Oman. VAT is not applicable on electricity and water tariffs for Bahrain

⁽⁸⁾ Electricity and water tariffs for logistics parks based in Dubai include surcharge as per DEWA (Dubai Electricity and Water Authority) as well as 5 percent VAT



Electricity and Water Tariff

The cost of utilities across the GCC has seen a steady rise in the last couple of years as governments look to reduce strain on fiscal budgets due to the low oil prices by gradually reducing subsidies on utilities.

Saudi Arabia offers the most competitive rates for electricity, followed by Oman and Bahrain; while BLZ offers the lowest rates for water. Businesses based in logistics parks across the UAE, face the highest electricity and water tariffs.

Figure 9: Electricity and Water Tariff
Cost of Electricity and Water (USD)









Utility	BLZ	KAEC	JAFZA ⁽¹⁰⁾	Dubai South ⁽¹⁰⁾	DIP ⁽¹⁰⁾	DAFZA ⁽¹⁰⁾	KIZAD	SPFZ
Electricity⁽⁹⁾ (USD/kWh)	0.04 - 0.08	0.06	0.08 - 0.11	0.08 - 0.11	0.08 - 0.11	0.08 - 0.11	0.08	0.04 - 0.08
Water⁽⁹⁾ (USD/m ³)	1.99	2.44	2.45 - 3.14	2.45 - 3.14	2.45 - 3.14	2.45 - 3.14	2.24	3.13

Source: Respective electricity and water authorities, respective logistics park jurisdictions, primary and secondary research, KPMG analysis

Electricity and Water Tariff Structure

Figure 10 below shows the electricity and water consumption tariff slab across select locations in the GCC.

Figure 10: Electricity and Water Tariff Structure

	 Electricity Consumption (kWh)	 Tariff (USD/kWh)	 Water (m ³)	 Tariff (USD/m ³)
Bahrain⁽⁹⁾ 	0 – 5,000	0.04	Any quantity	1.99
	> 5,000	0.08		
Saudi Arabia⁽⁹⁾ 	Depends on consumption (Tariff by slab is not available)	0.06	Varies according to the industrial zone	92 + 46 per m ³
			0 – 45.46 (0 – 10,000 Imperial Gallon)	2.45
			45.47 – 90.92 (10,001 – 20,000 Imperial Gallon)	2.76
			> 90.92 (> 20,000 Imperial Gallon)	3.14
Abu Dhabi⁽¹¹⁾ 	Any consumption	0.08	Any consumption	2.24
Oman⁽¹²⁾ 	Any consumption	0.08	Any consumption	2.70

Source: Respective electricity and water authorities

⁽⁹⁾ The electricity and water tariffs are inclusive of 5 percent VAT for Saudi Arabia and UAE. VAT is not applicable on electricity and water tariffs for Bahrain
⁽¹⁰⁾ Electricity and water tariffs for logistics parks based in Dubai include surcharge as per DEWA (Dubai Electricity and Water Authority) as well as 5 percent VAT

⁽¹¹⁾ The electricity and water tariffs for Abu Dhabi are inclusive of 5 percent VAT

⁽¹²⁾ The electricity tariff has been calculated as a weighted average of seasonal tariffs for the first slab



















2.4 Industrial Utilities

Gasoline and Diesel

Bahrain offers the most competitive cost for Gasoline 91 and Gasoline 95. The cost of diesel in Saudi Arabia is the lowest among the benchmarked countries. The cost of diesel in Bahrain is around 50 percent lower than in the UAE and Oman.

Figure 11: Gasoline and Diesel Prices⁽¹⁵⁾
Prices as of July 2021

Prices as of July 2021	Gasoline 91 (USD/Litre)	Gasoline 95 (USD/Litre)	Diesel (USD/Litre)
 Bahrain	 0.37	 0.53	 0.43
 Saudi Arabia	 0.58	 0.62	 0.14
 UAE	 0.60	 0.62	 0.63
 Oman	 0.56	 0.59	 0.61

Source: Secondary research, KPMG analysis

(15) The gasoline and diesel prices are inclusive of 5 percent VAT for Saudi Arabia and the UAE. VAT is not applicable on gasoline and diesel prices for Bahrain





2.5 Office Rental

Office Rental at Logistics Parks

All logistics parks, offer standard office space for lease to businesses. The office space is available at specific office buildings located within the logistics parks.

Overall, the office space available within BLZ offers the most competitive rental rate followed by KAEC. Office rental in JAFZA on the other hand is the most expensive.

Figure 12: Office Rental⁽¹³⁾
Cost of Leasing Office Space at Benchmarked Logistics Parks (USD)

Cost Type	BLZ	KAEC ⁽¹⁴⁾	JAFZA	Dubai South ⁽¹⁴⁾	DIP ⁽¹⁴⁾	DAFZA	KIZAD	SPFZ
Office Rental (USD/Sqm/ Year)	192	242	400-571	343	141-173	557	490	455
Service Charge	10% of rent	61 per sqm/ year	Nil	86 per sqm/ year	Nil	13% of annual rent	1,088-1,632	Nil
Municipal Tax	10% of rent	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Deposit	Nil	15% of first year rent	10% of first year rent	10% of first year rent	5% of first year rent	10% of first year rent	1,360	Nil

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

⁽¹³⁾ For a standard office space available at logistics parks. Typical office size starting from 20 sqm

⁽¹⁴⁾ Office rental and service charge are inclusive of 5 percent VAT wherever applicable. Some jurisdictions in Saudi Arabia and the UAE apply VAT on both office rental and service charge while some levy it on service charge alone. VAT is not applicable on office rental and service charge in Bahrain

Office Rental at Select Locations

Figure 13 shows the approximate office rental rates across select cities.

Figure 13: Office Rental⁽¹⁴⁾
Cost of Leasing Office Space at Select Locations (USD)

Location	Manama, Bahrain	Manama, Bahrain	Seef, Bahrain	Al Khobar, KSA	Riyadh, KSA	Jeddah, KSA	Dubai, UAE	Dubai, UAE	Dubai, UAE	Dubai, UAE	Dubai, UAE	Muscat, Oman
Cost Type	Bahrain Financial Harbor	World Trade Center	Seef	Al Khobar	Riyadh	Jeddah	Dubai, Science Park	Dubai, Internet City	Dubai, Silicon Oasis	JLT	DIFC	Muscat
Office Rental (USD/Sqm/Year)	160-255	191-255	112-191	173-293	226-449	200-266	278-348	299-558	258-354	185-320	354-966	187-203
Service Charge	15% of annual rent	15% of annual rent	15% of annual rent	10% of annual rent	10% of annual rent	10% of annual rent	30 per sqm/year	52-71 per sqm/year	54-68 per sqm/year	54 per sqm/year	73-177 per sqm/year	8-16 per sqm/year
Municipal Tax	10% of rent	10% of rent	10% of rent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.5% of rent	Nil
Rent Deposit	Negotiable	Negotiable	Negotiable	10% of rent	10% of rent	10% of rent	Nil	5-10% of rent	5-10% of rent	5-10% of rent	25% of rent	1 month rent
Agency Fee	Negotiable	Negotiable	Negotiable	5% of first year rent	5% of first year rent	5% of first year rent	Nil	5-7.5% of first year rent	5-7.5% of first year rent	5-7.5% of first year rent	7% of first year rent	Negotiable

Source: Primary and secondary research, KPMG analysis

Serviced Office Rental

The cost for serviced offices has been assessed considering the cost for renting an area suitable to accommodate three individuals. Rental rates for serviced offices vary significantly across the benchmarked cities. Bahrain is the most competitive serviced office market in the GCC costing on average around USD1,077 per month followed by Muscat where the average monthly rent for three individuals is around USD1,106. Serviced offices are most expensive in Jeddah averaging USD1,748 per month.

Figure 14: Serviced Office Rental⁽¹⁵⁾⁽¹⁶⁾
Cost of Leasing Serviced Office at Select Locations (USD)

Cost Type	Manama, Bahrain	Dammam, Saudi Arabia ⁽¹⁸⁾	Riyadh, Saudi Arabia ⁽¹⁸⁾	Jeddah, Saudi Arabia ⁽¹⁸⁾	Dubai, UAE ⁽¹⁸⁾	Abu Dhabi, UAE ⁽²¹⁾	Muscat, Oman
Rent (USD/ Month)	957 – 1,197	1,266-1,597	991-2,313	1,294-2,202	643-2,365	463-2,750	737-1,475

Source: Regional serviced office leasing companies, KPMG analysis

Serviced offices are typically managed by professional serviced office management companies which lease office spaces to businesses or individuals. A serviced office is equipped with furniture, shared meeting rooms, shared receptionists and pantry, and provides access to internet, shared printer, scanner and photocopier. Charges for using meeting rooms, kitchen consumables, telephone and photocopier are often billed separately based on usage.

⁽¹⁵⁾ Serviced office suitable to accommodate three individuals

⁽¹⁶⁾ Serviced office rental is inclusive of 5 percent VAT for Saudi Arabia and UAE. VAT is not applicable on serviced office rental for Bahrain



2.6 Manpower Cost

Manpower Salary

For a comparison of the manpower costs, employees across different categories have been considered, ranging from senior management to blue collared staff. When comparing the average salary earned by employees working in the logistics sector, Bahrain exhibits the lowest manpower cost for staff across a number of designations.

Figure 15 below provides estimated gross annual salaries including basic salary, housing allowance, transport allowance and other allowances. The allowances account for 25 percent to 40 percent of the total salary.

Figure 15: Annual Manpower Cost
Annual Manpower Salary Cost (USD '000)

Designation	Bahrain	Saudi Arabia	UAE	Oman
CEO/GM	105-136	160-207	144-187	103-134
Personal Assistant/Secretary	14-18	15-21	15-20	16-20 ⁽²⁰⁾
Operations Manager	41-52	74-96	61-78	45-60
Operations Coordinator	17-22	22-29	22-29	18-23
Logistics Manager	63-82	75-98	71-91	63-82
Logistics Officer	16-21	21-27	25-32	20-25
Machine Operator	9-12	11-15	12-16	10-13
Warehouse Incharge	34-44	38-49	36-46	32-42
Driver	5-7	11-15	14-18	10-12
Forklift Operator	10-13	15-20	11-15	10-13
Customs Clearance Manager	58-75	85-110	75-97	60-78
Customs Clearance agent	35-45	51-66	45-58	36-46
Maintenance Coordinator⁽¹⁸⁾	18-23	24-30	27-35	22-28
Sales Manager	45-59	59-76	50-65	50-65
Sales Executive	15-19	22-29	21-27	17-22
Finance Manager	51-66	79-103	76-98	72-95
Accountant	15-19	22-29	17-23	16-20
Blue Collar Labor (Unskilled Labor)	4-7	5-7	5-6	4-5

Source: Survey of leading manpower consulting firms, KPMG analysis

⁽¹⁷⁾ Benchmarked for Executive Secretary

⁽¹⁸⁾ Benchmarked for Maintenance Supervisor



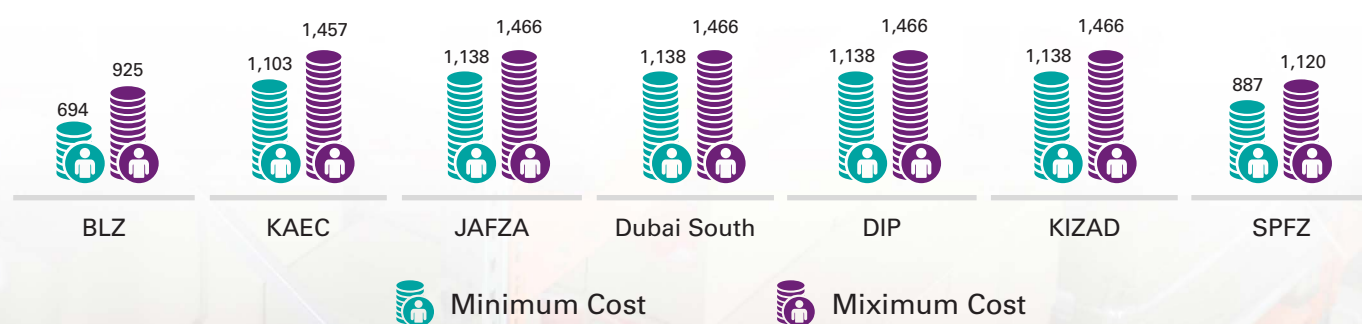
Manpower Salary (continued)

Estimates of annual manpower cost reveal Bahrain as the most competitive destination followed by Oman. Manpower cost in the UAE is on average 60 percent higher than in Bahrain. Cost of manpower is estimated to be the highest in Saudi Arabia.

Figure 16 below provides an estimated range of the annual manpower cost.

Scenario: For a logistics company employing 51 staff consisting of 10 management and administrative staff and 41 semi-skilled workers.

Figure 16: Total Annual Manpower Cost for a Logistics Company (USD '000)
Estimated Annual Manpower Cost



Source: Survey of leading manpower consulting firms, KPMG analysis



Labor Accommodation

Figure 17 below provides estimate of annual cost of accommodation per labor across the benchmarked logistics parks or in mainland city.

SPFZ offers the most competitive rates for labor accommodation, costing USD780 per labor per year, followed by KIZAD. DIP is the most expensive for labor accommodation, costing around USD2,700 to USD4,100 per labor per year.

For companies operating at the BLZ, labor accommodation is available at Bahrain Investment Wharf (BIW), located adjacent to BLZ. KAEC, JAFZA, Dubai South and DIP offer labor accommodation facilities within the logistics park. For logistics parks that do not offer labor accommodation, relevant city benchmark rates have been taken.

Figure 17: Annual Cost of Labor Accommodation⁽²²⁾

Labor Accommodation (USD)	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Is accommodation offered?	No	Yes	Yes	Yes	Yes	No	No	No
Is it mandatory to use zone accommodation?	N/A	No	No	No	No	N/A	No	N/A
Cost of accommodation (USD/Labor/Year)	877-1,037	2,379	1,469	1,028-1,679	2,742-4,113	N/A	849	780

Source: Regional serviced office leasing companies, KPMG analysis

⁽²⁰⁾ Includes cost of room rent and utilities only and excludes other costs such as food and laundry

2.7 Visa, Permits and Localization Requirements

Employment Visa

Visa-related cost is a significant factor in operating a business in the region. For businesses based at DAFZA, JAFZA, Dubai South, and KIZAD all employment visa related requests have to be made through the dedicated 'One-Stop-Shop' service available in-house. The one-stop-shop acts as a single window for obtaining, among other services, all visa-related services through the respective government agencies. For businesses based at other logistics parks all visa-related procedures have to be carried out directly through the respective government agencies.

The cost of obtaining an employment visa is the highest in Saudi Arabia. In order to obtain an employment visa in Saudi Arabia an employer needs to pay an Expat Employment Levy in addition to the visa cost.

For the year 2021, employers are required to pay a levy of USD2,234 per year (USD186 per month) for each foreign employee when the total count of foreign employees in the organization is equal to or less than the count of Saudi employees. The levy is USD2,554 per year (USD 213 per month) when the count of foreign employees is more than the Saudi employees. This amount is required to be paid at the time of the visa application for the duration of the validity of the employment visa.

Figure 18: Annual Visa Costs
Cost of obtaining Employment Visa (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Residency permit/ Work permit (USD/Year) ⁽¹⁹⁾	585	2,766- 3,086	273	227	114	214	279	450
Work permit renewal (USD/Year)	585	2,766- 3,086	273	227	114	214	279	450
National ID (USD/Year)	5	173	46	46	46	46	46	16
National ID renewal (USD/Year)	5	173	33	33	33	46	33	16
Health Check (USD)	53	133- 266	77- 106	77- 106	77- 106	77- 106	68	78
Medical Insurance (USD/Year) ⁽²⁰⁾	191	532- 1,596	272	272	272	272	271	884
Work permit validity – renewal term	1 to 2 Years	1 Year	3 Years	3 Years	3 Years	3 Years	3 Years	2 Years
Estimated Annualized Visa, ID and Health Insurance cost (USD/Year/Staff)	782	1,237	592	545	432	532	583	1,347
Deposit for immigration (USD/Employee)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	16

⁽¹⁹⁾ Residence permit and work permit figures are annual and are calculated by dividing the total visa fee by the duration of visa in years. For Bahrain and Saudi Arabia the figures are inclusive of the expat levy. For Bahrain, this fee is applicable in case the business has six employees or more

⁽²⁰⁾ Cost of annual medical insurance to access government hospitals and health centres. In Oman and Saudi Arabia, government hospitals cannot be accessed by expatriates. Hence, cost of private health insurance has been taken



Dependent Visa

The cost of obtaining visas for dependents (spouse and child) is the highest in Saudi Arabia. In order to obtain a dependent visa in Saudi Arabia one needs to pay an Expat Dependent Levy in addition to the visa cost.

For the year 2021, one has to pay a levy of USD1,280 per year for each dependent visa. This amount is required to be paid at the time of the visa application for the duration of the validity of the dependent visa. This levy is in addition to the visa cost itself.

Figure 19: Annual Dependent Visa Costs
Cost of obtaining Dependent Visa (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Dependent (spouse) visa cost	239	1,809	95	95	95	14	113	39
Dependents (child) visa cost	239	1,809	95	95	95	45	89	39
Dependents visa renewal cost	239	1,809	51	51	51	100	67 - 81	39
Estimated Annualized Visa, ID and Health Insurance cost (USD/Year/Dependent)	436	2,514	318	318	318	318	323	939

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

Visit Visa

Cost of a visit visa for Bahrain is the lowest across the single and multiple entry categories. Cost of a visit visa for Saudi Arabia on the other hand is exponentially higher.

Figure 20: Cost of Entry Visa
Cost of obtaining Entry Visa (USD)

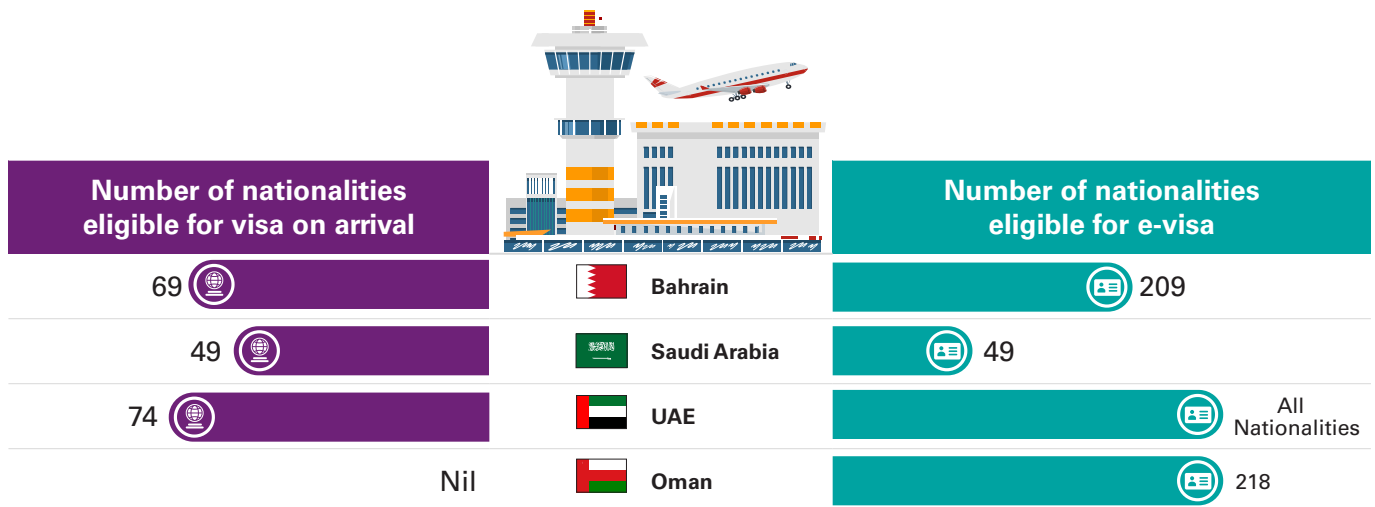
Cost Type	Bahrain	Saudi Arabia	UAE	Oman
Single Entry Visa	24	117	95	52
Multiple Entry Visa	77	117	177	130

For Bahrain, the single entry visit visa cost consists of an application fee (USD11) and visa fee (USD13). Note that the application fee is applicable for e-visa only.



Visa on Arrival and e-Visa

Saudi Arabia has started offering both single entry e-visa and visa on arrival to 49 nationalities (developed countries). Since the turn of 2019, Oman has ceased issue visa on arrival. For a complete list of nationalities offered visa on arrival and e-visa refer Appendix 1.



Source: Respective government agencies, primary and secondary research, KPMG analysis

Localization Requirement

	BLZ	Logistics and warehousing businesses based at BLZ are subjected to the localization requirement as prescribed by the Labor Market Regulatory Authority (LMRA). The Bahrainization rate depends on the logistics activity. For instance, 25 percent is for the Storage and Warehousing activity. These businesses are required to have 25 percent of their workforce as Bahrainis.
	KAEC	Businesses in Saudi Arabia are categorized based on their size (number of employees) and bands of Saudization level. Based on the band in which a business falls based on its Saudization level, the business is subjected to corresponding penalties or offered certain incentives as applicable (refer Figure 24, 25 and 26 for details).
	JAFZA, Dubai South, DAFZA and KIZAD	Businesses based in designated free zones in the UAE are exempted from localization requirements.
	DIP	Logistics and warehousing businesses based in mainland UAE are subjected to the following localization requirement: <ul style="list-style-type: none"> –A company with a minimum 100 employees, must appoint an Emirati as a Public Relations officer –A company employing 500 or more employees, in addition to the above, must employ a UAE national in the position of Occupational Health and Safety Officer –A company employing 1,000 or more employees, in addition to the above, must employ two UAE nationals in data entry positions
	SPFZ	Businesses based at SPFZ are subjected to the following: <ul style="list-style-type: none"> –15 percent for years 1 to 10; –25 percent for years 11 to 15; –35 percent for years 16 to 20; and –50 percent for year 21 and onwards

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis



Localization Requirement (continued)

Over the last few years regional governments have brought in measures to boost the share of local population (nationals) in the private sector workforce. Businesses operating in the region are therefore subjected to localization requirements whereby nationals need to comprise a specified percent of the total workforce of the company.

Businesses in the private sector that meet the prescribed localization requirement may receive incentives while those that fail to meet the requirement face a number of penalties. However, businesses based at some logistics parks are exempted from localization requirements.

Figure 21: Localization Requirement

BLZ ⁽²¹⁾	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ ⁽²²⁾
25%	Refer Figure 24 and 25	Nil	Nil	Yes (refer below)	Nil	Nil	15% to 50%

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

Localization Requirement at DIP (as per Dubai mainland requirement)

- A company with a minimum 100 employees, must appoint an Emirati as a Public Relations officer
- A company employing 500 or more employees, in addition to the above, must employ a UAE national in the position of Occupational Health and Safety Officer
- A company employing 1,000 or more employees, in addition to the above, must employ two UAE nationals in data entry positions

Figure 22: Incentives for meeting Localization Requirement

BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Grant ⁽²³⁾	Refer Figure 26	Nil	Nil	<ul style="list-style-type: none"> – Lower visa fee – No deposit required for employment visa – Ease in obtaining visas 	Nil	Nil	Corporate tax exemption for up to 25 years

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

Figure 23: Penalties for not meeting Localization Requirement

BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Higher visa cost for additional foreign staff	Refer Appendix 2	Nil	Nil	Not eligible for additional work permits	Nil	Nil	<ul style="list-style-type: none"> Subject to corporate tax Not eligible for additional visas until Omanization criteria is met

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

⁽²¹⁾ Labor Market Regulatory Authority (LMRA) has prescribed 25 percent localization for "Warehousing and Storage" type of business

⁽²²⁾ 15 percent for first 10 years; 25 percent for following 5 years, 35 percent for following 5 years and 50 percent thereafter

⁽²³⁾ A grant is awarded by Labor Fund (Tamkeen) based on certain calculations which can be used to pay charges for select government services in Bahrain. The scheme is currently on hold as it is being reviewed



Saudization Levels, Incentives and Penalties by Band for Warehousing and Storage Business

Figure 24: Saudization Requirement for Small and Medium-sized Enterprises (SMEs)⁽²⁴⁾

Size	No. of Employees	Red Band	Low Green Band	Medium Green Band	High Green Band	Platinum Band
Small B	6 to 49	0% to 9%	10% to 15%	16% to 22%	23% to 32%	33% to 100%
Medium A	50 to 99	0% to 19%	20% to 28%	29% to 36%	37% to 43%	44% to 100%
Medium B	100 to 199	0% to 19%	20% to 28%	29% to 36%	37% to 43%	44% to 100%
Medium C	200 to 499	0% to 19%	20% to 28%	29% to 36%	37% to 43%	44% to 100%

Source: Secondary research, KPMG analysis

Figure 25: Saudization Requirement for Large Companies⁽²⁹⁾

Size	No. of Employees	Red Band	Low Green Band	Medium Green Band	High Green Band	Platinum Band
Big	500 to 2,999	0% to 27%	28% to 38%	39% to 44%	45% to 50%	51% to 100%
Giant	3,000 and above	0% to 27%	28% to 38%	39% to 44%	45% to 50%	51% to 100%

Source: Secondary research, KPMG analysis

Figure 26: Incentives by Band in Saudi Arabia

Red Band	Low Green Band, Medium Green Band and High Green Band	Platinum Band
None	<ul style="list-style-type: none"> – Can renew existing work visas – Can apply for new work visas every two months – Entitled to one new visa for every two foreign workers leaving the country on a final exit visa – Entitled to ‘open profession visas,’ – Can hire foreign workers from Red and Yellow firms without the consent of their current employers – Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax – Entitled to a six-month grace period in the renewal of their expired professional license, commercial registration, and all Ministry of Labor and Social Development (MLSD) documents 	<ul style="list-style-type: none"> – Entitled to unrestricted approval of new visas – Entitled to one new visa for every two foreign employees – Able to renew existing visas for any employee within three months of their expiration – Entitled to open profession visas – Can hire foreign workers from Red and Yellow firms without the consent of their current employers – Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax – Entitled to a one year grace period in the renewal of their expired professional license, commercial registration, and all MLSD documents

Source: Secondary research, KPMG analysis

⁽²⁴⁾ The percent of Saudization requirement varies based on the size of the organization as defined by the total number of employees



2.8 Taxes, Fees and Incentives

Taxes and Fees across Logistics Parks

Figure 27 below highlights some select taxes and fees applicable at the benchmarked logistics parks. Corporate tax for businesses based at SPFZ is nil for the first 25 years provided the prescribed Omanization level⁽²⁵⁾ is met. If however the Omanization level is not met, businesses are subjected to 15 percent corporate tax. Also, corporate tax shall be payable after 25 years of (conditional) exemption irrespective of the Omanization level of the business. Also across the GCC sale of goods between businesses based in VAT-exempted zones shall not be subject to VAT.

Some logistics parks levy entry pass fee which is required to be paid for each goods vehicle used by the business. Additionally JAFZA levies USD2 per truck per entry into the zone on vehicles destined for the business (example – receipt of goods from a supplier).

Figure 27: Taxes and Fees across Logistics Parks
Select Taxes and Fees across Logistics Parks

Taxes and Fee Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Corporate Tax	Nil	No tax on companies owned by GCC nationals. 20% tax on profits under foreign shareholding	Nil	Nil	Nil	Nil	Nil	0% or 15% (subject to conditions)
VAT	5%	15%	Nil	Nil	5%	Nil	Nil	Nil
Logistics Park entry pass fee (USD/Vehicle/Year)	Nil	Nil	44	98	Nil	8 - 11	54	13
Deposit for moving goods between free zones/ custom bonded areas	Nil	Equivalent to the duty available on the product	5% of the value of goods	5% of the value of goods	Nil	5% of the value of goods	5% of the value of goods	5% of the value of goods
Is it mandatory for private sector employers to obtain health insurance for their staff to access private hospitals?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

⁽²⁵⁾ Prescribed Omanization level is: 15 percent for first 10 years, 25 percent for following five years, 35 percent for following five years and 50 percent for following five years

Note: As businesses based at DIP fall under the mainland UAE jurisdiction, manufacturers looking to export their products beyond the Greater Arab Free Trade Area (GAFTA) incur a 5 percent customs duty on the value of goods produced



Taxes across Benchmarked GCC Countries

Figure 28 below provides an overview of taxes levied on businesses operating in the mainland in Bahrain, Saudi Arabia, the UAE and Oman. Overall Bahrain and the UAE offer the most attractive tax regime with no corporate tax. Oman has a corporate tax rate of 15 percent for all taxpayers other than Omani establishments and limited liability companies (LLCs) with a registered capital not exceeding USD133,000, gross income not exceeding USD266,000 and average number of employees not exceeding 15 in a tax year; in which case a corporate tax of 3 percent is applicable. Oman has suspended withholding tax on dividends and interest for a period of three years starting May 2019.

In Saudi Arabia, Zakat is levied on companies that are wholly owned by Saudi or GCC nationals. Where a business is owned by both Saudi and non-Saudi nationals, Zakat is levied on the Saudi and GCC national's share and the non-Saudi share is subjected to income tax. Zakat is levied at a fixed rate of 2.5 percent on the higher of the adjusted taxable profits or the Zakat base.

Figure 28: Taxes across Benchmarked GCC Countries (Mainland)
Key Tax Rates

Tax Type	Bahrain	Saudi Arabia	UAE	Oman
Corporate Income Tax	Nil	No tax on companies owned by GCC nationals. 20% tax on profits under foreign shareholding	Nil	15%
Municipal Tax	10% of commercial and residential rent for expatriates	5% Real Estate Transaction Tax	2.5% on annual rent for commercial Properties 5% for residential properties	3% on property rents
Withholding Tax	Nil	5%/5%/15% on foreign shareholding	Nil	Nil
VAT	5%	15%	5%	5%
Other Taxes and Fees	Customs Duty: 5% Stamp Duty: 2%	Zakat is charged on companies owned by GCC nationals. 2.5% Zakat is charged on a company's Zakat base which is the net worth of the entity as calculated for Zakat purposes	Knowledge Fee: 2.72 USD Innovation Fee: 2.72 USD per government transaction above 13.6 USD	Customs Duty: 5% Stamp Duty: 3%
Employer's Social Security Contribution for National staff	By employee: 7% By employer: 12% Total: 19%	By employee: 10% By employer: 12% Total: 22%	By employee: 5% By employer: 12.5% Total: 17.5%	By employee: 7% By employer: 11.5% Total: 18.5%
Employer's Social Security Contribution for Expatriate staff	By employee: 1% By employer: 3% Total: 4%	By employee: 0% By employer: 2% Total: 2%	Nil	Nil

Source: Respective government agencies, primary and secondary research, KPMG analysis



List of Incentives at Logistics Parks

Figure 29 below provides an overview of the key incentives offered by the benchmarked logistics parks.

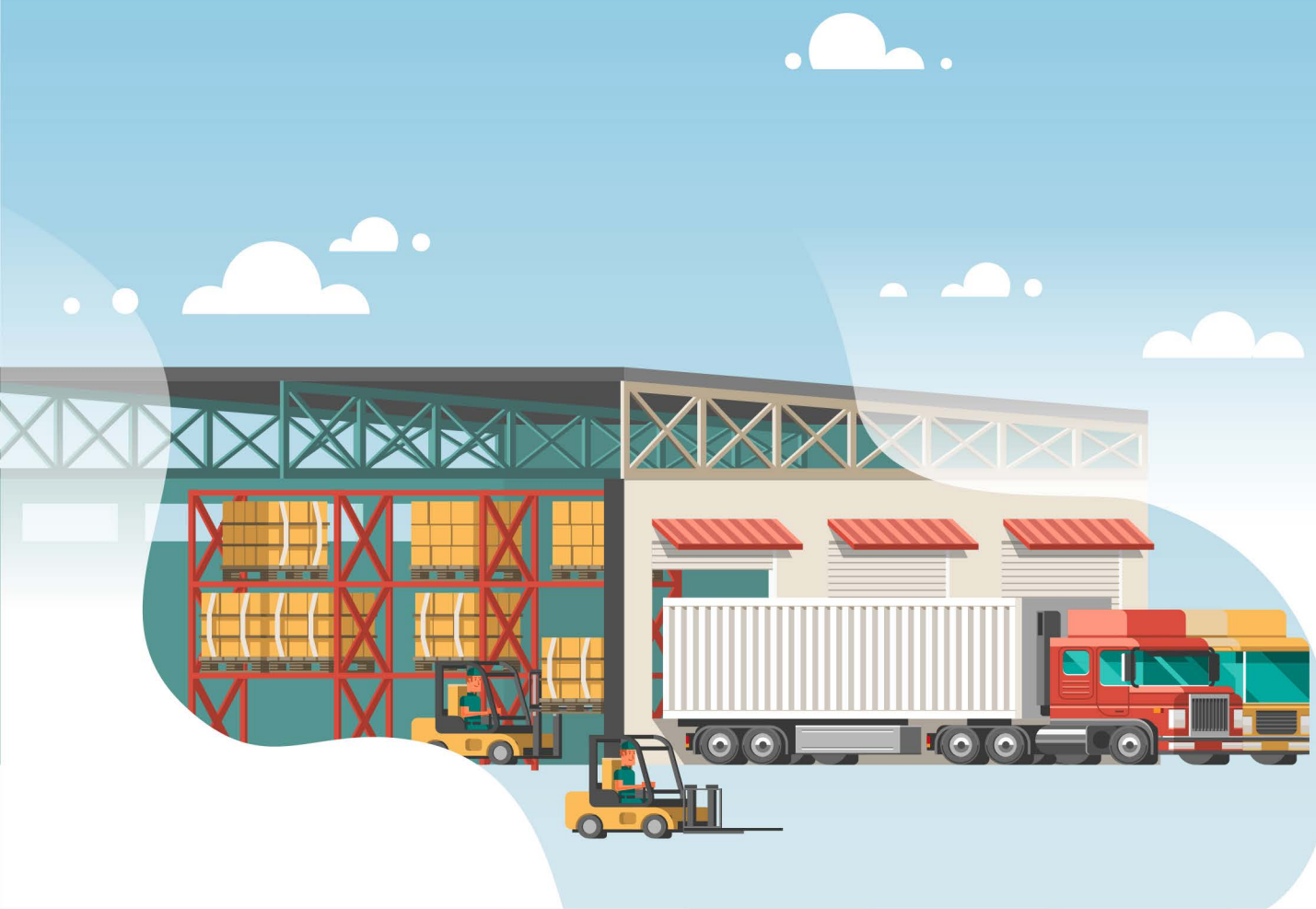
Figure 29: List of Key Incentives
List of Key Incentives

Incentive Type	BLZ	KAEC	JAFZA	Dubai South	DIP ⁽³¹⁾	DAFZA	KIZAD	SPFZ ⁽³²⁾
Exemption from Corporate Tax	✓	✗	✓	✓	✓	✓	✓	✓
100% Foreign Ownership	✓	✓	✓	✓	✓	✓	✓	✓
100% Repatriation of Capital/ Profits	✓	✓	✓	✓	✓	✓	✓	✓

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

(31) For mainland UAE 100 percent foreign ownership is allowed for select logistics activities

(32) SPFZ offers corporate tax exemption for the first 25 years provided the prescribed Omanization level is met



2.9 Transport and Logistics


Road Transport

Road Freight: Figure 30 shows the approximate road freight charges for transporting 40 foot (40') container (full container load of dry items) from respective logistics jurisdictions to Dammam, Riyadh and Jeddah in Saudi Arabia. The road freight cost includes the estimated road transport, customs clearance, documentation and other related charges per 40 foot container. The cost of road freight by curtain-side trailer is approximately 5 percent to 20 percent higher.

The road freight cost from SPFZ to respective cities in Saudi Arabia is significantly higher, among other reasons, due to transit through UAE leading to additional customs related costs.

Figure 30: Road Freight Charges⁽²⁶⁾
Cost of Door-to-Door Road Freight (USD per 40' Container)

To - From	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
Dammam	594- 649	705- 719	1,133-1,436	1,133-1,436	1,133-1,436	1,086-1,244	1,968-2,196
Riyadh	800-951	518-547	1,162-1,1465	1,162-1,1465	1,162-1,1465	1,133-1,246	2,022-2,236
Jeddah	1,088- 1,251	230-259	1,427-1,729	1,427-1,729	1,427-1,729	1,426-1,559	2,370-2,678




Source: Survey of regional/international road transport companies, KPMG analysis

Figure 31 shows the approximate road freight charges for transporting 40 foot container (full container load of dry items) in a curtain-side trailer from respective logistics jurisdictions to Dammam, Riyadh and Jeddah in Saudi Arabia.

Figure 30: Road Freight Charges⁽²⁶⁾
Cost of Door-to-Door Road Freight (USD per 40' Container)

To - From	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
Dammam	649-677	719-834	1,441-1,566	1,441-1,566	1,441-1,566	1,206-1,395	2,250- 2,608
Riyadh	937-979	533-547	1,471-1,594	1,471-1,594	1,471-1,594	1,391-1,583	2,370- 2,658
Jeddah	1,251-1,279	230-316	1,732-1,848	1,732-1,848	1,732-1,848	1,677-1,807	2,691- 2,691



Source: Survey of regional/international road transport companies, KPMG analysis

⁽²⁶⁾ The door-to-door charges include road transport charges, customs clearance cost, border charges, transit clearance and other related cost



Road Transport (continued)

Customs Fees: While the customs fees vary across the region at an aggregate level, Bahrain offers the most competitive rates, with UAE and Oman marginally behind. Saudi Arabia has the highest overall customs-related fees.

Figure 32: Customs Fees
Customs Declaration Charges (USD Per Container)

Types of Declaration	Bahrain	Saudi Arabia	UAE	Oman
Import Declaration	 85	 135	 100	 110
Export Declaration	 85	 135	 100	 110
Re-export Declaration	 85	 120	 110	 110
Temporary Import and Export Declaration	 85	 135	 100	 110
Certificate of Origin	N/A	 145	 175	 165
Transit Declaration	 80	 135	 125	 125

Source: Survey of regional/international road transport companies, KPMG analysis



Sea Transport (continued)

Seaport Container Storage Charges: Container storage charge is the cost associated with storing containers at container terminals in respective seaports. The tariff structure for container storage at the ports includes a 'free time allowance' during which no charge is levied. Following the expiry of the free time allowance, storage charges are levied on a per container per day basis, with a progressive increase in tariff as per the applicable slab. Typically, importers limit storage at ports to the free time period to avoid the tariff.

The Port Khalid in Sharjah offers the highest free time of 20 days for storage of import containers at the port, with Khalifa Port in Abu Dhabi being the next most attractive, offering 14 days of free time. Saqr Port in Ras Al Khaimah, King Abdullah Port in Jeddah and King Abdulaziz Port in Dammam offer the least free time of only five days.

Saqr Port in Ras Al Khaimah offers the most competitive port storage charges followed by Sharjah's Port Khalid. Port storage charges are the highest for ports in Saudi Arabia where the charges are levied per ton and have been assumed for 20-foot and 40-foot containers weighing 15 tons.

Figure 33 below provides an overview of the storage charges for container imports applicable to the relevant sea ports.

Figure 33: Port Storage Charges
Port Storage Charges for Container Imports (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Sohar, Oman
Seaport	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Saqr Port	Khalifa Port	Sohar Port
Free Time (Days)	9 days	5 days	5 days	10 days	20 days	5 days	14 days	7 days
20-foot Container (USD/Container- er/Day)	4.4 (Day 10 to 21)	119.7 (Day 6 to 10)	93.1 (Day 6 to 10)	22.3 (Day 11 to 15)	8.2 (Day 21 onwards)	2.0 (Day 6 to 10)	21.8 (Day 11 to 15)	3.9 (Day 1 to 7 after free time expiry)
	5.8 (Day 22 to 31)	105. 4 (Day 11 to 15)	105. 4 (Day 11 to 15)			3.1 (Day 11 to 20)	40.8 (Day 16 onwards)	5.2 (Day 8 to 14 after free time expiry)
	8.8 (Day 32 to 41)		133 (Day 16 onwards)	133 (Day 16 onwards)		4.1 (Day 21 to 30)		7.8 (Day 15 to 21 after free time expiry)
	14.6 (Day 42 onwards)					8.2 (Day 31 to 45)		12.2 (Day 46 to 60)
Free Time (Days)	9 days	5 days	5 days	10 days	20 days	5 days	14 days	7 days
40-foot Container (USD/Container- er/Day)	8.8 (Day 10 to 21)	119.7 (Day 6 to 10)	119.7 (Day 6 to 10)	44.6 (Day 11 to 15)	8.2 (Day 21 onwards)	2.0 (Day 6 to 10)	43.5 (Day 11 to 15)	7.8 (Day 1 to 7 after free time expiry)
	11.7 (Day 22 to 31)	133 (Day 11 to 15)	133 (Day 11 to 15)			3.1 (Day 11 to 20)	81.6 (Day 16 on- wards)	10.4 (Day 8 to 14 after free time expiry)
	17.5 (Day 32 to 41)		159.6 (Day 16 onwards)	83.2 (Day 16 onwards)		4.1 (Day 21 to 30)		15.6 (Day 15 to 21 after free time expiry)
	29.2 (Day 42 onwards)	159.6 (Day 16 onwards)				8.2 (Day 31 to 45)		12.2 (Day 46 to 60)

Source: Respective port authorities, primary and secondary research, KPMG analysis



Sea Transport (continued)

Seaport Container Storage Charges: The Port Khalid in Sharjah offers the highest free time of 20 days for storage of export containers at the port, with Khalifa bin Salman Port in Bahrain being the next most attractive, offering 11 days of free time. Saqr Port in Ras Al Khaimah offers the least free time of only five days.

The Khalifa Port in Abu Dhabi offers the most competitive port storage charges followed by Oman's Sohar Port. Port storage charges are the highest for ports in Saudi Arabia where the charges are levied per ton and have been assumed for 20-foot and 40-foot containers weighing 15 tons.

Figure 34 below provides an overview of the storage charges for container exports applicable to the relevant sea ports.

Figure 34: Port Storage Charges
Port Storage Charges for Container Exports (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Sohar, Oman
Seaport	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Saqr Port	Khalifa Port	Sohar Port
Free Time (Days)	11 days	10 days	10 days	10 days	20 days	5 days	10 days	7 days
20-foot Container (USD/Container/Day)	4.4 (Day 12 to 21)	66.5 (Day 11 to 14)	66.5 (Day 11 to 14)	8.4 (Day 11 to 30)	8.2 (Day 21 onwards)	2.0 (Day 6 to 10)	8.2 (Day 11-30)	3.9 (Day 1 to 7 after free time expiry)
	5.8 (Day 22 to 31)	105.4 (Day 15 to 20)	106.4 (Day 15 to 20)			11.2 (Day 31 to 60)	3.1 (Day 11 to 20)	10.9 (Day 31 to 60 onwards)
	8.8 (Day 32 to 41)			4.1 (Day 21 to 30)			7.8 (Day 15 to 21 after free time expiry)	
	14.6 (Day 42 onwards)	133 (Day 21 onwards)	133 (Day 21 onwards)	22.3 (Day 61 onwards)		8.2 (Day 31 to 45)	21.8 (Day 61 onwards)	10.4 (Day 22 onwards after free time expiry)
						12.2 (Day 46 to 60)		
Free Time (Days)	11 days	10 days	10 days	10 days	20 days	5 days	10 days	7 days
40-foot Container (USD/Container/Day)	8.8 (Day 12 to 21)	93.1 (Day 11 to 14)	93.1 (Day 11 to 14)	16.9 (Day 11 to 30)	8.2 (Day 21 onwards)	2.0 (Day 6 to 10)	16.3 (Day 11 to 30)	7.8 (Day 1 to 7 after free time expiry)
	11.7 (Day 22 to 31)	133 (Day 15 to 20)	133 (Day 15 to 20)	22.3 (Day 31 to 60)		3.1 (Day 11 to 20)	21.8 (Day 31 to 60)	10.4 (Day 8 to 14 after free time expiry)
	17.5 (Day 32 to 41)					4.1 (Day 21 to 30)	43.5 (Day 61 onwards)	15.6 (Day 15 to 21 after free time expiry)
	29.2 (Day 42 onwards)	159.6 (Day 21 onwards)	159.6 (Day 21 onwards)	44.6 (Day 61 onwards)		8.2 (Day 31 to 45)		20.8 (Day 22 onwards after free time expiry)
						12.2 (Day 46 to 60)		

Source: Respective port authorities, primary and secondary research, KPMG analysis



Sea Transport (continued)

Seaport Container Storage Charges: Demurrage and detention charges are levied by the shipping company when customers exceed the standard free time allowance. Demurrage charges are applicable when the customer holds the container inside the seaport terminal for longer than the agreed free time allowance whereas detention charges are applicable when the container is held outside the seaport terminal beyond the free time allowance.

Figure 35 below provides the estimated demurrage and detention charges applicable per container per day across the relevant sea ports.

Figure 35: Demurrage and Detention Charges
Demurrage and Detention Charges for Container Imports (USD)




















Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Sohar, Oman
Seaport	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Saqr Port	Khalifa Port	Sohar Port
Free Time (Days)	5 days	10 days	10 days	5 days	5 days	5 days	5 days	5 days
20-foot Container (USD/Contain- er/Day)	11 (Day 6 to 14)	8 (Day 11 to 15)	8 (Day 11 to 15)	22 (Day 6 to 10)	22 (Day 6 to 10)	22 (Day 6 to 10)	23 (Day 6 to 9)	21 (Day 6 to 9)
		8 (Day 11 to 15)	8 (Day 11 to 15)					
	19 (Day 15 to 30)	27 (Day 31 to 60)	27 (Day 31 to 60)	44 (Day 11 to 15)	44 (Day 11 to 15)	44 (Day 11 to 15)	46 (Day 10 to 15)	44 (Day 10 to 15)
	29 (Day 31 onwards)	53 (Day 61 onwards)	53 (Day 61 onwards)	91 (Day 16 onwards)	91 (Day 16 onwards)	91 (Day 16 onwards)	95 (Day 16 onwards)	78 (Day 16 onwards)
Free Time (Days)	5 days	10 days	10 days	5 days	5 days	5 days	5 days	5 days
40-foot Container (USD/Contain- er/Day)	21 (Day 6 to 14)	16 (Day 11 to 15)	16 (Day 11 to 15)	44 (Day 6 to 10)	44 (Day 6 to 10)	44 (Day 6 to 10)	48 (Day 6 to 9)	42 (Day 6 to 9)
		32 (Day 16 to 30)	32 (Day 16 to 30)					
	37 (Day 15 to 30)	53 (Day 31 to 60)	53 (Day 31 to 60)	87 (Day 11 to 15)	87 (Day 11 to 15)	87 (Day 11 to 15)	95 (Day 10 to 15)	88 (Day 10 to 15)
	48 (Day 31 onwards)	80 (Day 61 onwards)	80 (Day 61 onwards)	185 (Day 16 onwards)	185 (Day 16 onwards)	185 (Day 16 onwards)	189 (Day 16 onwards)	156 (Day 16 onwards)

Source: Survey of regional/international sea freight companies, KPMG analysis



Seaport Security Screening/ X-ray charges and Dangerous Goods Handling charges: Figure 36 below provides the security screening and dangerous goods handling charges as incurred across respective seaports.

Figure 36: Seaport Security Screening/ X-ray Charges and Dangerous Goods Handling charges

Select Seaports	Security Screening/ X-ray Charges (USD/40' Container)	Dangerous Goods Handling Charges (USD/40' Container)
 Khalifa bin Salman Port, Bahrain	 27	 175
 King Abdullah Port, Jeddah	 27	Nil
 King Abdulaziz Port, Dammam	 27	Nil
 Jebel Ali Port, Dubai	 10	 472
 Port Khalid, Sharjah	 10	 472
 Khalifa Port, Abu Dhabi	 10	 472
 Sohar Port, Sohar	 26	 286

Source: Survey of regional/international sea freight companies, KPMG analysis

Seaport Container Deposit Charges: Figure 37 below provides the container deposit charges as incurred across respective seaports.

Figure 37: Container Deposit Charges
Container Deposit Charges (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Abu Dhabi, UAE	Sohar, Oman
Cost Type	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Khalifa Port	Sohar Port
Container Deposit Charges (USD/Container)	Nil	798	798	Nil	Nil	Nil	520-1,040

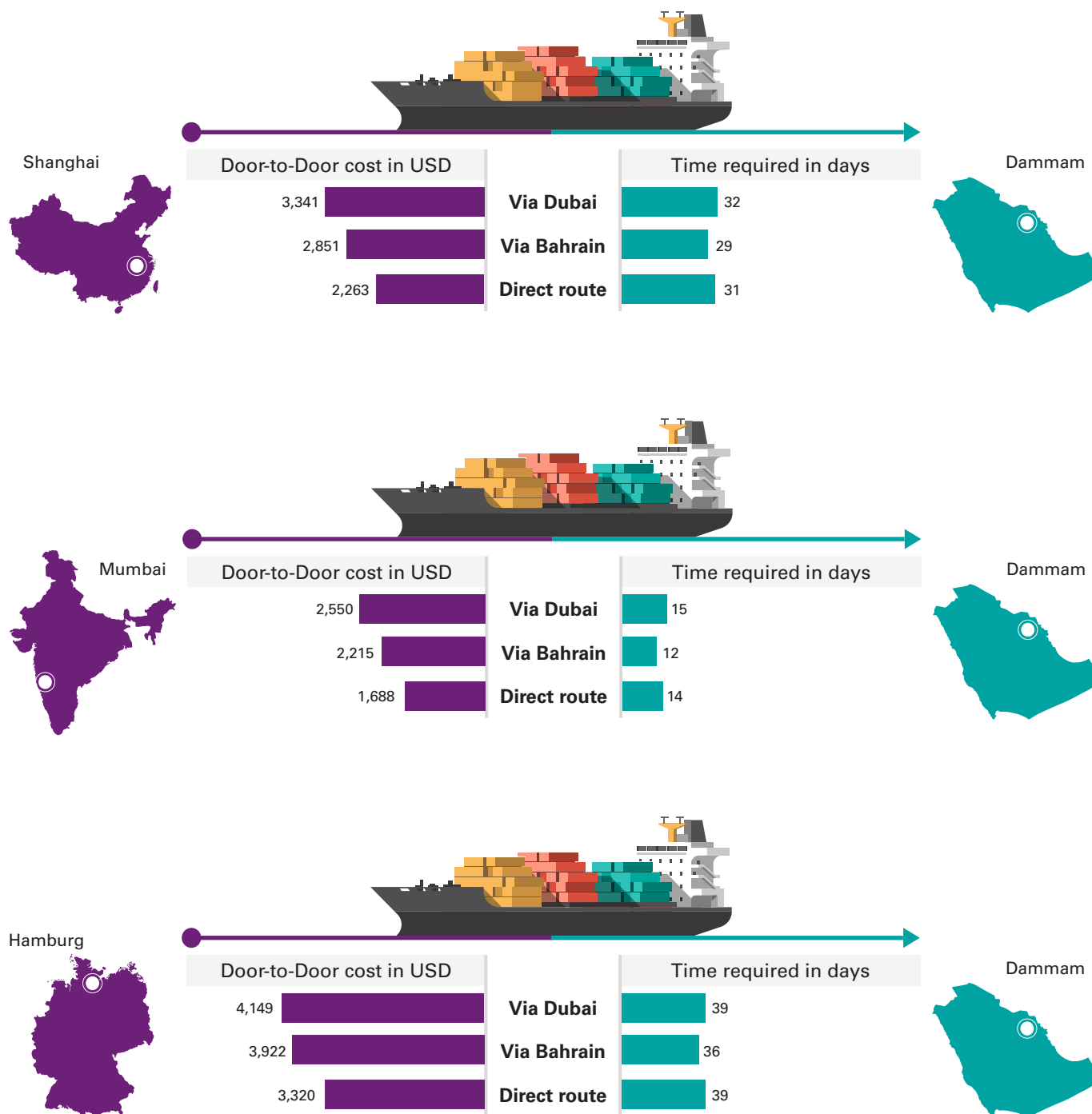
Source: Survey of regional/international sea freight companies, KPMG analysis



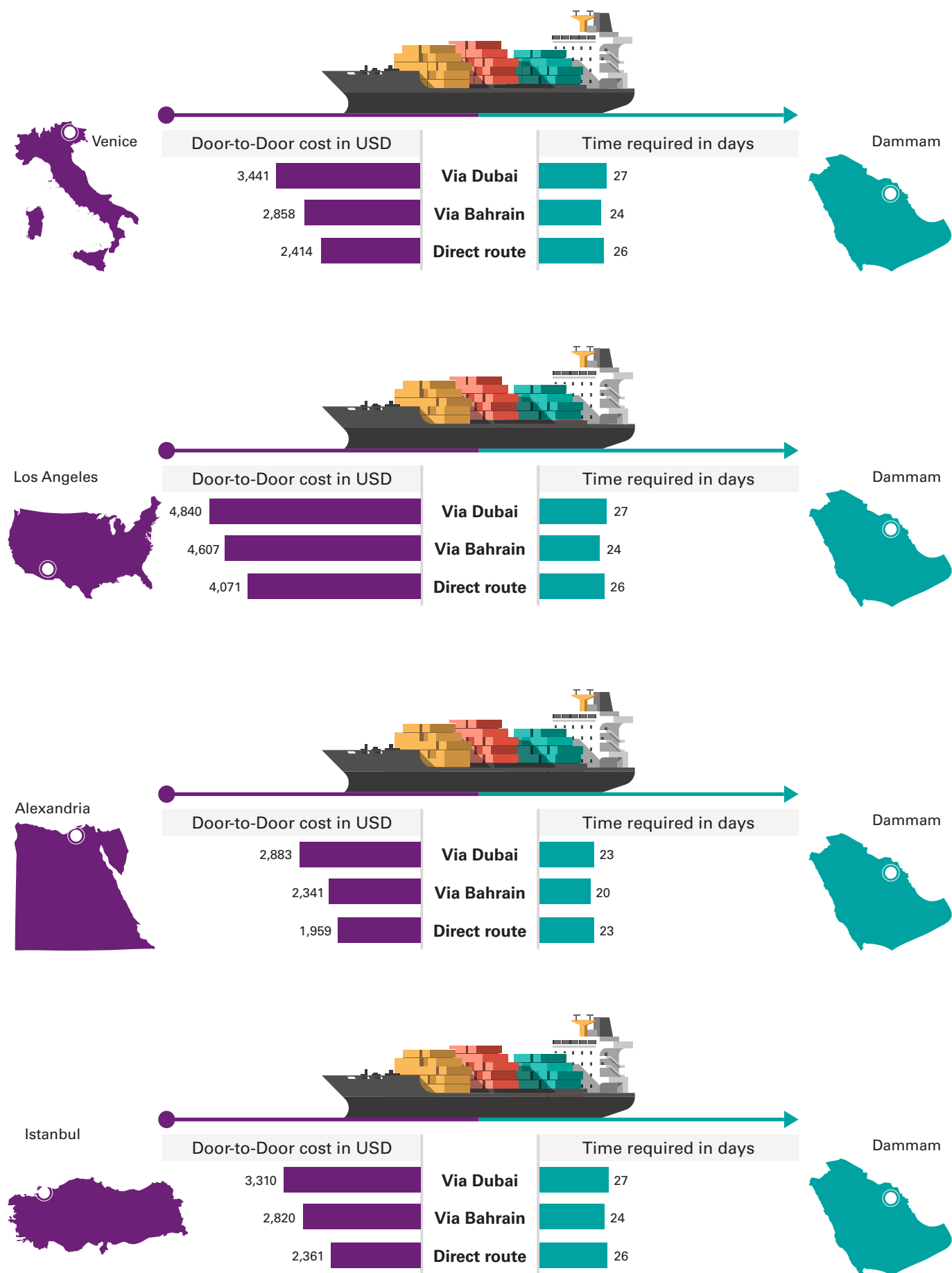
Sea Transport (continued)

Importing shipments by sea into Dammam via Bahrain route is around 5-20 percent cheaper than via Dubai. While it is cheaper to import directly into Dammam, it takes on an average 2-3 additional days to get the goods delivered.

Figure 38: Comparative Overview of Importing Shipments into Dammam by Sea



Sea Transport (continued)



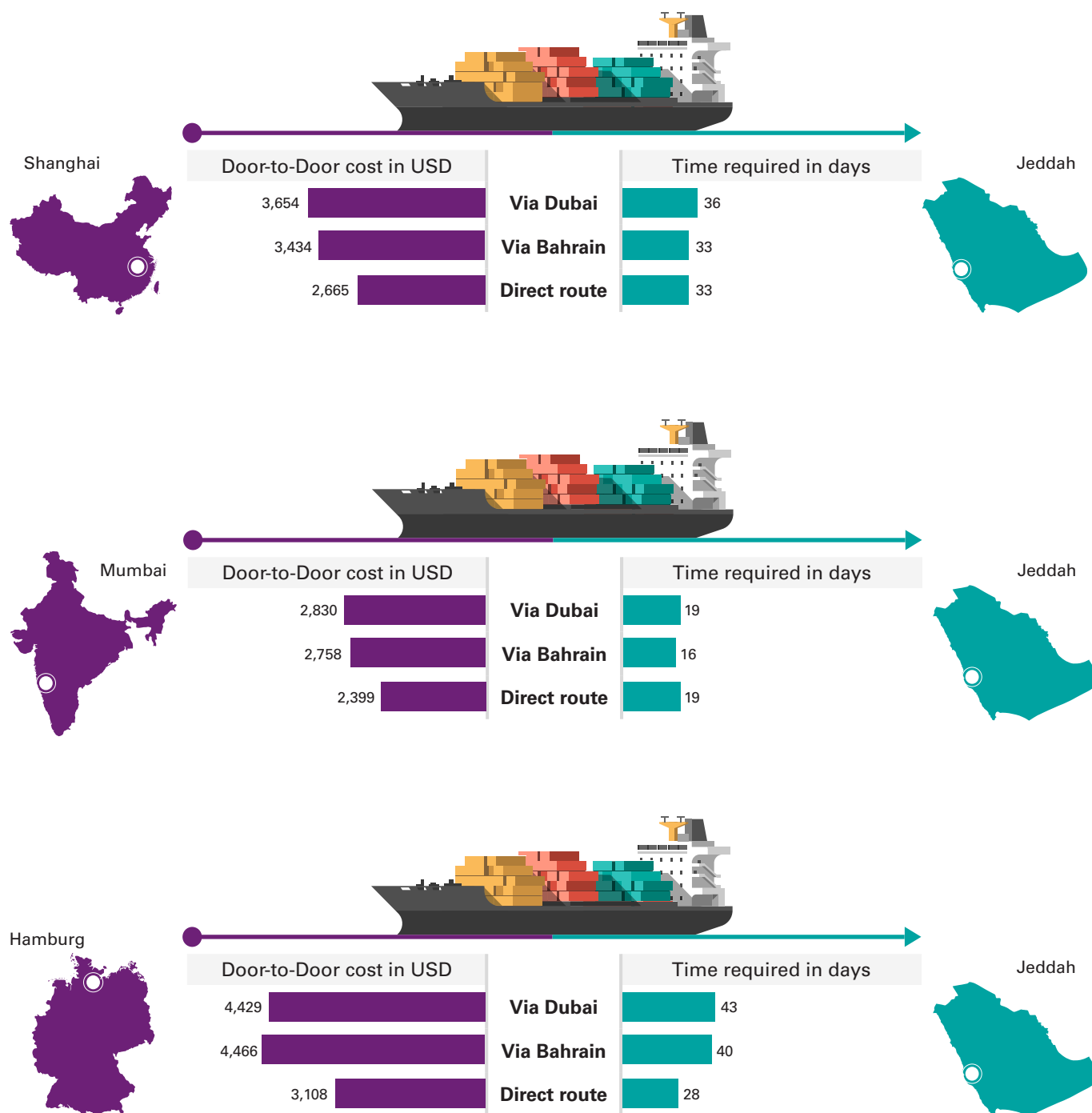
Source: Survey of regional/international road and sea freight companies, KPMG analysis



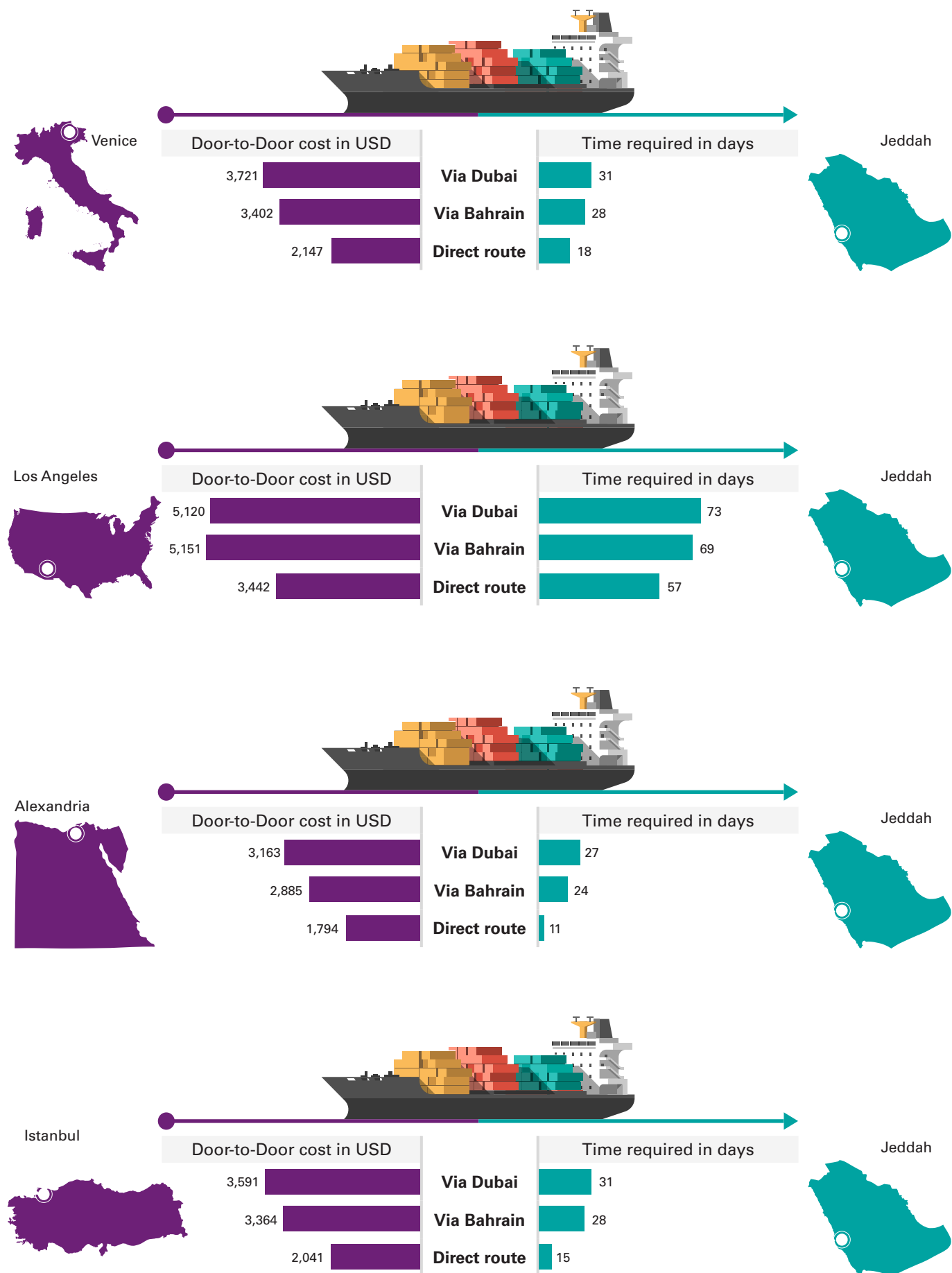
Sea Transport (continued)

Importing shipments by sea into Jeddah via Bahrain route is around 3-9 percent cheaper than via Dubai and takes on an average 3-4 fewer days to get the goods delivered. However, it is more competitive to get the goods delivered directly into Jeddah.

Figure 39: Comparative Overview of Importing Shipments into Jeddah by Sea



Sea Transport (continued)



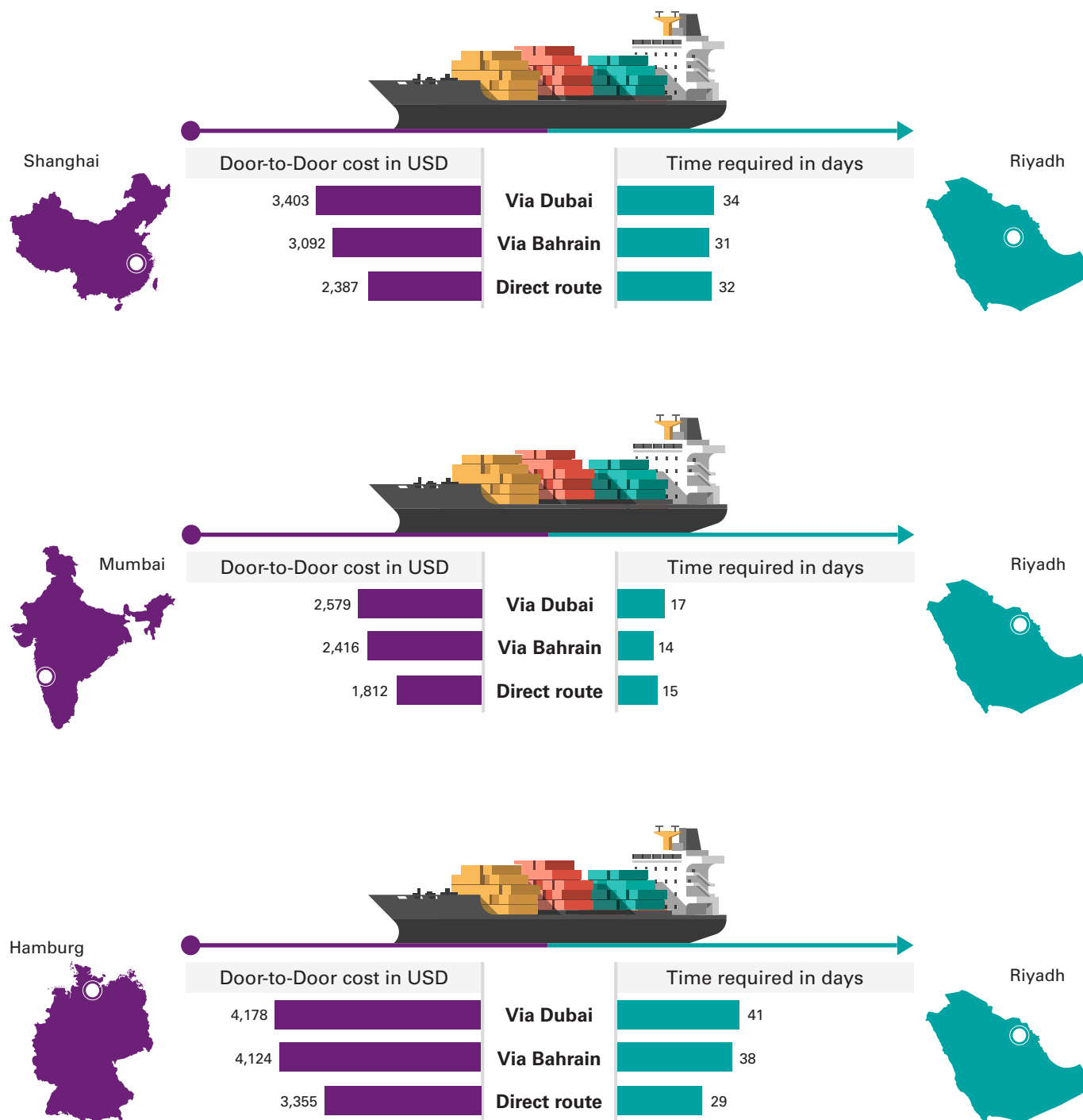
Source: Survey of regional/international road and sea freight companies, KPMG analysis



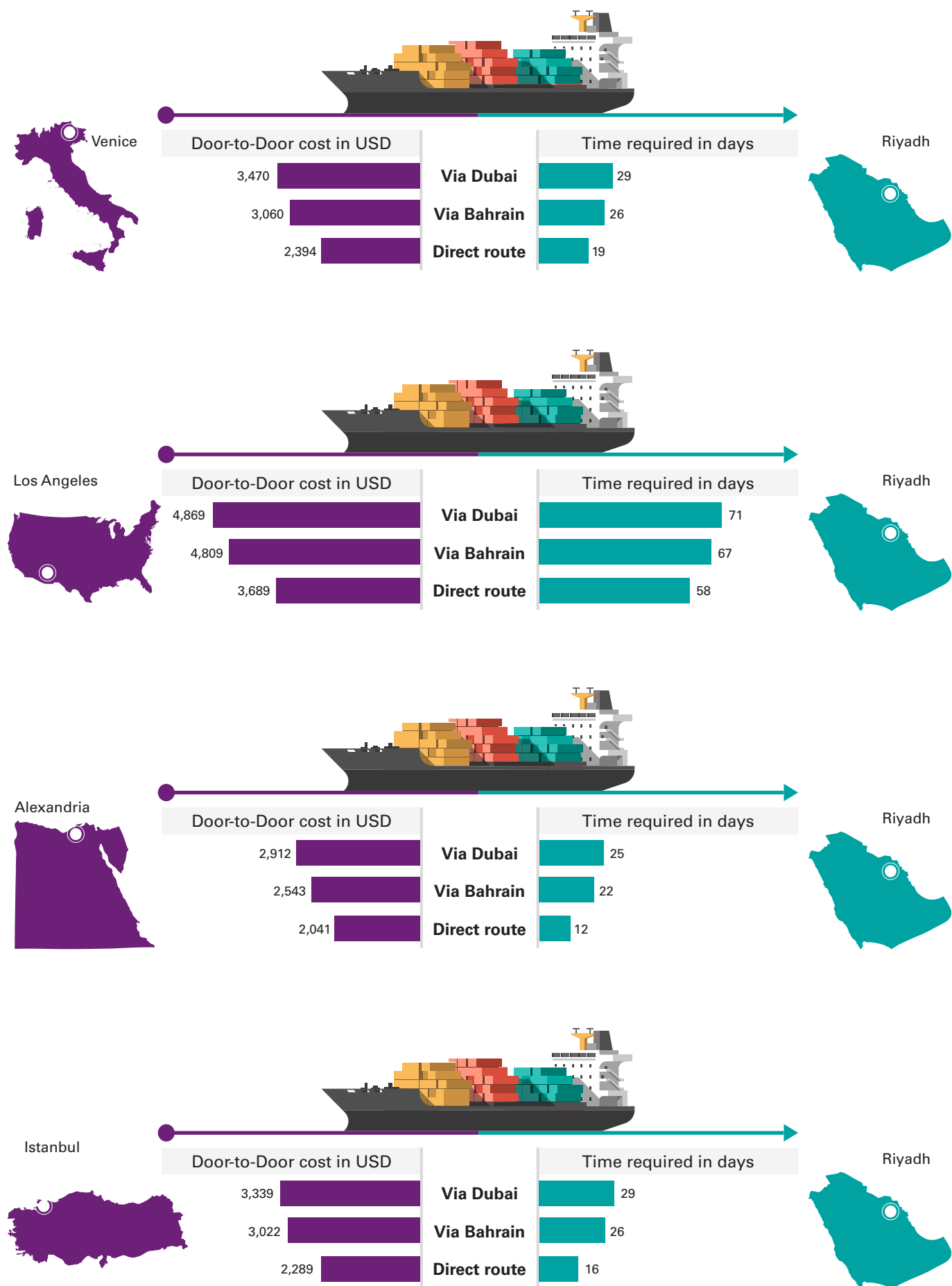
Sea Transport (continued)

Importing shipments by sea into Riyadh via Bahrain route is around 1-13 percent cheaper than via Dubai and takes on an average 3-4 fewer days to get the goods delivered.

Figure 40: Comparative Overview of Importing Shipments into Riyadh by Sea



Sea Transport (continued)



Source: Survey of regional/international road and sea freight companies, KPMG analysis



2.10 Overall Cost of Doing Business







Cost of Setting up a Logistics Business

Figure 46 below outlines the estimated overall cost of setting-up a logistics business across the benchmarked logistics parks. To estimate the cost of setup an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60 percent of the land size)
- Number of Employees in the Setup Phase: 8

Based on the parameters taken to arrive at the estimated business setup cost, BLZ emerges as the most competitive destination. The setup cost in Saudi Arabia and the UAE is around 5 percent to 8 percent higher than in Bahrain. DAFZA has been excluded from Figure 46 as it does not offer land for lease.

Figure 46: Cost of Setting up a Logistics Business⁽³⁴⁾

	Percentage higher / lower than BLZ	 6%	 8%	 7%	 8%	 7%	 2%
Cost Type (USD)	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
Company Formation	399	7,980	5,440	3,577	4,983	2,856	3,732
Land Rental ⁽³⁵⁾	55,041	32,242- 37,595	34,000- 108,800	53,550- 60,690	72,848	49,164	45,000
Construction ⁽³⁶⁾	3,172,792- 4,037,792	3,201,643- 4,076,643	3,400,000- 4,100,000	3,400,857- 4,100,857	3,402,767- 4,102,767	3,400,000- 4,100,000	3,201,301- 4,076,301
Manpower ⁽³⁷⁾	371,000- 480,000	529,000- 687,000	477,000- 628,000	477,000- 628,000	477,000- 628,000	477,000- 628,000	399,000- 520,000
Visa and Permits ⁽³⁷⁾	6,211	26,387- 37,453	4,361	3,989	3,088	4,295- 4,399	10,675
Serviced Office Rental	34,452- 43,092	46,584- 79,272	23,148- 85,140	23,148- 85,140	23,148- 85,140	16,668- 99,000	26,532- 53,100
Estimated Setup Cost (Minimum)	3,639,896	3,843,836	3,943,949	3,962,120	3,983,814	3,949,983	3,686,239
Estimated Setup Cost (Maximum)	4,622,536	4,925,942	4,931,741	4,882,252	4,896,806	4,883,419	4,708,807

Source: KPMG analysis

⁽³⁴⁾ The period of setup has been assumed to be one year

⁽³⁵⁾ Land rental cost is inclusive of service charges and VAT where applicable

⁽³⁶⁾ Construction cost has been assumed for a light duty warehouse with a built-up area of 3,000 sqm. Includes cost of obtaining the construction permit and the estimated cost of constructing a light duty warehouse

⁽³⁷⁾ Manpower and visa related costs have been calculated for eight management level staff for a period of one year









Annual Cost of Operating a Logistics Business

Figure 47 below outlines the estimated overall annual cost of operating a logistics business across the benchmarked logistics parks. To estimate the annual cost an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60 percent of the land size)
- Number of Employees in the Operating Phase: 51
- Annual cost of dependents visa, national ID and health insurance for a spouse and two children for eight management level staff
- Corporate tax on 49 percent foreign shareholding for a logistics company with a net profit of USD 410,000
- Transport and Logistics cost: by sea, import of thirty 40' FCL (full container load) per month; and by road, movement of thirty 40' FCL per month. The estimated logistics costs were arrived at by incorporating sea, air and road freight cost, customs clearance charges and terminal handling charges as applicable. Transport and Logistics cost assume a scenario wherein goods from respective logistics parks are exported to Riyadh while goods from Saudi Arabia are exported to Dubai.

Based on the parameters taken to arrive at the estimated annual operating cost, BLZ emerges as the most competitive destination followed by SPFZ. Compared to BLZ, the annual operating cost at other logistics parks is around 50 percent to 70 percent higher. DAFZA has been excluded from Figure 47 as it does not offer land for lease.

Figure 47: Annual Cost of Operating a Logistics Business

		<div> <div>Percentage higher / lower than BLZ</div> <div>  72%  53%  52%  57%  52%  50% </div> </div>					
Cost Type (USD/Year)	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
License Renewal	399	1,330	4,080	3,291	3,577	1,428	1,001
Land Rental⁽³⁸⁾	55,041	32,242-37,595	34,000-108,800	53,550-60,690	72,828-68,544	49,164	45,000
Utilities⁽³⁹⁾	196,637	85,504	286,885	286,885	286,885	283,837	275,567
Transport and Logistics	402,200	858,984	610,344	609,624	609,624	638,556	877,824
Manpower⁽⁴⁰⁾	694,000-925,000	1,103,000-1,457,000	1,138,000-1,466,000	1,138,000-1,466,000	1,138,000-1,466,000	1,138,000-1,466,000	887,000-1,120,000
Visa and Permits⁽⁴⁰⁾	50,064	228,547-324,646	37,722	35,350	29,607	38,076	90,585
Labor Accommodation⁽⁴¹⁾	42,517	91,676	60,221	68,852	168,618	34,817	31,992
Other Fees⁽⁴²⁾	-	-	653	1,469	-	816	195
Corporate Tax	-	40,180	-	-	-	-	-
Estimated Setup Cost (Minimum)	1,432,317	2,441,463	2,171,904	2,170,609	2,253,164	2,184,693	2,209,165
Estimated Setup Cost (Maximum)	1,669,858	2,896,895	2,574,704	2,532,447	2,633,086	2,512,693	2,442,165

Source: KPMG analysis

⁽³⁴⁾ The period of setup has been assumed to be one year

⁽³⁵⁾ Land rental cost is inclusive of service charges and VAT where applicable

⁽³⁶⁾ Construction cost has been assumed for a light duty warehouse with a built-up area of 3,000 sqm. Includes cost of obtaining the construction permit and the estimated cost of constructing a light duty warehouse

⁽³⁷⁾ Manpower and visa related costs have been calculated for eight management level staff for a period of one year





III. Appendix 1



Nationalities offered e-Visa and Visa on Arrival to Bahrain

Nationalities offered Visa on Arrival ⁽⁶⁹⁾			Nationalities offered e-Visa ⁽²⁰⁹⁾			
Andorra	Iceland	Spain	Afghanistan ^(new)	Burkina Faso ^(new)	El Salvador ^(new)	Ireland
Argentina	India ^(new) *conditions apply	Suriname	Albania ^(new)	Burundi ^(new)	Equatorial Guinea ^(new)	Isle of Man
Australia	Ireland	Sweden	Algeria ^(new)	Cabo Verde ^(new)	Eritrea ^(new)	Isle of Wright
Austria	Italy	Switzerland	Andorra	Cambodia ^(new)	Estonia	Israel ^(new)
Belgium	Japan	Thailand	Angola ^(new)	Cameroon	Ethiopia ^(new)	Italy
Bolivia	Kazakhstan	UK	Anguilla	Canada	Falkland Islands	Jamaica
Brazil	Latvia	Ukraine	Anguilla ^(new)	Caribbean Netherlands	Fiji ^(new)	Japan
Brunei	Lichtenstein	Uruguay	Antigua and Barbuda	Cayman Islands	Finland	Jordan
Bulgaria ^(new)	Lithuania	US	Argentina	Central African Republic ^(new)	France	Kazakhstan
Canada	Luxemburg	Vatican City	Armenia ^(new)	Chad ^(new)	French Guyana	Kenya
Chile	Macau	Venezuela	Aruba	Chile	Gabon	Kiribati ^(new)
China	Malaysia		Australia	China	Gambia ^(new)	Kyrgyzstan ^(new)
Columbia	Malta		Austria	Columbia	Georgia	Laos ^(new)
Croatia	Mexico		Azerbaijan	Comoros ^(new)	Germany	Latvia
Cyprus	Monaco		Bahamas	Congo ^(new) (Congo-Brazzaville)	Ghana	Lebanon ^(new)
Czech Republic	Netherlands		Bangladesh ^(new)	Costa Rica ^(new)	Greece	Lesotho ^(new)
Denmark	New Zealand		Barbados	Croatia	Grenada	Liberia ^(new)
Ecuador	Norway		Belarus ^(new)	Cuba	Guadeloupe	Libya ^(new)
Estonia	Paraguay		Belgium	Curacao	Guatemala ^(new)	Liechtenstein
Falkland Islands	Peru		Belize ^(new)	Cyprus	Guinea ^(new)	Lithuania
Finland	Poland		Benin ^(new)	Czech Republic	Guyana	Luxembourg
France	Portugal		Bhutan ^(new)	Cote d'Ivoire ^(new)	Haiti	Macau
French Guyana	Romania		Bolivia	Democratic Republic of the Congo ^(new)	Honduras ^(new)	Madagascar ^(new)
Georgia	Russia		Bosnia and Herzegovina ^(new)	Denmark	Hong Kong	Malawi ^(new)
Germany	San Marino		Botswana ^(new)	Djibouti ^(new)	Hungary	Malaysia
Greece	Singapore		Brazil	Dominica	Iceland	Maldives ^(new)
Guyana	Slovakia		British Virgin Islands	Dominican Republic	India	Mali ^(new)
Hong Kong	Slovenia		Brunei	Ecuador	Indonesia	Malta
Hungary	South Korea		Bulgaria	Egypt	Iraq ^(new)	Marshall Islands ^(new)

Source: Respective government agencies, primary and secondary research, KPMG analysis



Nationalities offered e-Visa and Visa on Arrival to Bahrain

Nationalities offered Visa on Arrival ⁽⁶⁹⁾

Nationalities offered e-Visa ⁽²⁰⁹⁾

Martinique	Philippines ^(new)	Spain	Vatican City
Mauritania ^(new)	Poland	Sri Lanka ^(new)	Venezuela
Mauritius	Portugal	Sudan ^(new)	Vietnam ^(new)
Mexico	Puerto Rico	Suriname	Yemen ^(new)
Micronesia ^(new)	R.O. Macedonia ^(new)	Swaziland ^(new)	Zambia ^(new)
Moldova ^(new)	Romania	Sweden	Zimbabwe ^(new)
Monaco	Russia	Switzerland	
Mongolia ^(new)	Rwanda ^(new)	Syria ^(new)	
Montenegro ^(new)	Saint Barthelemy	Taiwan	
Montserrat	Saint Kitts and Nevis	Tajikistan ^(new)	
Morocco	Saint Lucia	Tanzania ^(new)	
Mozambique	Saint Martin	Thailand	
Myanmar ^(new) (formerly Burma)	Saint Vincent and the Grenadines	Timor Leste ^(new)	
Namibia ^(new)	Samoa ^(new)	Togo ^(new)	
Nauru ^(new)	San Marino	Tonga ^(new)	
Nepal ^(new)	Sao Tome and Principe ^(new)	Trinidad and Tobago	
Netherlands ^(new)	Senegal	Tunisia ^(new)	
New Zealand	Serbia ^(new)	Turkey	
Nicaragua ^(new)	Seychelles	Turkmenistan ^(new)	
Niger ^(new)	Sierra Leone ^(new)	Turks and Caicos Islands	
Nigeria ^(new)	Sinagpore	Tuvalu ^(new)	
Norway	Sint Maarten	Uganda ^(new)	
Pakistan	Slovakia	UK	
Palau ^(new)	Slovenia	Ukraine ^(new)	
Plaestine State ^(new)	Solomon Islands ^(new)	United States Virgin Islands	
Panama ^(new)	Somalia ^(new)	Uruguay	
Papa New Guinea ^(new)	South Africa	US	
Paraguay	South Korea	Uzbekistan ^(new)	
Peru	South Sudan ^(new)	Vanuatu ^(new)	

Source: Respective government agencies, primary and secondary research, KPMG analysis



Nationalities offered Visa on Arrival ⁽⁴⁹⁾	
Andorra	Monaco
Australia	Montenegro
Austria	Netherlands
Belgium	New Zealand
Brunei	Norway
Bulgaria	Poland
Canada	Portugal
China (including Hong Kong and Macau)	Romania
Croatia	Russia
Cyprus	San Marino
Czech Republic	Singapore
Denmark	Slovakia
Estonia	Slovenia
Finland	South Korea
France	Spain
Germany	Sweden
Greece	Switzerland
Hungary	Ukraine
Iceland	United Kingdom
Ireland	United States
Italy	
Japan	
Kazakhstan	
Latvia	
Liechtenstein	
Lithuania	
Luxembourg	
Malaysia	
Malta	

Nationalities offered Visa on Arrival ⁽⁴⁹⁾	
Andorra	Monaco
Australia	Montenegro
Austria	Netherlands
Belgium	New Zealand
Brunei	Norway
Bulgaria	Poland
Canada	Portugal
China (including Hong Kong and Macau)	Romania
Croatia	Russia
Cyprus	San Marino
Czech Republic	Singapore
Denmark	Slovakia
Estonia	Slovenia
Finland	South Korea
France	Spain
Germany	Sweden
Greece	Switzerland
Hungary	Ukraine
Iceland	United Kingdom
Ireland	United States
Italy	
Japan	
Kazakhstan	
Latvia	
Liechtenstein	
Lithuania	
Luxembourg	
Malaysia	
Malta	

Source: Respective government agencies, primary and secondary research, KPMG analysis



Nationalities offered e-Visa and Visa on Arrival to the UAE

Nationalities offered Visa on Arrival ⁽⁷⁴⁾		
Andorra	Italy	San Marino
Argentina	Japan	Serbia
Australia	Kazakhstan	Seychelles
Austria	Kiribati	Singapore
Bahamas Islands	Latvia	Slovakia
Barbados	Liechtenstein	Slovenia
Belgium	Lithuania	Solomon Islands
Brazil	Luxembourg	South Korea
Brunei	Macau, China	Spain
Bulgaria	Malaysia	Sweden
Canada	Maldives	Switzerland
Chile	Malta	Ukraine
China	Mauritius	United Kingdom and Northern Ireland
Colombia	Mexico	United States of America
Costa Rica	Monaco	Uruguay
Croatia	Montenegro	Vatican City
Cyprus	Nauru	
Czech Republic	Netherlands	
Denmark	New Zealand	
El Salvador	Norway	
Estonia	Paraguay	
Finland	Peru	
France	Poland	
Germany	Portugal	
Greece	Republic of Ireland	
Honduras	Romania	
Hong Kong, China	Russian Federation	
Hungary	Saint Vincent and the Grenadines	
Iceland	San Marino	

Nationalities offered e-Visa
All Nationalities

Source: Respective government agencies, primary and secondary research, KPMG analysis



Nationalities offered e-Visa and Visa on Arrival to Oman

Nationalities offered Visa on Arrival ⁽²¹⁸⁾			
Australia	Azerbaijan	DR of the Congo*	Greece
Brazil	Bahamas*	Cook Islands*	Greenland*
Canada	Bangladesh*	Costa Rica	Grenada*
China	Barbados*	Cote D'Ivoire*	Guadeloupe*
France	Belarus	Croatia	Guam*
Germany	Belgium	Cuba	Guatemala
India	Belize	Czech Republic	Guinea*
Indonesia	Benin*	Denmark	Guinea-Bissau*
Iran	Bermuda*	Djibouti*	Guyana*
Iraq*	Bhutan	Dominica*	Haiti*
Italy	Bolivia	Dominican Republic*	Honduras
Japan	Bosnia and Herzegovina	Ecuador	Hong Kong
Kazakhstan	Botswana*	Egypt*	Hungary
Netherlands	British Indian Ocean Territory*	El Salvador	Iceland
Pakistan*	Brunei Darussalam	Equatorial Guinea*	Ireland
Switzerland	Burkina Faso*	Eritrea*	Israel*
Taiwan	Burundi*	Estonia	Jamaica*
United Kingdom	Cambodia*	Ethiopia*	Jordan*
United States	Cameroon*	Falkland Islands*	Kenya*
Yemen*	Cape Verde*	Faroe Islands*	Kiribati*
Afghanistan*	Cayman Islands*	Fiji*	North Korea*
Albania	C. African Republic*	Finland	South Korea
Algeria*	Chad*	French Guiana	Kyrgyzstan
American Samoa*	Chile	French Polynesia*	Laos
Andorra	Christmas Island*	Gabon*	Latvia
Angola*	Cocos Islands*	Gambia*	Lebanon
Antigua and Barbuda*	Colombia	Georgia	Lesotho*
Armenia	Comoros*	Ghana*	Liberia*
Austria	Congo*	Gibraltar*	Libya*

Nationalities offered e-Visa

Source: Respective government agencies, primary and secondary research, KPMG analysis



Nationalities offered e-Visa and Visa on Arrival to Oman

Nationalities offered Visa on Arrival ⁽²¹⁸⁾			
Liechtenstein	Nicaragua	Senegal*	Turks and Caicos*
Lithuania	Niger*	Serbia	Tuvalu*
Luxembourg	Nigeria*	Seychelles	Uganda*
Macau	Niue*	Sierra Leone*	Ukraine
Macedonia	Norfolk Island*	Singapore	Uruguay
Madagascar*	Norway	Slovakia	Uzbekistan
Malawi*	Palau*	Slovenia	Vanuatu*
Malaysia	Palestinian Territory*	Solomon Islands*	Vatican City
Maldives	Panama	Somalia*	Venezuela
Mali*	Papua New Guinea*	South Africa	Vietnam
Malta	Paraguay	South Sudan*	Virgin Islands, British*
Marshall Islands*	Peru	Spain	Virgin Islands, U.S.*
Martinique*	Philippines*	Sri Lanka*	Wallis and Futuna*
Mauritania*	Pitcairn Islands*	Sudan*	Zambia*
Mauritius*	Poland	Suriname	Zimbabwe*
Mexico	Portugal	Swaziland*	
Moldova	Puerto Rico*	Sweden	
Monaco	Republic of Cyprus	Syria*	
Mongolia*	Reunion*	Tajikistan	
Montenegro*	Romania	Tanzania*	
Montserrat*	Russia	Thailand	
Morocco*	Rwanda*	Timor-Leste*	
Mozambique*	St Helena*	Togo*	
Myanmar*	St Lucia*	Tokelau*	
Namibia*	St Pierre and Miquelon*	Tonga*	
Nauru*	St Vincent and the Grenadines*	Trinidad and Tobago*	
Nepal*	Samoa*	Tunisia*	
New Caledonia*	San Marino	Turkey	
New Zealand	Sao Tome and Principe*	Turkmenistan	

Nationalities offered e-Visa

Source: Respective government agencies, primary and secondary research, KPMG analysis



III. Appendix 2

Saudization Requirements - Incentives by Band in Saudi Arabia

Red Band	Low Green Band	Medium Green Band and High Green Band	Platinum Band
None	<ul style="list-style-type: none"> – The ability to change the professions of the expatriate workers that work for them. – Renew work permits for expatriate workers who work for them regardless of their residency period. – Allowed to transfer the services of expatriate workers to the low green band. – Can Transfer Visas – Can hire foreign workers from Red and yellow firms without the consent of their current employers. – Can Prevent Workers Up Zoning – Can Avoid Fines (2,400 SR) – Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax. – Entitled to a six-month grace period in the renewal of their expired professional license, commercial registration, and all MoL documents. 	<ul style="list-style-type: none"> – Receive requests for the balance of visas for any profession requested by the employer. – The ability to change the professions of the expatriate workers that work for them to any other profession. – The ability to renew work permits for expatriate workers who work for them regardless of their residency period. – The possibility of transferring services to expatriate workers from any area. – Can Transfer Visas – Can hire foreign workers from Red and yellow firms without the consent of their current employers. – Can Apply for new Expatriate Visa – Can Prevent Workers Up Zoning – Can Avoid Fines (2,400 SR) – Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax. – Entitled to a six-month grace period in the renewal of their expired professional license, commercial registration, and all MoL documents. 	<ul style="list-style-type: none"> – Receive requests for the balance of visas for any profession requested by the employer. – The ability to change the professions of the expatriate workers that work for them to any other profession. – The ability to renew work permits for expatriate workers who work for them regardless of their residency period. – The possibility of transferring services to expatriate workers from any area. – Can Hire Employees Worldwide – Can Issue Visa Rapidly – Can Transfer Visas (No Conditions) – Can hire foreign workers from Red and yellow firms without the consent of their current employers. – Can Apply for new Expatriate Visa – Can Prevent Workers Up Zoning – Can Avoid Fines (2,400 SR) – Given preference as suppliers for government projects and bids. – Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax. – Entitled to a one-year grace period in the renewal of their expired professional license, commercial registration, and all MoL documents.

Saudization Requirements - Penalties by Band in Saudi Arabia

Red Band	Low Green Band	Medium Green Band and High Green Band	Platinum Band
<ul style="list-style-type: none"> – It is not allowed to change the professions of the expatriate workers who work for them. – It is not allowed to transfer the services of migrant workers. – It is not allowed to request any new visa. – It is not allowed to issue work permits to new expatriate workers. – It is not allowed to open a new facility or a new branch. – It is not allowed to renew work permits for their expatriate workers. 	<ul style="list-style-type: none"> – Stop Receiving requests for new visas. 	None	None

Source: Primary and secondary research, KPMG analysis



III. Appendix 3

Export Bahrain

Export Bahrain	Key Sections	Description
About Export Bahrain	General Overview	<ul style="list-style-type: none"> – Export Bahrain is the platform in the Kingdom of Bahrain that supports small and medium enterprises (SMEs) expansion and international growth. – Export Bahrain focuses on empowering SMEs by exporting their products and services to potential markets in key destinations worldwide. – Export Bahrain supports companies from diverse sectors. – Export Bahrain’s mission is to promote, nurture and accelerate the growth of local businesses, products and services. – Export Bahrain is aligned with Bahrain’s Economic Vision 2030, by ‘promoting our export-oriented sectors to ensure that Bahraini companies embrace the world markets for products and services’
	Objectives	<ul style="list-style-type: none"> – Export Bahrain serves the objective of propelling the growth of SMEs by reaching out to international markets exporting homegrown local products and services internationally. – Export Bahrain’s solutions stimulate the growth of SMEs across the following parameters: <ul style="list-style-type: none"> – Boosting competitiveness: Enhance the capabilities of Bahraini SMEs in the export business – Activating untapped potentials: Evolve the export landscape by utilizing resources/ sectors that are previously underdeveloped/not utilized – Developing the backbone of the industry: Contribute to the growth and development of international trade – Generating innovation: Diversify export opportunities and global reach
	Who is Eligible?	<ul style="list-style-type: none"> – The companies that fulfill the below requirements, are eligible for Export Bahrain’s solutions: – A company with an active Bahraini Commercial Registration in the Kingdom of Bahrain – Startup and growing companies with revenues up to BHD 5,000,000 – The company needs to meet the minimum standards of local production, goods manufactured or processed (35 percent or more).
	Target Segment	<ul style="list-style-type: none"> – Pre-Export: an SME which is currently not exporting but has the intent to export in the future. This segment requires guidance and support to provide the right business model, export global knowledge and awareness, product quality and features etc. before exporting. – Export Ready: an SME which is currently not exporting but is ready to export. Such companies have the right features and attributes to grow their products and services globally but may not be aware of the means to do so. Export Bahrain helps the businesses seeking international market opportunities. – Export Scale-ups: an SME which is currently exporting but is looking to scale up its presence in global markets.

Source: Export Bahrain



Export Bahrain

Export Bahrain	Key Sections	Description
Export Bahrain's Solutions	Startup Exporter	<ul style="list-style-type: none"> – It targets first-time exporters serving startups, SMEs and micro-businesses that are exporting abroad for the first time or existing exporters that are exporting a new service or product lines. – The solution will allow prospective exporting businesses to present and package their plans to Export Bahrain where they will be evaluated for eligibility towards small grants – Encourage businesses to fulfill their first export or adding to their existing export services and product lines. – Support exporters to tap into new markets and increase the number of destination countries. <p>Startup Exporter:</p> <ul style="list-style-type: none"> – Covers up to 20 percent of the initial value of their first export transaction
	Export Credit Insurance	<ul style="list-style-type: none"> – Protect against losses arising from the default of payment of the buyer. The Export Credit Insurance is facilitated in partnership Export Credit Guarantee providers (starting with Arab Investment & Export Credit Guarantee Corporation “Dhaman”) <p>Exporting SMEs receives:</p> <ul style="list-style-type: none"> – 80 percent subsidy of the premium rate – 90 percent reimbursement in the case of default – 80 percent subsidy of the transaction fee
	Export Facilitation and Deal Support	<ul style="list-style-type: none"> – Export Bahrain works with businesses to build the relevant key connections. Connecting businesses with the right international partners, suppliers and consumers. <p>Facilitating links between:</p> <ul style="list-style-type: none"> – Business to Business (B2B), international suppliers/buyers. – Business to Consumer (B2C), global consumers. – Business to Government (B2G), relative government entities internationally.
	Export Shipping and Logistics	<ul style="list-style-type: none"> – Provides exclusive offers, below market rates, on shipments including land, sea and air transportations to support local businesses. <p>Offers can range between 60 percent to 80 percent:</p> <ul style="list-style-type: none"> – Light Shipment and Logistics, up to 80 percent discount for export-ready businesses. – Heavy Shipment and Logistics, up to 80 percent discount for export scale ups. – International Buyer Shipping Solution, Supports local and global buyers to procure products made in Bahrain, includes discounts on international shipment.
	International Retail Buyer Initiative	<ul style="list-style-type: none"> – Provides exclusive offers and discounts to products made in Bahrain on the retail shelves of local and international branches. This aims to encourage the export and recognition of national product brands in markets across the region and the globe.
	E-Commerce Facilitation	<ul style="list-style-type: none"> – Enables businesses to access and list their products and services on e-commerce platforms and facilitate transaction-based support. – It also provides exporters with the awareness to align themselves with larger, known businesses and understand the minimum requirements for listing their products on these platforms.
	Export Workshops	<ul style="list-style-type: none"> – Provides workshops to enable exporters to gain the necessary awareness, insight and knowledge into the opportunities in the exporting industry. – Workshops are facilitated by industry experts.

Source: Export Bahrain



Export Bahrain	Key Sections	Description
About Export Bahrain	Readiness Tool	<ul style="list-style-type: none"> – It is an online tool designed to help new exporters assess how ready they are to export. It does so by helping exporters understand their requirements to export, and if their products or services are ready to be exported to a new market. – This tool is also available to current exporters to understand their current level of exporting, and what they should focus on to achieve the next level.
	Export Financing	<ul style="list-style-type: none"> – Export Bahrain partnered with Tamkeen to provide financial solutions for short-term financing and capital requirements, to enable businesses to engage in international business opportunities. – In collaboration with partner banks, this solution is offered at competitive rates to qualifying businesses. <p>Financing covers:</p> <ul style="list-style-type: none"> – Asset-based financing – Export letter of credits – Working capital
	Exporters Directory	<ul style="list-style-type: none"> – It is a national exporter database and connectivity platform to showcase, promote and enhance visibility for products and services made in Bahrain. The aim is to support B2B, B2C and B2G deals while supporting international relationships. – The platform will include various sectors listing the details of local exporters. – International buyers and manufacturers are able to access the directory to source goods and services in Bahrain.
	Export E-Learning	<ul style="list-style-type: none"> – It is a collection of trade-focused online learning modules, that are easily accessible to SMEs, and will help them gain necessary knowledge and skills to grow their business and exporting. – The portal is available to all exporters in Bahrain and is an export-focused educational hub.
	Export Market Intelligence	<ul style="list-style-type: none"> – This initiative aims to support businesses by facilitating them to physically branch out into new markets, by offering guidance and solutions to new and prospective exporters, wanting to access global opportunities. <p>Assistance includes:</p> <ul style="list-style-type: none"> – Identifying export locations – Developing key partnerships – Accessing support through Export Bahrain's partners and global network to set up a business in an international market.

Source: Export Bahrain



Export Bahrain	Key Sections	Description
Other contributing features	Other contributing features	<p>Other elements that adds to the value of the initiative are outlined below:</p> <ul style="list-style-type: none"> – Export Bahrain’s team includes relationship managers who provide SMEs with the required guidance and advise throughout their application process, covering, but not limited to, the following: – Aid the client with the application process. – Accompanying the client to Export Bahrain’s project partners. – Ensure that the client’s objectives are met. – Ensure that clients are applying for the right projects that would fit their portfolio. <p>Export.bh</p> <ul style="list-style-type: none"> – Export.bh provides the following features: – Online applications – Workshop Calendar & Registrations – Single application source to access export solutions – Latest News & Announcements feature – Access to market intelligence & trade information as the website has two trade information platforms within that highlights clients’ export potential and rules and regulations of global. <p>Other solutions that Export Bahrain plans to carry out include:</p> <ul style="list-style-type: none"> – Export Accelerator Program: The program has been designed to equip SMEs with the necessary skills and capabilities required to scale up and push a firm’s global business strategy. – Exhibition Support: Enable SMEs to showcase products and services in relevant and high potential export sectors. – Export Marketing and Promotion: Enabling SMEs to market for their products and services in their selected international markets – E-commerce Support Platform – Export Awards and Competitions

Source: Export Bahrain







Contact us

For all business queries, please email us at **kpmgbh@kpmg.com**

You can also call us at **+973 1722 4807** for general enquiries.

For more information, please visit **home.kpmg/bh**

@2021 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry, Commerce and Tourism (MOICT), Kingdom of Bahrain and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.