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**Trade Policy Review Body**  
**24 and 26 November 2021**

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## TRADE POLICY REVIEW

THE KINGDOM OF BAHRAIN

### MINUTES OF THE MEETING

*Chairperson: H.E. Dr Athaliah Lesiba Molokomme (Botswana)*

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Note: Advance written questions and additional questions by WTO Members, and the replies provided by the Kingdom of Bahrain are reproduced in document WT/TPR/M/419/Add.1 and will be available online at [http://www.wto.org/english/tratop\\_e/tp\\_r\\_e/tp\\_rep\\_e.htm](http://www.wto.org/english/tratop_e/tp_r_e/tp_rep_e.htm).

## 1 INTRODUCTORY REMARKS BY THE CHAIRPERSON

1.1. The fourth Trade Policy Review of the Kingdom of Bahrain was held on 24 and 26 November 2021. The Chairperson, H.E. Dr Athaliah Lesiba Molokomme (Botswana) welcomed the delegation of the Kingdom of Bahrain, headed by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism; H.E. Ambassador Dr Yusuf Abdulkarim Bucheeri, Permanent Representative of the Kingdom of Bahrain to the WTO; the rest of the delegation; and the discussant, H.E. Mr Li Chenggang (China).

1.2. The Chairperson was pleased that, in addition to physical presence, the meeting also benefited from the Interprefy online connection, allowing for a wider participation of the Membership, in particular of officials who could not make the journey from Manama given the current circumstances.

1.3. The Chairperson recalled the purpose of TPRs and the main elements of procedures for the meeting. The report by the Kingdom of Bahrain is contained in document WT/TPR/G/419, and that of the WTO Secretariat in document WT/TPR/S/419.

1.4. Questions by the following delegations were submitted in writing before the deadline: The Kingdom of Saudi Arabia; the United States; Canada; Singapore; Brazil; the European Union; China; and Israel. The following delegations submitted written questions after the deadline: India; Thailand; Iceland; and Turkey.

1.5. At the time of the previous Review in 2014, Members had praised Bahrain for its sound macroeconomic indicators. They had welcomed its efforts to promote the well-being of its citizens through investing in education, healthcare, and sustainable development. Appreciation was shown to the steps taken by Bahrain to promote a business-friendly environment, and to reform its customs regime by, inter alia, having introduced a single window system. However, Members had pointed out Bahrain's narrow economic base as a source of vulnerability and thus a challenge that had required bold measures to diversify the economy away from hydrocarbons.

1.6. Members also expressed concerns about other issues, including the country's cumbersome customs procedures, its consularization requirements, its relatively low level of binding coverage at ceiling rates in general, and its restrictions to foreign investments.

1.7. Bahrain was also encouraged to align its SPS measures to international good practices.

1.8. During the period under review, economic diversification continued being at the core of Bahrain's overall economic policy, guided by its Economic Vision 2030 strategy. The Secretariat and Government reports highlighted that, under the strategy, several programmes were adopted in various economic sectors and the country's infrastructure had been enhanced.

1.9. The Economic Vision 2030 strategy, together with macroeconomic reforms, largely contributed to Bahrain's recent economic success, with a booming non-oil sector and positive GDP growth over the period 2014-19. Structural reforms also played their part. These included: the enactment of various laws to improve the regulatory environment; the streamlining of business registration and licensing requirements; the removal of foreign ownership restrictions on several business activities; reforms in customs-related matters, internal taxation, competition policy; and programmes to strengthen the role of the private sector.

1.10. However, due to the COVID-19 pandemic and falling oil prices, the economy contracted by an estimated 5.1% in 2020. The authorities announced several stimulus packages in 2020 and 2021 to mitigate the impact of these shocks. As indicated by the Secretariat's report, these measures were likely to impair the results of the ongoing fiscal reforms and further deteriorate Bahrain's fiscal position.

1.11. The advance written questions submitted for this Review illustrated the wide range of topics of interest to Members regarding Bahrain's trade and investment regimes. Numerous questions were raised concerning notification of trade-related measures, SPS and TBT regulations, state-owned enterprises, trade facilitation measures including customs procedures, tariffs, incentives including subsidies, intellectual property rights, government procurement, sectoral policies, and measures to

mitigate climate change. The Chairperson was sure that these topics, as well as others, would be thoroughly discussed by Members during the two-day meeting.

1.12. Bahrain received 135 advance written questions from 11 Members for this review, out of which 8 were sent within the established deadline. Prior to this meeting, Bahrain had already provided written replies to all of these questions and the Chairperson looked forward to hearing Bahrain's updates on these matters during the second day of the session.

1.13. This meeting was a good opportunity for Members to discuss in greater detail, issues of interest to them and of systemic importance to the multilateral trading system. It was also an opportune moment for Bahrain to update the Membership on the impact of the COVID-19 pandemic on its economy, and on its response measures. The Chairperson looked forward to a fruitful exchange.

1.14. The Chairperson closed her introductory remarks by wishing Bahrain a very successful fourth Trade Policy Review.

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**2 OPENING STATEMENT BY THE REPRESENTATIVE OF THE KINGDOM OF BAHRAIN  
(H.E. MR ZAYED BIN RASHID AL ZAYANI)**

2.1. I am honored to be here in person to address this esteemed audience and on behalf of the Kingdom of Bahrain, allow me to begin by thanking our Chair, H.E. Ambassador Athaliah Molokomme of Botswana, for her kind words of welcome and introduction to Bahrain's fourth Trade Policy Review, as well as H.E. Ambassador Li Chenggang of China, whom we are honoured to have as our discussant.

2.2. Our sincere appreciation also goes to the Director General of the World Trade Organization, H.E. Dr Ngozi Okonjo-Iweala, and the WTO Secretariat for their outstanding efforts and support in making this TPR a successful one. Dedicated thanks also go to Mr Willy Alfaro, Director of the WTO Trade Policies Review Division, and his team for their hard work in producing the report which provides a basis for our discussion today.

2.3. I would also like to extend our gratitude to WTO Member countries who have taken a close interest in our submissions, having received more than 140 queries and clarification from 12 countries. That is a true testimony to the progress Bahrain achieved since our last TPR in 2014.

2.4. The Kingdom of Bahrain highly values the role of the trade policy review exercise as one of the most important instruments at the WTO for ensuring transparency and predictability in the multilateral trading system. Its ability in providing a platform for Members to share policy initiatives and measures, as well as to enhance national coordination and implementation of such initiatives and measures within government entities, the business community and private stakeholders cannot be underestimated.

2.5. Such an exercise not only affords a greater awareness and understanding of Members' trade policies and practices and the legitimate justifications behind them, but also contributes to monitoring and containing the surge of protectionism and unilateral trade distortive measures.

2.6. For many centuries, Bahrain has always been a trading hub whether it being a trading post between the Hindus Valley and Mesopotamia, or a destination on the silk route, or the center for the pearling industry prior to the discovery of oil in the Arabian Gulf. Today, however, and as a developing economy that thrives on free trade, Bahrain believes in the effectiveness of a strong rules-based multilateral system in ensuring a fair and predictable international trading environment as a prerequisite for long-term global economic growth and development.

2.7. Having said that, I am very pleased to introduce an overview of the Kingdom of Bahrain's fourth Trade Policy Review.

2.8. Our inclusive TPR exercise today, based on the comprehensive technical and institutional reports prepared by the WTO Secretariat and our government agencies, the valuable questions and comments from Members, and our answers provided to such questions, confirms that the Kingdom of Bahrain's business environment is one of the most efficient, rewarding, and friendly amongst the developing countries.

2.9. As I already mentioned, Bahrain has served for millennia as a hub for investment and trade in the Arabian Gulf and beyond. Its unique business culture builds on a long-standing tradition of openness to people, ideas, and capital. This accounts for its deeply entrenched culture of freedom, rule of law, tolerance and innovation which has paved the way for Bahrain's unique position as a regional pioneer of economic development in a number of areas. Trade is not a newly introduced concept to us, it is inherited principle from our ancestors, it is simply embedded within our DNA.

2.10. During the period under review, the Kingdom of Bahrain has maintained its commitment in implementing WTO-consistent trade policies and measures. Since our last TPR in 2014, the global economy has faced many challenges, not least in light of the catastrophic COVID-19 pandemic. Despite such challenges, the Kingdom of Bahrain has shown resilience and ability to cope by placing trade policy at the center of its overall policy response and showing commitment to economic diversification which has delivered tangible results across key sectors.

2.11. In 2008, the Kingdom of Bahrain launched the Economic Vision 2030 as a roadmap for making Bahrain a sustainable, competitive, fair, and knowledge-based economy. The initiative, along with constitutional amendments made in 2012, have positively impacted the national business environment towards more competitiveness, sustainable development, skilled employment, economic growth, and social fairness. As a direct result, our GDP grew by 50% from USD 25.7 billion in 2008 to USD 38.5 billion in 2019.

2.12. In light of the Vision 2030 goals, the Government of Bahrain focused on drafting a program based on the achievement of the nation and its citizens entitled "Sustainable Economic and Social Security within a Fiscal Balance" for the years 2019 to 2022, which aims to reach a financial balance between expenditures and revenues whilst continuing to achieve positive economic growth and monetary stability. Due to the pandemic, the program now is extended to 2024.

2.13. The government Program includes nine general goals that the Government aims to achieve during the designated three-year period, based on three main priorities including strengthening the basic principles of the state and society, achieving financial sustainability and economic development, and securing an environment that supports sustainable development.

2.14. Bahrain's economic diversification efforts is reflected in a diverse national labor force where two thirds of economically active Bahraini nationals are considered active in the private sector. Following decades of economic diversification and focused investment in education and training, including initiatives such as the labor fund "TAMKEEN", an Arabic word for "empowerment", Bahrainis are active in all sectors of the economy, with Bahrainization rates strongly correlated with economic productivity. Moreover, empowering the Bahraini Youth and Women, is one of the most effective factors in the diversity of the national workforce.

2.15. Bahrain's labor productivity has been rated as the highest in the Arabian Gulf region, with the highest presence of bilingual youth graduates in the workforce. Bahrainis account for up to 80% of the workforce in key sectors such as aluminum, aviation and financial services, with unemployment figures in Bahrain considered relatively low – estimated at 5% in December 2020. It also enjoys a commendable level of female participation in both the public and private sectors.

2.16. The constitution of the Kingdom of Bahrain ensures women are afforded public rights and freedoms, including the right to participate in public affairs, vote, and stand for office. It also details the state's role in supporting women balancing their family duties and their contributions to society. Their equality with men in political, social, cultural, and economic issues is also recognized without prejudice to the provisions of Islamic Sharia.

2.17. The Supreme Council for Women has designed as per its mandate and continues to monitor the implementation of a National Plan for the Advancement of Bahraini Women (2013-2022) whereby women's participation in the labor market is an integral cornerstone of the plan and encompasses a clear method for monitoring and evaluation in accordance with clear macro and micro-level key performance indicators.

2.18. Bahraini women proved their presence in the labor market and entered nearly all fields of work in the private and public domains and entrepreneurship. Bahrain sought to ensure the full participation of women in the national economy in all its fields based on the principle of equal opportunities with the aim of attaining the desired level of gender balance.

2.19. The measures taken by the Kingdom of Bahrain in the field of women's development and empowerment have led to significant progress for the Kingdom. Women currently make up 53% of the total number of Bahraini employees, and 43% of total executive positions in the public sector. Bahraini women's participation in the labor force increased from 26% to 43% during the period of 2001-2020 by an increase rate of 17%. In addition, women in the Kingdom constitute 41% of commercial registration owners and 52% of virtual commercial registration owners.

2.20. During the past few years, in a direct policy to facilitate and encourage commerce, Bahrain amended a number of laws such as Judicial Authority Law and Evidence Law, in addition to that Bahrain have introduced a new laws like Court Execution Law, Data Protection Law and Bankruptcy & Reorganization Law, which all helped in developing the whole judicial system and supporting sectors.

2.21. Building on for the future, Bahrain has undertaken a number of initiatives to support Youth Empowerment which is overseen by the Ministry of Youth and Sports, including the "King Hamad Youth Empowerment Award to" to achieve the SDGs, as well as establishing "Hope Fund" which an aim to empower and invest in the next generation of promising Bahraini entrepreneurs by identifying ambitious entrepreneurs and provide them with the necessary tools, resources and networks to scale and thrive in the regions entrepreneurship landscape, and also most recently a dedication for a Youth Day which will fall on the 25 March every year to support their role in Bahrain's growth and development.

2.22. Diversification of the Bahraini economy is the cornerstone of the Kingdom's Vision 2030. Bahrain's diversification efforts away from oil have gained momentum, with non-oil exports witnessing a 4.6% average annual growth rate between 2010-2020, and the contribution of non-oil exports to total exports increasing from 27% in 2010 to 53% in 2020. Non-oil imports also experienced 2.4% average annual growth during the past decade.

2.23. Although recently challenged by new sectors such as IT, Telecoms, Tourism and Logistics, traditionally, Financial Services Industrialization have formed the backbone of Bahrain's drive for economic diversification for more than five decades. The Kingdom's Vision 2030 initiative confirmed the importance of the manufacturing sector as a key driver for the diversification process in establishing an innovative and knowledge-based economy.

2.24. Bahrain's diversification plans focus on reducing positively correlated volatilities amongst industries, avoiding fluctuation, and attracting an optimal combination of industrial investments in this pursuit.

2.25. Bahrain is concurrently focusing on developing a competitive SME sector, delivering international quality products and services, and contributing to quality employment opportunities. In 2017, the Kingdom of Bahrain issued a Cabinet decision to allocate 20% of the value of government procurements and tenders for SMEs, and to obtain a preference of 10% in the biddings for the utilities that take place within the government's facilities. In addition, the Kingdom launched multiple programs to assist SMEs in accessing markets in different sectors, as well as another 21 initiatives related to access to SMEs development, as part of the National SME Development Strategy launched in February 2018.

2.26. The success witnessed in the financial sector of the Kingdom can be linked to the steps taken by the Central Bank of Bahrain to enhance the regulatory environment in which financial institutions operate. Many important regulations have been issued which are in line with internationally recognized standards such as the implementation of Basel II and III of the Basel Accords.

2.27. The 2019-2020 state budget clearly demonstrates that the Kingdom of Bahrain is prioritizing sound fiscal and economic policies whilst safeguarding the continued prosperity of its citizens. Cooperation of parliament is welcomed as it continues to play a valuable role in the Kingdom's efforts to deliver a strong and sustainable economy. The deficit of Bahrain is down by over a third and early indicators show a robust growth in GDP in the first part of the year, putting the Kingdom well on track to deliver a balanced budget by 2024.

2.28. Bahrain seeks to develop its tourism industry as a key platform for sustainable future economic growth and diversification. In seeking to maximize the potential growth in the tourism industry, Bahrain continues to capitalize on the advantages of its natural environment, cultural heritage, geographical location, moderate and tolerant society, and remarkable culture of hospitality. This was made clearly evident in the recent Tourism Strategy launched in November 2021, whereby the sector contribution to GDP is forecasted to grow to 11.4% by end of 2026.

2.29. Bahrain has also ranked 29<sup>th</sup> in the world for Network Readiness according to the Global Information Technology Report issued by WEF, attesting to the Kingdom's leverage of advances in information and communication technologies to drive economic productivity and social development.

2.30. During the review period, the Government has encouraged private sector investment in various sectors such as utilities, education, healthcare, and housing and has fully privatized its public transportation system.

2.31. In line with the Economic Vision 2030, health care is a central priority in the Kingdom's efforts, as the Ministry of Health commits to working as a unified governmental system to ensure sustainability, competitiveness, and justice in providing health care services. The health care system in Bahrain has adopted Fourth Industrial Revolution technologies that are based on the diversification of income sources and non-reliance on fuel as a sole source, in addition to expanding digital industries and opening the way for investments in the healthcare sector.

2.32. National Health Information System (I-SEHA) is one of the major developments in the healthcare system within the Kingdom. The I-SEHA system aims to implement a National Health Information System that applies the latest techniques in health services to improve services for patients and increase the efficiency, quality, and speed of delivery of paperless health services for citizens and residents.

2.33. In terms of the Kingdom's COVID-19 response efforts, Bahrain launched its first stimulus package as early as March 2020 totalling around USD 11.3 billion (equivalent to 32% of the GDP) which focused on aiding the most affected business sectors with over 34 initiatives and 90 thousand Bahraini employees benefiting from the scheme. This package was further followed by lesser packages focusing on the most affected sectors and extending as late as second quarter of 2021.

2.34. Focused on economic recovery post COVID-19, the Government of Bahrain announced earlier in late October 2021 one of the largest economic growth plans. The new plan aims at enhancing the long-term economic competitiveness of Bahrain, while achieving its goals of fiscal sustainability.

2.35. The five-pillar plan aligned with the objectives of Bahrain's Economic Vision 2030 and includes:

- Labour Market Reform Plan: To include a long-term National Labour Market Strategy and one to further develop and upskill the Bahraini workforce. The program aims to create 20,000 Bahraini jobs and train 10,000 Bahraini annually until 2024.
- Regulatory Reform Package: including simplifying the government processes and make them more effective with the aim of attracting FDI worth USD 2.5 billion by 2023.
- Strategic Projects Plan: catalyzing over USD 30 billion of investments in strategic projects. This includes creating new industrial investment areas and developing partnerships with the private sector on large projects.
- Priority Sectors Development Plan: six new sector strategies will be implemented across oil and gas; tourism; logistics; manufacturing; financial services; telecommunications; IT; and digital economy, aiming to support annual growth of 5% in the non-oil sector by 2022.
- Fiscal Balance Program: aiming to balance Bahrain's budget by 2024, by reducing government spending, streamlining subsidy programs, and diversifying the non-oil revenue sources of the government.

2.36. The Kingdom of Bahrain is working continuously in implementing its trade policies in line with its WTO commitments and is fully applying the Trade Facilitation Agreement two years ahead of planned date.

2.37. The Kingdom of Bahrain is committed to developing all areas of private enterprise and have carried out a thorough update and revision of all commercial laws with a view to eliminate obstacles and ease the process of setting up businesses in Bahrain. In this regard, the Government of Bahrain has embarked on several new reform steps to make Bahrain a truly viable candidate for foreign businesses and direct investment inflow through expanding the private sector contribution to national GDP.

2.38. Since 2015, the Ministry of Industry, Commerce and Tourism has been mandated to streamline its operations and licensing processes in order to further stimulate our private sector as well as attract FDI to be the main driver of our economy. In this regard, in the past few years we have abolished almost 80% of the requirements to set up businesses in Bahrain, such as minimum Capital Requirements, Residency Requirements, Personal Qualifications and Multiple Business

Ownership. In addition, our most evident milestone came to light in 2016 with the launch of our online registration portal (Sijilat) followed shortly by the launch of (Sijili), a unique CR availed to Bahrainis wishing to work as freelancers from home. This has directly resulted in a surge in new CR issuance as well as an expansion of the business activities added within existing CRs.

2.39. In closing, allow me to express our sincere appreciation for the joint technical and institutional contributions of all those concerned in making this fourth TPR of the Kingdom of Bahrain a fruitful and successful event. Once again, we would like to extend our gratitude to the Chair for her able chairmanship of the TPR Committee, our discussant for his valuable comments, the WTO Secretariat for their outstanding preparatory efforts and the distinguished delegations of all WTO Members who have contributed greatly to this exercise with their valuable comments and questions.

2.40. As a founding Member of the WTO and strong supporter of open global trade, the Kingdom of Bahrain is committed to maintaining and enhancing our cooperation with the World Trade Organization and are fully prepared to engage constructively in the work ahead. We are also very much looking forward to the 12<sup>th</sup> Ministerial Conference taking place next week and are eager to witness concrete outcomes in issues of vital interest such as fisheries subsidies, e-commerce, investment facilitation and other areas of work that took place at the WTO. To this end, we would like to reaffirm our commitment and willingness to engage actively with all WTO Members in achieving such concrete outcomes and ensuring a successful Ministerial Conference.

2.41. Thank you very much for your kind attention and we look forward to receiving your comments and views in the hopes of concluding a very successful fourth Trade Policy Review.



### 3 STATEMENT BY THE DISCUSSANT

3.1. It is my honor to serve as the discussant for the fourth Trade Policy Review of the Kingdom of Bahrain. Let me begin by extending a very warm welcome to the delegation of the Kingdom of Bahrain headed by H.E. Mr Zayed bin Rashid Al Zayani. I also extend my appreciation for the remarkable work accomplished by H.E. Ambassador Yusuf Abdulkarim Mohammed Bucheeri and his capable team here in Geneva. My appreciation also goes to the Secretariat team for their comprehensive and invaluable report prepared for this review.

3.2. The Trade Policy Review Mechanism is one of the central pillars of the multilateral trading system and an important tool for ensuring transparency in the global trade. The review will keep us abreast of evolving trading landscape and developments in trade policy of Bahrain since 2014.

3.3. I would like to take this opportunity to share my observations of Bahrain's review on the following points.

3.4. First, despite having a relatively small population, with only 1.5 million, Bahrain enjoys notable and respectable positions in the world.

3.5. It is considered as a high-income country by the World Bank in 2020 with GDP per capita of USD 23,300. Its economy was categorized in 40<sup>th</sup> place of 178 economies and as "moderately free" in the Heritage Foundation's 2021 Index of Economic Freedom. It was the 45 most competitive nation in the world out of 140 countries in the 2019 edition of the Global Competitiveness Report and 43 among 190 economies in the ease of doing business according to the latest World Bank annual ratings in 2019. It was ranked in 42<sup>nd</sup> place of 189 economies in the 2020 UNDP Human Development Index, 79<sup>th</sup> among the 131 economies featured in the Global Innovation Index on innovation capabilities in 2020 and in 78<sup>th</sup> place out of 180 economies in Transparency International's 2020 Corruption Perceptions Index.

3.6. Second, economic diversification continues to be at the core of Bahrain's overall economic policy objectives.

3.7. Bahrain has comparatively limited hydrocarbon reserves. As such, Bahrain is more driven than other fellow GCC members to diversify its economy and maintain sustainable level of development. It would be remiss if I did not commend Bahrain's Economic Vision 2030 launched in 2008, which focuses on the principles of fairness, competitiveness, and sustainability to shape the vision of the Government. This vision together with government action plans (the current one covers the period 2019-22) establishes a roadmap to raise Bahrain's level of economic diversification through exploring new industries such as finance, tourism, and manufacturing; fostering the role of the private sector; and enhancing international trade and investment. It also aims at reducing carbon emissions, minimizing pollution, and promoting more sustainable energy. It would be of great interest to learn more about this Vision.

3.8. With its longstanding diversification efforts, the share of the hydrocarbon sector more than halved between 2000 and 2020. In 2020, hydrocarbon sector, although remains the major source of government revenue, only accounts for 18.6% of GDP, compared to 43.6% in 2000. All the other sectors with the exception of real estate have shown an increasing contribution to Bahrain's GDP. Among them, the services sector, particularly financial services, has become the main pillar of the economy, accounting for 58.3% of GDP in 2020. The services sector has continued to expand, supported by a substantial financial services segment. The manufacturing sector dominated by production of aluminum and petrochemicals accounted for 14.2% of GDP in 2020.

3.9. It is encouraging that Bahrain posted positive annual real GDP growth over the period 2014-19, largely supported by growth in the non-oil sectors. Although the economy contracted by about 5.1% in 2020 due to the COVID-19 pandemic and falling oil prices, economic recovery is expected in 2021, with annual real GDP growth estimated at 3.1%, and at 2% to 2.5% in the medium term, thanks to continued government expenditure on infrastructure and its related impact on the non-oil sectors.

3.10. Third, Bahrain has a long-standing tradition of openness, freedom, and transparency. It serves as one of the most attractive, friendly, and worthwhile business destinations in the region.

3.11. Bahrain's economy remains highly dependent on trade. The ratio of trade to GDP fluctuated over the review period, peaking at 175.9% in 2014 and was at a low of 136.2% in 2020.

3.12. Bahrain's MFN tariff on imports is relatively low and has continued to decrease during the review period. Its simple average applied MFN tariff rate was 4.7% in 2021, down from 5.1% in 2013. The share of duty-free lines slightly increased from 11.1% in 2013 to 11.7% in 2021.

3.13. Bahrain has a low-tax environment. Most companies are not subject to a corporate tax, a 46% tax is levied only on companies in the oil and gas sectors and those that generate profits from hydrocarbon extraction or refinement. Bahrain imposes no taxes on personal income.

3.14. Bahrain continued to improve its investment regime during the review period. In 2016, it implemented an online commercial registry system (SIJILAT) to simplify business registration, streamline licensing requirements, and ensure coordination between relevant agencies. Since 2015, foreign entities have been allowed to invest in restricted or prohibited activities, if the authorities determine that granting such exceptions shall have a strategic economic significance or a profitable return for Bahrain's economy. In 2018, foreign ownership restrictions were removed on 62 business activities. Steps were also taken in 2021 to further facilitate foreign participation in some of the selected economic activities where foreign access remains prohibited.

3.15. New trade facilitation initiatives were developed during the review period, including Bahrain's implementation of the GCC unified guide on advance rulings, the launch of a remote customs clearance service, and the introduction of an authorized economic operator scheme and other schemes giving facilitated access for trusted operators. Reportedly, around 90% of goods are released without inspection, typically the same day. The cost of running a business in Bahrain is approximately 30% lower than other regional centers.

3.16. Fourth, Bahrain is a strong supporter of the rules-based multilateral trading system.

3.17. Bahrain is an original Member of the WTO, a signatory to the WTO Information Technology Agreement (ITA) and one of the first group Members of the WTO, which ratified the Trade Facilitation Agreement (TFA). Furthermore, Bahrain must be commended for its sterling efforts in implementing 100% of its commitments under the Trade Facilitation Agreement, two years ahead of schedule. On 9 December 2008, Bahrain became an Observer to the plurilateral WTO Agreement on Government Procurement. It actively participates in Joint Statement Initiatives on E-Commerce; Investment Facilitation for Development; and MSMES.

3.18. Fifth, Bahrain is strongly committed to increasing its regional integration in the GCC Customs Union. Its economic policies are very much influenced by gradually harmonization with other GCC members.

3.19. The main destinations for Bahrain's exports and sources of imports are other GCC member States, mainly the United Arab Emirates and the Kingdom of Saudi Arabia.

3.20. Since January 2003, the GCC member States have been applying a common external tariff of 0% and 5% to most products imported from third countries, and a common law on customs procedures and valuation. The GCC has common trade-related legislation on customs, contingency measures veterinary quarantine and plant quarantine, and trademarks. Under the GCC Agreement, each member State maintains its own list of restricted and prohibited items. Launched in 2003, the GCC Customs Union was finalized in January 2015, and the unified guides for customs procedures and advance rulings have been released.

3.21. Last but not least, please allow me to touch upon some of the challenges that exist for the country's long-term resilience, apart from the continued diversification of its economy from hydrocarbons.

3.22. Having relatively small populations in the face of the large demand for workforce, Bahrain's workforce is characterized by a high degree of foreign labor on which the economy is heavily reliant, around 74.8% of the workforce. Bahrain will still need the support of foreign workers to sustain its endeavors for further development. It is positive that Bahrain continues to improve its labor market

conditions, including the amendments of its Labor Law and the introduction of wage protection scheme.

3.23. The narrow economic, export and fiscal base also expose Bahrain to vulnerability. Bahrain is facing an elevated fiscal deficit and high levels of public debt. Since the last Review, Bahrain's fiscal position has been consistently in deficit. In 2020, Central government debt reached 115% of GDP, a significant increase compared with 44% in late 2014. Mining, mainly petroleum products accounts for the bulk of merchandise exports, 76.1% of the value of exports in 2020. Moreover, Bahrain continues to rely on imports to meet its domestic demand for most agricultural products, despite the Government's efforts to promote the sector.

3.24. As the Secretariat Report mentioned, the COVID-19 pandemic and the measures adopted by Bahrain to help mitigate its impact, including the USD 12 billion economic stimulus package, are likely to delay the success of Bahrain's macroeconomic stabilization reforms.

3.25. Members have showed a high degree of interest in Bahrain's trade policies. More than 140 questions have been submitted to date.

3.26. Members are interested in Bahrain's development of a digital economy, an area that is worth our attention. As highlighted by the Secretariat report, the past few years have been marked as the most definitive chapter yet in Bahrain's journey to becoming a fully-fledged digital economy, as it has continued to invest in its world class ICT infrastructure and pioneers' regulations that nurture innovation and is seeing digital transformation of key sectors across the board.

3.27. Members are also concerned about Bahrain's export promotion measures, its notification on SOEs, non-preferential rules of origin, and its IPR protection etc. The latest development in various sectors, particularly energy and metal industries, financial services, transport services, telecommunications also attract members' attention. I encourage Bahrain to engage with Members on these issue during this review.

3.28. To conclude my statement as the discussant, allow me to express my confidence that, as Bahrain strides towards achieving its economic Vision 2030, Bahrain will be able to achieve their long-term visions towards a globally competitive, productive, sustainable, diversified, and knowledge-based economy and achieve the shared goal of building a better life for every Bahraini. I hope the discussions and recommendations expressed by Members in the course of this Review can contribute to this process.

3.29. I wish H.E. Mr Zayed bin Rashid Al Zayani and his distinguished delegation a successful Trade Policy Review.

#### 4 STATEMENTS BY MEMBERS

##### KINGDOM OF SAUDI ARABIA ON BEHALF OF THE ARAB GROUP

4.1. On behalf of the Arab Group, I would like to extend a very warm welcome to the distinguished delegation of the Kingdom of Bahrain headed by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism.

4.2. The Arab Group wishes to thank the brothers in Bahrain and the WTO Secretariat for their detailed and comprehensive Trade Policy Review reports. We also thank the discussant H.E. Mr Li Chenggang Ambassador and Permanent Representative of China to the WTO for his insightful remarks.

4.3. The Kingdom of Bahrain, like the rest of the world economies, has been facing the challenges caused by the COVID-19 pandemic. These challenges are being addressed by adopted some measures to mitigate the pandemic's impact on the economy, and to accelerate the economic recovery which is expected to grow by 3.1% in 2021.

4.4. The Arab Group would like to commend Bahrain for its diversification efforts under Bahrain's Vision 2030, for improved its investment regime, for introduced a law on Competition Promotion in 2018, for taken steps to promote the fintech industry.

4.5. We congratulate Bahrain for implementing 100% of its commitments under the Trade Facilitation Agreement, for being an active member in the multilateral trading system including its participations in various discussions of the WTO.

4.6. Before I conclude, I would like to say a few words on behalf of Saudi Arabia. Saudi Arabia and Bahrain are not only neighbours enjoying brotherly outstanding relations supported by shared membership in the GCC, Arab league, and OIC, but they are prominent trading partners. Trade exchange between the two countries exceeded SAR 24 billion in 2020, which ranked them amongst each other's main trading partners. Moreover, Saudi-Bahraini Joint Business Council remains very active in paving the way for closer economic ties to strengthen trade cooperation and to enhance business opportunities in the two Kingdoms.

4.7. At the end, I would like to thank H.E. Dr Yusuf Bucheeri, Ambassador and Permanent Representative of the Kingdom of Bahrain to the WTO, and his distinguished team for their great efforts as a Coordinator this year for the States of the Gulf Cooperation Council (GCC) which serve the interests of the GCC member states. To conclude, we wish our brothers in Bahrain a very successful Trade Policy Review.

##### KINGDOM OF SAUDI ARABIA ON BEHALF OF THE GULF COOPERATION COUNCIL (GCC)

4.8. We are delighted to see all the positive transformations and economic growth mentioned in both reports. This of course comes after the global economy has faced many challenges during the review period, not least in light of the global pandemic, to which the Kingdom of Bahrain commendably responded through the establishment of a National Taskforce and the introduction of an economic stimulus package consisting of various support initiatives.

4.9. We are pleased that the report shows the various efforts undertaken by the Kingdom of Bahrain, under its ambitious Vision 2030 development strategy, in advancing the country's economic development and diversification agenda, including, among other things, a notable increase of non-oil exports at a 4.6% average annual growth rate during the last decade, with the contribution of non-oil exports to total exports increasing from 27% to 53% during the same period.

4.10. Looking forward, we view great interest and opportunity in investment in the Kingdom of Bahrain and its potential for attracting Foreign Direct Investment to our region. As the report shows, the investment regime is a priority area for the Kingdom's economic development as Bahrain maintains a free market economy, with no restrictions on capital movements, foreign exchange, foreign trade, or foreign investment. To this end, the Kingdom of Bahrain continues to

enhance its investment ecosystem by implementing legislative and policy reforms to maintain the Kingdom's position at the forefront of enabling a digital economy.

4.11. I cannot conclude this statement without highlighting the Kingdom of Bahrain's role as both a founding and long-standing strong supporter of the WTO and the multilateral trading system which it nurtures. During the period under review, the Kingdom of Bahrain deepened its active participation and enhanced its engagement at the WTO Councils and Committees, thereby attesting to its full support and belief in the effectiveness of an open and rules-based multilateral trading system in contributing to global economic development and prosperity.

4.12. Finally, we would like to thank the discussant for his remarks and active discussion and the WTO Secretariat for their efforts in preparing the detailed reports and we wish the Kingdom of Bahrain every success in its Trade Policy Review.

#### UNITED STATES

4.13. The United States and Bahrain enjoy a constructive bilateral relationship, with cooperation spanning many of the economic and security issues confronting the Middle East and the world. On the commercial front, bilateral trade continues to expand, and as we implement our comprehensive bilateral Free Trade Agreement (FTA), we look forward to continued engagement on trade issues. The US-Bahrain FTA eliminated tariffs and other barriers on substantially all goods and services trade, thereby promoting economic growth and additional commercial opportunities. In 2020, the value of US goods imports from Bahrain was USD 636 million, with the top import categories in aluminum at USD 357 million, mineral fuels at USD 66 million, textile articles at USD 61 million, and plastics at USD 31 million.

4.14. We hope that Bahrain will find this review to be useful as the country continues to open its markets for global trade. The United States has submitted a number of questions to better understand Bahrain's processes and mechanisms, and we look forward to reviewing Bahrain's responses to our written questions.

4.15. For example, the United States understands that Bahrain and the other Gulf Cooperation Council (GCC) member State Governments are currently considering revisions to the excise tax on beverages. We and other WTO Members have raised concerns in several fora about the implementation of this tax, and we have asked for an opportunity to consult on necessary revisions, including switching to a graduated tax based on total sugar content, whether from either naturally occurring and/or added sugars, exempting beverages with no added sugar and low caloric beverages from the tax, and ensuring that there is no discrimination between energy drinks and other beverages currently covered that have similar amounts of sugar.

4.16. We remain particularly interested in the timeline to inform private industry, governments, and other interested parties about the study currently underway on a new excise tax model and Bahrain's formal mechanism for consulting with interested parties regarding the selective tax, particularly in advance of any final decisions. We note differences among the GCC member State Governments in their implementation of the selective tax, and look forward to working with Bahrain work with the other GCC member state governments to ensure that any amendments to the Unified Excise Tax Treaty for the GCC address the issue of consistent implementation.

4.17. In addition, we submitted questions regarding implementation of a recent regulation affecting energy drinks as well as a range of other products, sections of which we request that Bahrain notify in accordance with the Agreement on Technical Barriers to Trade.

4.18. The United States has also raised detailed questions regarding the status of establishing Collective Management Organizations and the status of notification of programs to the WTO Committee on Subsidies and Countervailing Measures.

4.19. We also call on Bahrain to no longer seek special and differential treatment in current and future WTO negotiations. By taking this step, Bahrain would make a significant contribution to ensuring that the WTO remains a viable forum for meaningful trade negotiations.

4.20. The United States greatly appreciates the opportunity to participate in this TPR review and looks forward to continuing our work with Bahrain, and our trading partners, to strengthen the global economy and the multilateral trading system embodied by the WTO, allowing trade and investment opportunities to expand.

#### CANADA

4.21. Canada joins other WTO Members in welcoming H.E. Mr Zayed bin Rashid Al Zayani and the other members of the delegation from Bahrain. We are pleased to participate in the fourth Trade Policy Review of Bahrain. We thank the Government of Bahrain and the Secretariat for their reports.

4.22. At the outset, I would like to congratulate Bahrain for the continued improvement of its trade and investment regime during the review period, and for being an active participant in the multilateral trading system. I note ratification by Bahrain of the WTO Trade Facilitation Agreement in September 2016, and its implementation, two years ahead of schedule.

4.23. Congratulations also for your continued implementation of Bahrain's "Vision 2030" agenda. I note that within this framework, Bahrain has made progress on supporting an enabling environment for sustainable development. I am particularly pleased to note the goal of supporting creativity, excellence, and highlighting the role of women and SMEs in the economy in all government programs and initiatives.

4.24. On the regional front, we commend Bahrain and all Gulf Cooperation Council members for efforts to reinforce collaboration and improve trade dynamics among GCC States. Canada will follow with interest the further development of trade relations between the GCC and its international partners, and I would be grateful to learn more about Bahrain's views on the future steps for GCC-level trade policy engagement.

4.25. We welcome Bahrain's participation as an observer to the WTO Agreement on Government Procurement. Canada is a strong supporter of the WTO GPA and is committed to improve and secure government procurement market access globally. I am pleased to note improvements to Bahrain's government procurement regime through the Bahrain Tender Board and would encourage Bahrain to consider acceding to the WTO Government Procurement Agreement.

4.26. We also value Bahrain's participation in the Joint Statement Initiative on Investment Facilitation for Development and the informal Micro, Small, and Medium-sized Enterprises working group. I invite Bahrain to consider joining the JSI on Services Domestic Regulation. In addition, I also encourage Bahrain to consider supporting the Buenos Aires Declaration on Trade and Women's Economic Empowerment and participating in the Trade and Environmental Sustainability Structured Discussions.

4.27. On the dispute settlement front, I invite Bahrain to consider joining the Multi-Party Appeal Arbitration Arrangement that provides access to binding dispute settlement and appellate review to its participants. In relation to the WTO's deliberative function, Canada appreciates the very good notification record of Bahrain over the review period.

4.28. We compliment Bahrain for recent improvements in its business and foreign investment environment, including those related to obtaining construction permits; registering property; obtaining credit; paying taxes; protecting minority investors; trading across borders; enforcing contracts; and resolving insolvency.

4.29. Canadian businesses see significant opportunities in Bahrain that match Canadian capabilities, including in the fields of energy, infrastructure, transportation, and clean technology. These are sectors where Canadian expertise can help meet Bahrain's needs and objectives for a more efficient and greener economy.

4.30. To facilitate this, it is important for Bahrain to continue to maintain an open, fair, and transparent business environment to attract Canadian and other businesses and expertise to further grow your economy and reinforce your role as a regional economic hub.

4.31. We have submitted a number of questions on the themes I have touched on, and other issues. We thank Bahrain for your responses, which we will carefully review. We look forward to a constructive exchange of views on all aspects of Bahrain's trade policy.

#### SINGAPORE

4.32. Let me begin by conveying my warm greetings and appreciation to Minister of Industry Commerce and Tourism, Mr Zayed bin Rashid Al Zayani and his delegation. We thank the Kingdom of Bahrain for its comprehensive Government Report and Statement. We also thank the Chair Ambassador Athaliah Molokomme, discussant Ambassador Li Chenggang (China), as well as the Secretariat for their insightful reports and statements. Allow me to make three points.

4.33. First, Singapore and Bahrain enjoy a multifaceted relationship. Singapore and Bahrain share many similarities. As small island states with long trading traditions, we face common interests and challenges, which have promoted close cooperation in various fields including renewable energy, defence, entrepreneurship, banking, tourism, education, cultural, and sports. This relationship has been nurtured by healthy exchanges of high-level visits and regular meetings between our officials to share experiences and best practices with each other. For example, Singapore has been an active participant of the Manama Dialogue since its inception in 2004, and Bahrain's premier World Islamic Banking Conference since 2008.

4.34. In the economic sphere, we have also deepened our partnership through several trade facilitative agreements, including the Avoidance of Double Taxation Agreement (DTA), Investment Guarantee Agreement, and the Gulf Cooperation Council (GCC)–Singapore Free Trade Agreement (GSFTA). Both Singapore and Bahrain also serve as gateways for our companies to establish their presence in our respective regions.

4.35. Despite the COVID-19 pandemic, bilateral trade in goods grew by approximately USD 25 million to around USD 274 million in 2020. According to the Bahraini government report, Singapore is among the top three destination for its re-exports in the past two quarters of 2021, amounting to around USD 66 million. As of 2019, Singapore has invested in approximately USD 441 million worth of projects in Bahrain while Singapore receives USD 3.5 billion foreign direct investment (FDI) from Bahrain.

4.36. Second, both Singapore and Bahrain attach great importance to economic diversification as a key pillar of our economic strategy. Singapore commends Bahrain's efforts to diversify the country's oil-based economy so that it could become globally competitive and productive through the Bahrain Economic Vision 2030. The structure of the Bahraini economy has been transformed by a rapid process of economic diversification since the turn of the century. Bahrain has successfully halved the share of the oil sector's contribution to its GDP between 2000 and 2020. In fact, the contribution of non-oil sectors has grown and currently contributed 81.4% of its GDP in 2020.

4.37. Singapore and Bahrain have also embraced digital transformation of both the public and private sectors, including our established financial sectors. Singapore looks forward to continuing our collaboration with Bahrain in these emerging areas, especially as we embark on post-pandemic recovery. With that view, we have submitted questions relating to Bahrain's FinHub 973 and regulatory sandbox for FinTech firms and start-ups, among other questions.

4.38. Third, on the multilateral front, Bahrain has been a steadfast supporter of the WTO and was one of its founding Members. We are pleased to note that Bahrain was the one of the first Members to ratify the WTO Trade Facilitation Agreement (TFA) and is fully applying the TFA two years ahead of their notified timeline.

4.39. Singapore also welcome Bahrain's participation in the various Joint Statement Initiatives (JSIs), including the JSIs on E-Commerce and Investment Facilitation for Development. Bahrain's continued support for the JSIs reflects its progressive trade policy and contribution to ensure that the WTO remains relevant. In this connection, we want to encourage Bahrain to join the JSI on Services Domestic Regulation. Additionally, given the importance of establishing open, fair and transparent conditions of competition in government procurement processes, Singapore would encourage Bahrain to consider elevating its status as an observer to become a party to the Government Procurement Agreement (GPA). We believe that these will spur further growth for



Bahrain's small and medium enterprises (SMEs) and support the successful implementation of the Vision 2030 plan.

4.40. Singapore looks forward to working closely with the Bahrain Mission to the WTO, which is ably led by Ambassador Yusuf Abdul Karim Bucheeri. I wish Bahrain every success for its fourth TPR.

#### BRAZIL

4.41. Brazil would like to thank the Kingdom of Bahrain and the Bahraini Mission to the WTO, represented by Permanent Representative Yusuf Abdulkarim Mohammed Bucheeri, for engaging in Bahrain's fourth Trade Policy Review and providing Members with an overview of the country's economic performance and adherence to the multilateral trading system.

4.42. We would like to express our appreciation to the WTO Secretariat for its thorough and comprehensive report, as well as to the Chair, Ambassador Dr Athaliah Lesiba Molokomme (Botswana), and the discussant, Ambassador Chenggang Li (China), for their contribution to this crucial exercise on transparency.

4.43. The Kingdom of Bahrain is an important partner of Brazil. Last week, President Jair Bolsonaro visited Manama to strengthen ties between our nations. Brazil is in the process of establishing an embassy in the Bahraini capital and sees this as an important step for expanded bilateral relations.

4.44. Our two countries enjoy a growing economic relationship. Trade flows between Brazil and the Kingdom of Bahrain increased by over 100% between 2015 and 2020, despite the effects of the worldwide pandemic in the latter year.

4.45. We are proud to supply Bahrain with vital products for their economy and their food security, such as iron ore and poultry. Meanwhile, Bahrain is an important source of inputs for our agribusiness and our industry.

4.46. With a view to expanding and diversifying the bilateral trade agenda, it is essential to advance negotiations for sanitary and phytosanitary certification. We have proposed to the Bahraini authorities the Brazilian model of International Health Certificate (CSI) to support the export of beef and meat products and we expect progress will be achieved in this area.

4.47. In investments, we see a broad range of opportunities that we have yet to harness. We have a specific interest in deepening investments on oil, gas, tourism, housing, and construction, which could be facilitated with the Brazilian model of the Cooperation and Facilitation Investment Agreement. Brazil is ready to engage in bilateral negotiations to achieve this goal.

4.48. The COVID-19 crisis had a major impact on both the world and the Bahraini economy. Falling oil prices were a substantial factor leading to a 5.1% decline of the Bahraini GDP in 2020. We are pleased to see that the economy is ready to bounce back, with a 3.1% growth estimate in the current year.

4.49. We highlight Bahrain's high level of engagement with the Trade Facilitation Agreement, including total implementation of their commitments two years ahead of the planned timeline. Other positive developments during the review period were new investment and business legislation, such as the 2020 Decree-Law on the fight against money laundering and the combat of terrorism financing; the 2018 Decree on bankruptcy, which boosts transparency and efficiency in the insolvency process; and the 2017 Order that provides start-ups with a supportive environment.

4.50. Let me conclude by wishing the Kingdom of Bahrain a very successful and productive Trade Policy Review.

#### EUROPEAN UNION

4.51. On behalf of the EU, I would first like to welcome the Delegation of Bahrain, led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry, Commerce and Tourism. I would also like



to thank the WTO Secretariat and the Delegation of Bahrain for their reports and the Discussant H.E. Mr Li Chenggang, Ambassador of China, for his remarks.

4.52. Chair, this is the fourth review for Bahrain and I would like to start by noting that in our assessment the country is moving in the right direction.

4.53. At the multilateral level, the EU commends Bahrain on the implementation of all of its commitments under the Trade Facilitation Agreement. Bahrain has submitted various notifications to the WTO during the review period, nevertheless, notifications on, inter alia, state trading enterprises and subsidies remain outstanding. Keeping in mind the timing of this TPR, the EU would like to stress the need to achieve concrete results at the WTO's 12<sup>th</sup> Ministerial Conference next week to show that the WTO can deliver results on the economic recovery from the pandemic, trade and health and sustainability in the area of fisheries.

4.54. While we welcome Bahrain's participation in the Joint Statement Initiatives on E-Commerce, Investment Facilitation for Development and MSMEs, we encourage Bahrain to join the group of WTO Members that are committed to bringing the Joint Initiative on Services Domestic Regulation to a successful conclusion at the MC12. This initiative is of great importance to the service suppliers across the world and will assist in their recovery from the pandemic. We also call for Bahrain's cooperation in the WTO reform discussions, which are essential to setting the WTO on the path to manage effectively the challenges of the 21<sup>st</sup> century and invite Bahrain to join the MPIA.

4.55. The bilateral relationship between the EU and Bahrain is on a good track. The EU and Bahrain signed a Cooperation Arrangement to enhance dialogue in areas of common interest, including on trade, investment, and economic cooperation in general.

4.56. The EU remains a very important trading and investment partner for Bahrain. In 2020, the EU was the second trading partner for Bahrain. Also, bilateral investment relations have developed considerably.

4.57. Since the last review in 2014, and similarly to the other GCC countries, Bahrain's economy has been negatively impacted by the effects of the global pandemic and the steep fall in prices on the international energy markets, since Bahrain's economy, industrial output and trade remain to a significant extent reliant on the energy sector and hydrocarbons' production. It is therefore reassuring to note that Bahrain is aware of the need to reduce this high dependence on the energy sector and is implementing specific steps to diversify its economy under a long-term development strategy.

4.58. In order to support this process, the EU in 2019 – alongside of our GCC partners – has initiated the "EU-GCC Economic Diversification Project". This project is ongoing and aims at supporting the economic diversification of the Gulf economies, involving stakeholders from both the private and public sector in areas of standards, investment promotion, and intellectual property rights' protection as well as new emerging areas such as circular economy, digitalization, and connectivity.

4.59. As part of this project in the context of the ongoing Expo Dubai several significant events have been organized, including a conference on the participation of women in the technology sectors and a high-level EU-GCC Business Forum, focussing on economic diversification. We welcome Bahrain's active engagement in this project. The EU is of the view that these exchanges will contribute to helping the country in upgrading its economy in the coming years by making it more sustainable and knowledge based.

4.60. Despite of these positive developments, the EU has some questions and concerns regarding the trade and investment policies in Bahrain. We would like to reiterate our concerns voiced in the Council for Trade in Goods, the Market Access Committee as well in bilateral contacts with Bahrain in relation to the GCC "Treaty on Excise Tax" of December 2016. The EU would like to stress again the importance of harmonizing the implementation of the Excise Tax Law and the need for a close engagement with private industry stakeholders to revise the tax.

4.61. The EU is confident that this TPR will help Bahrain in reviewing important policy areas that are key in attaining the country's economic objectives. Let me conclude by recalling that the EU is looking forward to Bahrain's responses to the questions we have put forward today and others that

we have previously submitted in writing. On behalf of the EU, I wish Bahrain a very productive and successful review.

## ISRAEL

4.62. Israel would like to thank you, the discussant, H.E. Mr LI Chenggang, the Kingdom of Bahrain, and the Secretariat for the detailed reports. Israel also welcomes H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry, Commerce and Tourism as the Head of Bahraini Delegation to its fourth TPR. Israel warmly welcomes Bahrain on the occasion of this TPR and congratulates it for the work invested in the preparations of this report.

4.63. We are very happy to note that the collaboration between our countries have strengthened significantly since the historic establishment of diplomatic relations on 15 September 2020.

4.64. Following a formal visit by the Minister of Industry, Commerce, and Tourism H.E. Zayed bin Rashid Al Zayani during December 2020, we witnessed the joint signature of a Memorandum of Understandings between our countries concerning innovation, small and medium enterprises, and standards. This opens the way for new and promising channels of collaboration on Trade.

4.65. Already in this first full year after the signing of the agreement we have seen a very promising beginning, and there is a great deal of interest in fostering and benefiting from these new open channels that run deep and across all sectors. There are immense opportunities to develop ties further, not only in business and trade, but also across culture, sports, technology, and tourism.

4.66. In this session, I will focus on trade. Already in this past year, total trade amounted to nearly USD 1 million and we see great potential for further significant growth in the immediate future.

4.67. The sectors of interest for Israel in Bahrain include finance, cyber, tourism and technology as well as know-how in such fields as energy, food, and water security, agriculture, and health services.

4.68. Like Israel, Bahrain's economy is highly dependent on trade, which is evident from Bahrain's ratio of trade in goods and services to GDP fluctuating above 136% in 2020. Additionally, Bahrain's services sector follows a similar path as Israel's, with an upward direction in the export of services.

4.69. Regarding the economic ramifications of the COVID-19 pandemic, Bahrain's economy contracted by around 5.1% during the last year, mainly due to the COVID-19 pandemic and falling oil prices. However, the good news is that economic recovery is expected in 2021, with annual real GDP growth estimated at 3.1%, and then stabilize somewhere between 2% to 2.5% over the next four years, largely due to continued government expenditure on infrastructure and its related impact on the non-oil sector. Israel looks forward to continuing its share of trade to this economic recovery.

4.70. At the WTO, Israel is looking forward to an increased engagement with Bahrain. Both our nations participate in initiatives, such as the JSI on E-Commerce. We look forward to capitalizing on the work done at the Ministerial Conference and charting our continued efforts post MC12.

4.71. During this TPR, Israel submitted questions to Bahrain, and awaits Bahrain's reply. The areas of interest for Israel include customs and border procedures.

4.72. As we are nearing MC12, Israel looks forward to seeing Bahrain's contributions and constructive role towards a successful Ministerial, which is just days away.

4.73. Finally, Israel looks forward to strengthening our close collaboration with the Bahraini delegation headed by Ambassador H.E. Dr Yusuf Abdulkarim Mohammed Bucheeri. Israel wishes Bahrain a very successful TPR.

## INDIA

4.74. Let me begin by extending a warm welcome to the delegation of Bahrain led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism. India is pleased to be a part of

the Trade Policy Review of Bahrain today. My delegation would further, like to commend the Government of Bahrain, the delegation in Geneva led by H.E. Dr Yousuf Abdulkarim Bucheeri, Permanent Representative and Ambassador of the Kingdom of Bahrain as well as the WTO Secretariat for their comprehensive reports. I would also thank the discussant H.E. Mr Li Chenggang of China for his insightful remarks.

4.75. India, and Bahrain enjoy excellent bilateral relations characterized by cordial political, economic, cultural, and civilisational linkages. And this year India and Bahrain are celebrating the golden jubilee of our diplomatic relations. These ties got further strengthened during the state visit of Indian Prime Minister to the Kingdom of Bahrain in August 2019. This visit holds great significance as this was the first ever visit by an Indian Prime Minister to the Kingdom of Bahrain. The visit provided renewed energy and vigour to various facets of our bilateral relations. As a gesture of our collaboration India shared 100,000 vaccine doses with Bahrain and both sides have agreed to continue collaboration to combat the pandemic.

4.76. The excellent economic and trade relations between our two countries have received a fresh impetus since the oil boom of the early seventies. Bahrain's strategic location makes it the gateway to the Gulf Cooperation Council Market worth USD 1.5 trillion. This advantage coupled with Bahrain's policy of industrial diversification played an important role in enhancing economic cooperation between India and Bahrain.

4.77. New job opportunities have attracted many Indian expatriates to Bahrain. India is among the top 10 trading partners of Bahrain, and since the past couple of years, bilateral trade is in the range of USD 1 billion with a dip only in 2019-2020 where it was USD 980.59 billion. Bilateral investments have increased from both sides in the recent times. With a cumulative investment of USD 1.2-1.3 billion, India is the 6<sup>th</sup> largest investor in Bahrain.

4.78. Chair, we note with appreciation the report provided by the Secretariat for this TPR. India commends the measures taken by Bahrain to make a business and investment friendly environment and transform into a competitive and open economy by integrating into the multilateral trading system. While the hydrocarbon sector is an important component of the economy of Bahrain, we appreciate the country's commitment to diversify into other sectors to reduce the dependence on oil sectors. We therefore appreciate the rapid strides made by Bahrain in diversifying into both services and manufacturing sectors overcoming the constraints in terms of its limited population and geographical size. As a result, the services sector has become the backbone of the economy, accounting for nearly 60% of real GDP in 2020 making it a service-based economy.

4.79. The long-term development strategy elucidated by the Economic Vision 2030 accompanied by the five-year plans through liberalization, diversification and privatization have helped in the robust economic growth and played an important role in guiding the day-to-day policy making of the Government. We note with interest the steps taken by Bahrain in trade facilitation where it is reported that Bahrain has implemented 100% of its commitments under the Trade Facilitation Agreement, ahead of schedule.

4.80. We would like to thank Bahrain for their replies to the various questions posed by my delegation that will be studied carefully by my capital. We look forward to working with Bahrain in further expanding and fostering our trade and investment ties for our mutual benefit. We wish the delegation of Bahrain a productive and successful Trade Policy Review.

#### THAILAND

4.81. Thailand is delighted to participate in the fourth Trade Policy Review of the Kingdom of Bahrain. We wish to extend our warm welcome to the delegation of the Kingdom of Bahrain led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism.

4.82. We would like to thank Ambassador Dr Athaliah Lesiba Molokomme of Botswana for your leadership as the Chair and Ambassador Li Chenggang of China, for his insightful comments as Discussant. We also thank the Government of the Kingdom of Bahrain and the WTO Secretariat for their useful and comprehensive reports.

4.83. Thailand and Bahrain have had a long-standing relationship since 1977 and we were delighted to celebrate the 44<sup>th</sup> anniversary of diplomatic relations between Thailand and Bahrain in 2021.

4.84. The bilateral economic relations and cooperation between Thailand and Bahrain have expanded steadily in many areas such as healthcare, trade and investment, food safety, energy, and technology. Thailand and Bahrain have expressed an interest to work together to promote contract farming and also reached an agreement to establish a distribution center of Thailand's products in the Cooperation Council for the Arab States of the Gulf or the GCC markets.

4.85. Bahrain is an important trading partner of Thailand. In terms of merchandise trade, in the past five years, the average total trade value between the two countries amounted to approximately USD 377.40 million per year and has grown by 6.46% for the first seven months of 2021. The top exported goods from Bahrain to Thailand are petroleum oils, aluminium, fertilizer, and methyl alcohol, whilst Bahrain primarily imports motor cars and motor vehicles, parts of machinery and laboratory equipment from Thailand. We hope that the two countries could strive for a higher bilateral trade exchange in the future.

4.86. Due to its strategic location in the Persian Gulf, Bahrain has a very high potential to become trade and business hub in the GCC. Thailand welcomes Bahrain's economic Vision 2030 and the 2019-2022 Four-Year Government Plans which aim to achieve economic growth, financial stability, and sustainable development for the country by 2030. We also welcome Bahrain's efforts to reform, support, and diversify her economy into wider range of manufactured goods and services, especially towards the tourism sector.

4.87. In this review, Thailand has submitted a number of questions on various areas of Bahrain's trade and economic policy, and we thank Bahrain for responding to our questions and look forward to thoroughly reviewing them.

4.88. Lastly, Thailand appreciates the leadership of Ambassador Dr Yusuf Abdulkarim Bucheeri. We look forward to enhancing our cooperation with the Mission of the Kingdom of Bahrain to advance our mutual interest and strengthen our partnership at all levels. Thailand wishes Bahrain a successful Trade Policy Review.

## ICELAND

4.89. Iceland joins others in welcoming the distinguished delegation of Bahrain to their Trade Policy Review. We also express appreciation to the WTO Secretariat and Bahrain for the reports prepared, as well as to the discussant for the excellent framing of the issues for our discussion today.

4.90. First, I would like to mention the Free Trade Agreement between the GCC and the EFTA countries, which has served our countries well. It covers broad range of areas including trade in goods, trade in services, competition, and government procurement.

4.91. During the period of 2014-19 Bahrain experienced a positive GDP growth but has since then being affected by low oil prices and the current health crisis.

4.92. Iceland welcomes to learn that action plans to implement Bahrain's "Vision 2030" include actions on initiatives supporting gender equality. Further, Iceland welcomes the information provided on the TPR report on special measures on specific measure in assisting women launching their own start-ups, or developing existing ones, as well as information on legislation on equal wages for women and man.

4.93. The impact of the health crisis has revealed new challenges relating to trade and trade-related activities, as it is widely recognised that the pandemic has affected women much harder than men and preventing them from participating in trade. Identifying barriers that women face when it comes to participating in trade will help the development of policies and programs that encourage women's participation in national and international trade, and by doing so promote sustainable social economic development.

4.94. Important tool in advancing women's economic empowerment is sharing of best practices of respective experiences relating to those policies and programs, a work that the Informal Working Group on Trade and Gender has been focusing on and is laid out in the Joint Ministerial Declaration on the advancement of gender equality and women's economic empowerment within trade.

4.95. As the Trade Policy Review provides an excellent opportunity to gather information, Iceland has submitted in advance written questions on the participation of women in the economy of Bahrain. We welcome the replies as the answers will be useful in gathering best practices.

4.96. Finally, as one of the co-chairs of the Informal Working Group on Trade and Gender, Iceland invites Bahrain to join the large group of Members supporting the Joint Ministerial Declaration on the advancement of gender equality and women's economic empowerment within trade.

4.97. Iceland appreciates Bahrain's active engagement in WTO and their continued support for the multilateral trading system. We wish the delegation of Bahrain every success for their Trade Policy Review.

#### TURKEY

4.98. Turkey welcomes the delegation of Bahrain headed by Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism. We would like to thank the Secretariat and the Kingdom of Bahrain for their detailed reports as well as discussant Ambassador Li Chenggang of China for his insightful comments.

4.99. As stated in the reports, Bahrain maintained positive annual real GDP growth before the pandemic. In the medium term, growth is expected to continue after the pandemic thanks to the measures taken by the government.

4.100. Turkey commends efforts of Bahrain to diversify its economy in the framework of its economic Vision 2030.

4.101. Bahrain also continued to improve its investment regime during the review period. Turkey considers removing foreign ownership restrictions and further facilitation foreign participation in some of the selected sectors as positive steps to increase FDI flow.

4.102. Bahrain is an active participant in the WTO and participates in Joint Statement Initiatives on E-Commerce; Investment Facilitation for Development; and Micro, Small, and Medium-sized Enterprises. It also ratified the WTO Trade Facilitation Agreement in September 2016.

4.103. We attach importance to our relations with Bahrain. We believe that our bilateral economic and trade agreements with Bahrain constitute a firm base for further advancing our economic and trade relations.

4.104. Although the pandemic has affected negatively our trade, we consider that there is a considerable potential to increase our trade volume. Furthermore, as recent examples of TAV and GAMA companies show, Turkish investors are important partners for the projects in transport, energy, and infrastructure in Bahrain. We think that this cooperation can be further strengthened.

4.105. We also thank the delegation of Bahrain in advance for their replies to our questions on specific aspects of its trade policy. We wish the Kingdom of Bahrain a very successful Trade Policy Review.

#### OMAN

4.106. It is a great pleasure for the delegation of the Sultanate of Oman to participate in the fourth Trade Policy Review of the Kingdom of Bahrain, founding Member of the WTO.

4.107. At the outset, let me extend my warmest welcome to H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry, Commerce and Tourism of the Kingdom of Bahrain and commend him for the eloquent and comprehensive opening statement. We would like also to thank you Madam

Chairperson, as well as the Secretariat for the preparation of this meeting. I take this opportunity to thank our brother H.E. Dr Yusuf Abdulkarim Bucheeri, Ambassador and Permanent Representative of the Kingdom of Bahrain and the other members of his distinguished delegation attending this meeting.

4.108. We would like also to thank the discussant H.E. Mr Li Chenggang, Ambassador and Permanent Representative of China to the WTO, for his insightful comments.

4.109. Oman and Bahrain enjoy deep-rooted fraternal, historical, and economic relations.

4.110. Oman congratulates the Kingdom of Bahrain on its efforts regarding economic diversification under its economic Vision 2030 through implementation of several projects to improve the quality of infrastructure, promote digitalization, ensure high-quality services and move from an oil-based economy to a globally competitive, productive, sustainable, and diversified economy.

4.111. Despite the economic shocks during the review period, the Government of the Kingdom of Bahrain has succeeded to stabilize the economy by the measures taken by the Government.

4.112. We are glad to note that Bahrain continues to improve its trade and investment environment by, *inter alia*, implementing an online commercial registry system (SIJILAT) to simplify business registration. Steps were also taken in 2021 to further facilitate foreign participation in some of the selected economic activities under the legislation on foreign direct investment (FDI).

4.113. The Kingdom of Bahrain is actively participating in the various WTO negotiations and positively engages in discussions with the WTO Members.

4.114. Oman commends the Kingdom of Bahrain on the steps taken since the last review especially regarding implementation of the Trade Facilitation Agreement.

4.115. The delegation of the Sultanate of Oman wishes the delegation of the Kingdom of Bahrain a very successful fourth Trade Policy Review.

## JORDAN

4.116. First, we fully associate ourselves with the statement delivered by the Kingdom of Saudi Arabia on behalf of the Arab Group. Jordan would also like to start by extending a warm welcome to the entire delegation of Bahrain led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism.

4.117. Our appreciation is also extended to the discussant H.E. Mr Li Chenggang, the Ambassador of China for the insightful and thorough remarks.

4.118. At the outset, my delegation commends the Government of Bahrain and the WTO Secretariat for the comprehensive reports. Both reports demonstrated that the economy of Bahrain is heading towards a path of sustainability embodied by their advancement of the quality of infrastructure, their promotion of digitalization, and their assurance of high-quality services to recover from COVID-19 pandemic.

4.119. We congratulate Bahrain for their remarkable progress made in economy and trade in accordance with the implementation of its economic Vision 2030. The Vision, which was launched in 2008, provides a coherent framework to further continue their work in the development of their Kingdom's economy, focus on making strides towards digitizing its economy and enhance the Kingdom's ecosystem through emerging technologies.

4.120. As a traditional free market economy, and a liberal trading country, Bahrain maintains a profound interest in its trade expansion and investment growth. It is a founding Member of the WTO, and one of its first Members, which ratifies the Trade Facilitation Agreement (TFA). These measures are pursued through a consistent maintenance and the continuous increase in Bahrain's adherence and engagement with their trading partners multilaterally, regionally, and bilaterally.

4.121. Furthermore, we commend Bahrain's commitment towards its WTO obligations, and its constructive role in the efforts to strengthen the multilateral system.

4.122. Jordan highlights the importance of Bahrain's efforts to improve trade facilitation. Their efforts have been impressive as witnessed in the new trade facilitation initiatives, including Bahrain's implementation of the GCC unified guide on advance rulings, the launch of remote customs clearance service, and the introduction of an authorized economic operator scheme and other schemes giving facilitated access for trusted operators.

4.123. Also, we appreciate various incentive measures provided by Bahrain to promote foreign investment to reduce red-tape and create an environment that makes investments and growing a business accessible by a liberal business environment – that offers 100% foreign ownership, coupled with comparatively lower operating costs, as currently the cost of running a business in Bahrain is approximately comparatively 30% lower than other regional centers.

4.124. Jordan and Bahrain enjoy excellent bilateral and economic relations governed by several agreements; mainly the Pan Arab Free Trade Area (PAFTA), along with the brotherly and historical ties which always existed between the two nations. Jordan emphasizes the importance of its relations with Bahrain and is always keen to further expand the strong bilateral economic ties on all levels, which have demonstrated continuously to hold promising opportunities ahead for both countries.

4.125. To conclude, Jordan congratulates the Bahraini Government and the business society for their achievements and would like to wish the brotherly Kingdom of Bahrain more prosperity and a fruitful and successful Trade Policy Review and congratulates the Permanent Representative of Bahrain in Geneva H.E. Dr Yusuf Abdulkarim Bucheeri and his whole team for their very constructive role in preserving and consolidating the multilateral trading system.

## ARGENTINA

4.126. We would like to associate ourselves with those Members that have welcomed the delegation of Bahrain, led by H.E. Mr Zayed bin Rashid Al Zayani, Minister for Industry, Commerce and Tourism.

4.127. We are grateful for the reports prepared by Bahrain and the Secretariat, which provide a comprehensive overview of this Member's trade policies. We also thank Ambassador Li Chenggang for his remarks and comments.

4.128. Argentina has strong trade links with Bahrain. Bilateral trade between our countries amounted to USD 53 million in 2020. We export meat, fruit, citrus fruit, melons and watermelons, pharmaceuticals, and cereals to Bahrain. In turn, Bahrain supplies us mainly with fuels, mineral oils, distillation products, and bituminous substances.

4.129. In recent years, trade between our countries has experienced sustained growth. However, it is still far from its potential. We believe that there are great opportunities for trade in the agrifood, pharmaceutical, and automotive sectors.

4.130. Argentina is aware of the challenges faced by Bahrain in relation to the economic crisis resulting from the pandemic and the fall in oil prices. These include fiscal sustainability and the need to further diversify the economy to reduce dependence on the oil sector. We are confident that the policies set out in Vision 2030 and the Government Action Plan will succeed in addressing these issues.

4.131. We take this opportunity to reiterate our intention to work together with Bahrain at the next Ministerial Conference to achieve substantive results aimed at invigorating the multilateral trading system for the benefit of all.

4.132. Lastly, we would like to underline that Argentina wishes to continue to expand trade relations with Bahrain, and we consider South-South cooperation to be a fundamental pillar in strengthening these ties based on the principles of complementarity, equality, and solidarity. In this regard, we appreciate the efforts made in the negotiations to reach agreements on investment promotion and



protection; the elimination of double taxation; air transport; and the strengthening of economic and trade relations.

4.133. Allow me to conclude by again thanking the distinguished delegation of Bahrain, you, Ambassador Chenggang, and the Secretariat for this further opportunity to exchange views on Bahrain's trade policies.

4.134. We reaffirm the relevance of all aspects of this exercise and wish the Minister for Industry, Commerce and Tourism and his entire delegation a successful conclusion to this review.

#### YEMEN

4.135. We would like to associate to the statement of by the Arab Group and congratulate the Kingdom of Bahrain on the occasion of its fourth Trade Policy Review at the WTO.

4.136. Bahrain is a traditional free market economy, and a notable liberal trading country. It has a stable and transparent business setting and maintains deep interest in trade expansion and investment growth. Yemen commends Bahrain's trade policy objectives to ensure fair and predictable international trading environment, for both exports and imports.

4.137. I still recall when Bahrain started the economic transformation in the sixties of the last century. The result is what we see now, as the region's most diversified economy.

4.138. Bahrain Economic Vision 2030 provides a clear direction for economic development. It also addresses the Sustainable Development Goals 2030 (SDGs). The government Action Plan for the years (2019-22) reflects Bahrain's strategic priorities, focusing on achieving overall sustainable development.

4.139. A "Team Bahrain" approach was built around a responsive Government working together with the private sector. It has become a model of private-public collaboration, including investors and entrepreneurs. Added to that a "Start-up Bahrain" initiative that aims to stimulate and encourage entrepreneurial culture.

4.140. Bahrain is a founding Member of the WTO. It has implemented several policies and passed a number of regulations to enhance the legislative framework in line with its WTO commitments. Yemen renews its best wishes to Bahrain for the reforms undertaken and its economic vitality. We wish Bahrain success in accomplishing its objectives, as well as its fourth Trade Policy Review.

#### TUNISIA

4.141. My delegation is pleased to participate in the fourth TPR of the Kingdom of Bahrain, and welcomes its delegation led by H.E. Mr Zayed bin Rashid Al Zayani, Minister for Industry, Commerce and Tourism, to whom we would like to express our appreciation for the comprehensive briefing on Bahrain's economic situation and trade policy.

4.142. Our congratulations also go to the Secretariat for the comprehensive report submitted to us on the occasion of this review and to H.E. Mr Li Chenggang, Ambassador Permanent Representative of China, for the relevance of the remarks he made.

4.143. My delegation would like to highlight the considerable efforts made by the Kingdom of Bahrain since the previous Trade Policy Review to pursue its policy of economic and trade liberalization through sustained diversification efforts, particularly in the financial services sector, which has become the largest non-oil contributor to Bahrain's GDP, and in telecommunications services, which are now open to foreign investment.

4.144. We would like to congratulate the Kingdom of Bahrain on its Economic Vision 2030 and its medium-term Fiscal Balance Program (FBP), which have promoted this policy of diversification and openness, and have contributed to the implementation of a number of projects aimed at improving the quality of infrastructure and promoting digitalization and ensuring quality services.



4.145. Tax reform and measures to control and rationalize public expenditure have helped to maintain positive levels of economic growth.

4.146. The Secretariat's report notes that, despite a difficult global and regional economic context owing to the drop in oil prices and the COVID-19 pandemic, Bahrain's economy is expected to recover in 2021, with an estimated growth rate of 3.1% and a positive outlook over the period (2022-2025), thanks to the measures adopted by the Bahraini authorities to mitigate their effects, notably through a substantial economic stimulus plan of around USD 12 billion and the maintenance of public spending on infrastructure. This is a significant achievement in times of health crisis.

4.147. The Kingdom of Bahrain has remained an active player in the WTO since its accession. Its participation in various initiatives related to the Joint Statements on e-commerce, investment facilitation for development, and micro, small, and medium-sized enterprises, its compliance with WTO notifications and its engagement in several regional trade and investment agreements reaffirm its commitment to the rules-based multilateral trading system.

4.148. Furthermore, Tunisia and Bahrain have a special relationship of friendship and cooperation supported by a legal framework of more than 30 legal instruments covering the various aspects of bilateral cooperation between the two countries.

4.149. The development of cooperation is monitored by the two countries' Business Council and the Joint Commission established in October 1975, whose last high-level session was held in Manama in 2016.

4.150. Trade between the two countries reached nearly USD 15 million in 2020, and the countries are determined to strengthen and consolidate this cooperation in all areas of common interest, such as tourism, crafts, agriculture, and fisheries.

4.151. Lastly, I would like to congratulate H.E. Ambassador Yusuf Abdulkarim Mohammed Bucheeri, Permanent Representative of the Kingdom of Bahrain to the WTO, and his team for their active involvement in the work of the WTO and in the round of trade negotiations carried out here in Geneva.

4.152. We wish our brothers in Bahrain a very fruitful Trade Policy Review.

## HONDURAS

4.153. Honduras warmly welcomes the entire delegation of the Kingdom of Bahrain, led by its Head, Mr Zayed bin Rashid Al Zayani, Minister for Industry, Commerce and Tourism, and thanks them for their statement and report.

4.154. We extend our thanks to you, Chair, the Secretariat and the discussant for your valuable contributions to this review.

4.155. In terms of the reports under review, we are pleased to note that, during the period 2014-2019, the Kingdom of Bahrain recorded positive annual real GDP growth, supported largely by growth in the non-oil sector.

4.156. In 2020, the economy contracted by 5.1% as a result of the COVID-19 pandemic and the fall in oil prices. In 2021, real GDP growth is expected to reach 3.1%, with a medium-term growth outlook of between 2 and 2.5%.

4.157. The reports indicate that, since the turn of the century, the structure of Bahrain's economy has been transformed by a rapid process of economic diversification, and that between 2000 and 2020, the share of the hydrocarbon sector more than halved in relative terms, while the contribution to Bahrain's GDP from all other sectors has been increasing.

4.158. We note that the services sector has become the backbone of the economy, accounting for close to 60% of real GDP in 2020, which has enabled Bahrain to establish itself as a net exporter of services.

4.159. We are pleased to note that, within the framework of its Economic Vision 2030, Bahrain launched several projects to improve the quality of its infrastructure, promote digitalization and ensure high-quality services.

4.160. During the period under review, Bahrain enacted a new law on standardization and metrology to enable it to adopt international standards and expand the scope of work in this area in order to ensure harmonization with international and regional practices. It also adopted a legal framework on the promotion and protection of economic competition with the aim of regulating anti-competitive practices, abuse of dominance, and economic concentration, among other matters.

4.161. In recent years, Bahrain has adopted innovative approaches in the financial services sector, most of them focused on fintech, and has launched various initiatives to promote fintech, digital solutions, crypto-asset platform operators, open banking, and digital finance advice to support the growth of its economy.

4.162. It is noteworthy that, in 2020, the Government introduced the Made in Bahrain brand as one of the most important initiatives to promote local products and facilitate their exportation. It is hoped that this initiative will contribute to increasing reliance on local industries and help to achieve self-sufficiency and food security.

4.163. Bahrain was named the best country in the world in which to invest, in the per capita investment category, in the 2016, 2017 and 2018 editions of the Mac Conway Awards, and ranks first in the Middle East and North Africa region for ICT readiness.

4.164. We agree with Bahrain that it is important for Members to direct investments towards technologies that reduce carbon emissions and pollution, and promote the use of more sustainable energy sources, and that, within this Organization, we support the effective implementation of special and differential treatment for developing countries and small economies.

4.165. Lastly, Honduras acknowledges the Kingdom of Bahrain's contributions to, and active participation in, the various WTO Bodies, and we wish them every success in the presentation of their Trade Policy Review.

#### UNITED ARAB EMIRATES

4.166. I would like first to warmly welcome the distinguished delegation of the Kingdom of Bahrain, led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism. We also thank the discussant and the WTO Secretariat, and the TPR Division in particular.

4.167. The UAE enjoys close and privileged trade relations with the Kingdom of Bahrain. We both share common views on most of the trade-related matters, both on bilateral basis and within the GCC Group. I am saying this not only because in a very few months, like Bahrain, the UAE too will have its fourth TPR.

4.168. It is not a surprise that in 2020, according to the Government's report, the UAE was one of the top six exporters to the Kingdom of Bahrain (6%) and ranks second among importing partners (9%).

4.169. We thank the Kingdom of Bahrain for the commendable efforts made to fulfil its commitments as a WTO Member and to remain, since its accession to the global institution, a firm believer and advocate of the multilateral system.

4.170. Finally, we wish the Bahraini team a successful TPR review and, above all, a pleasant stay in Geneva despite these exceptional circumstances.

#### BANGLADESH

4.171. At the outset, the Bangladesh delegation welcomes H.E. Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism and Head of Delegation for his introductory presentation at the fourth Trade Policy Review of Bahrain. Bangladesh delegation also thanks H.E. Mr Li Chenggang,

Permanent Representative and Ambassador of China for his insightful discussions. Our sincere appreciations also go to the Government of the Kingdom of Bahrain and the WTO Secretariat for the comprehensive reports.

4.172. The relations between our two countries have been friendly since inception of diplomatic relationship. Our bilateral ties have been further bolstered with the high-level visits from both sides. As one of the friendly country, Bangladesh is delighted to note the great strides and significant progress that Bahrain has made during review period. We see that the prudent macro-economic measures adopted by the country have resulted in impressive economic growth and remarkable improvement in almost all indices.

4.173. With a population of about 1.5 million and a GDP per capita of USD 23,300, according to the World Bank, the Kingdom of Bahrain is a high-income country. With the long-standing diversification efforts, including under Bahrain's Economic Vision 2030, the services sector has become the backbone of the economy, accounting for nearly 60% of real GDP in 2020. Petroleum products alone still account for some 18.3% of GDP, with significant contributions to government revenue, exports, and other economic activities. The manufacturing sector, which contributes 14.2% of GDP is energy-intensive and the second largest contributor to non-oil GDP. Bahrain has implemented several projects to improve the quality of infrastructure, promote digitalization, and ensure high-quality services, under its economic vision 2030. Bahrain introduced a medium-term Fiscal Balance Program in 2018 in response to falling foreign exchange reserves, and high fiscal deficit and central government debt. The program includes voluntary retirements of public sector employees, tax reforms, and spending controls.

4.174. The Bahrain economy still remains highly dependent on trade, with its ratio of trade in goods and services to GDP fluctuating between about 176% in 2014 and 136% in 2020. Petroleum products continue to account for the bulk of merchandise exports followed by non-ferrous metals, while imports are dominated by crude oil destined for the national refinery, agricultural products, and various manufactured goods. Bahrain is an active participant in the multilateral trading system. Bahrain ratified the WTO Trade Facilitation Agreement in September 2016, and the Government indicates that it has implemented 100% of its commitments under the Agreement, ahead of schedule.

4.175. Bangladesh and Bahrain enjoy excellent relations based on identical values, shared perceptions and common traditions. We have an unfailing record of mutual support and cooperation at all international forums including the United Nations. The political commitment to the close relationship has been translated into action through bilateral agreements covering economic, technical, and cultural cooperation. Conclusion of further agreements in the areas of trade and investment; customs and taxation; and air services etc. strengthening and expanding the relations between our two countries further.

4.176. Relations between the two friendly countries have continued to grow since establishment of diplomatic relations following Bahrain's recognition of Bangladesh in 1974. Bangladesh and Bahrain have maintained an excellent record of mutual support and cooperation at the United Nations and other multilateral forums both on substantive and electoral matters. Bangladesh established a resident Mission at the Ambassador level in Bahrain on 28 February 1983. Bilateral trade between Bahrain and Bangladesh USD 50 million in 2020. Exports from Bangladesh were mostly consumer items such as ready-made garments, fresh vegetables while Bahrain exports included aluminium, heavy pure woven cotton, vehicle parts, engine parts, and petroleum products.

4.177. To conclude, Madam Chair, we wish the delegation of Oman a productive and successful TPR. My delegation will continue to work closely with the Bahrain delegation, led by Ambassador H.E. Dr Yusuf Abdulkarim Bucheeri to strengthen multilateral trading system, as we assist our countries to enhance our bilateral trade ties.

## EGYPT

4.178. Egypt associates itself with the statement delivered by Saudi Arabia on behalf of the Arab Group and wishes to join others in extending a very warm welcome to H.E. Mr Zayed bin Rashid Al Zayani, Honourable Minister of Industry, Commerce and Tourism of Bahrain, and the esteemed delegation from Manama and in Geneva.

4.179. We thank the Government of Bahrain and the WTO Secretariat for their detailed reports, as well as H.E. Ambassador Li Chenggang (of China) for his insightful comments as discussant.

4.180. Bahrain's economy was deeply hit by both the COVID-19 pandemic and falling global oil prices, recording a 5.1% contraction last year, it was able to effectively respond with a series of commendable measures, which resulted in growth projections of 3.1% in 2021.

4.181. We applaud Bahrain for its Economic Vision 2030, which aims to foster development, including through several projects aiming to improve infrastructure, promote services sectors and digitalization, all of which place Bahrain towards further economic diversification and competitiveness.

4.182. We commend Bahrain's commitment to the multilateral trading system, including its positive record in submitting notifications and constructive participation in various discussions at the WTO. In addition, Bahrain has implemented its obligations under the Trade Facilitation Agreement and took further initiatives that expedited customs clearance system, where around 90% of goods are swiftly released without inspection.

4.183. Bahrain also implemented several economic reforms conducive to an open trade and investment environment. The Secretariat report enlists some reforms that facilitate foreign participation in the economy, such as streamlining business registration and licensing requirements as well as removing many foreign ownership restrictions. Such sound measures coupled with regulatory improvements in telecommunication, transport and intellectual property hold great potential to boost Bahrain's economy.

4.184. Egypt and Bahrain share brotherly, historical and well-established ties, and our economic relations continue to flourish. According to the ITC Trade Map, bilateral trade more than doubled during the review period, and other sources show increasing trends in 2021. Bahraini investments in Egypt surpassed USD 3.2 billion by 2021 spread over 200 projects in many fields, including infrastructure and tourism. We invite Bahrain to continue expanding its investment flows to Egypt and make good use of increasing opportunities in various economic sectors.

4.185. Finally, I conclude by wishing Bahrain a successful and productive Trade Policy Review.

## NEPAL

4.186. At the outset, allow me chair to extend my warm welcome to the delegation of The Kingdom of Bahrain led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism, and extend sincere appreciation for his comprehensive remarks summarizing the Trade Policy Review of Bahrain.

4.187. My delegation wishes to thank H.E. Mr Li Chenggang, Ambassador of Republic of China for his insightful remarks as discussant.

4.188. I would like to commend the efforts of the WTO Secretariat and the Government of Kingdom of Bahrain for producing the comprehensive reports and providing opportunity to all WTO Membership to discuss the various issues of trade policy of Bahrain.

4.189. I commend the Kingdom of Bahrain for its continued commitment to predictable, transparent, just and rule-based multilateral trading system.

4.190. The facts incorporated in the reports showed that country is aspiring to achieve its goals envisioned in economic Vision 2030 document.

4.191. The visions and actions of the Kingdom to move from an oil-based economy to a globally competitive, productive, sustainable, and diversified economy with solid regulatory framework to create attractive domestic and foreign investment environment and government working together with the private sector towards a sustainable future are encouraging.

4.192. Through the same reports chair, the leadership of the country also seemed aligning the country's policies with principles of fairness, competitiveness, and sustainability across the Government, society, and the economy.

4.193. As highlighted in the reports, growth of non-oil exports and imports are supportive to achieve the country's goal of moving to non-oil economy and diversifying trade.

4.194. The endeavours made by the Kingdom of Bahrain to improve overall business environment through numbers of legislation and instrument in areas of trade investment, e-commerce, digitalization of economy are also appreciated.

4.195. Let me turn to the bilateral front. Nepal and the Kingdom of Bahrain have been enjoying cordial and friendly relations since the establishment of their diplomatic relations in 1977. Mutual trust, respect, understanding, and cooperation has formed the strong basis of our bilateral relations.

4.196. Nepal and Bahrain share similar views on several international forums and issues including in the WTO.

4.197. In terms of economic relations, trade, investment, tourism and migrant workers have remain the main potential areas of cooperation. However, the potentials are yet to be leveraged further.

4.198. The trade between Nepal and Bahrain remains quite insignificant. In 2020, total amount of Nepali exports to Bahrain stood at slightly above NPR 1.5 million while total import from Bahrain above NPR 161 million. The terms of trade is obviously in the favor of the Kingdom of Bahrain though very minimal.

4.199. Another area of cooperation is tourism, Nepal could be a tourist destination for Bahraini nationals. Nepal could provide best alternative ambience for Bahraini tourists to spend their holidays.

4.200. Nepal also could become a destination of choice for Bahrain for investment opportunity. However, it is not realized. The Government of Nepal has introduced numbers of reforms in investment regulations and processes to ease the doing business in recent years to attract the FDI.

4.201. In addition, Bahrain has become one of the preferred destinations for employment opportunities for Nepali workers. The flow of Nepali people to Bahrain is increasing year by year. They have been important source of human resource contributing to socio-economic development of the Kingdom of Bahrain.

4.202. Both the countries have huge potentials of exploring and harnessing possible areas especially in trade, investment, tourism, employment, and people-to-people contact level in the days ahead.

4.203. Having said this, I would like to extend my best wishes to the delegation of the Kingdom of Bahrain for the successful conclusion of this Trade Policy Review.

## JAPAN

4.204. Japan welcomes the delegation of the Kingdom of Bahrain led by H.E. Mr Zayed bin Rashid Al Zayani. We sincerely appreciate the reports prepared by the WTO Secretariat and the Government of the Kingdom of Bahrain, which form the basis for our discussion today. We are also grateful to the discussant, H.E. Mr Li Chenggang, Ambassador to the WTO of China, for his insightful remarks.

4.205. Japan welcomes Bahrain's efforts to advance economic reforms, such as the expansion of trade in services and promotion of digitalization based on the "Bahrain Economic Vision 2030". Although the COVID-19 pandemic has had adverse impacts on the economy of the Kingdom of Bahrain, Japan expects that it will continue to grow under the multilateral trading system.

4.206. Japan acknowledges that Bahrain has been contributing to the multilateral trading system, including through its participation in the Joint Statement Initiatives. Bahrain is also an observer to the Agreement on Government Procurement, and we expect that it will start taking actions towards

becoming a member. On the subject of multilateral cooperation, Bahrain is also the last country to undergo a TPR before MC12. We look forward to the country's contributions to the success of MC12.

4.207. According to the Secretariat's report, increased investment is one of the important pillars of the "Bahrain Economic Vision 2030". Japan has been negotiating an investment agreement with Bahrain. We look forward to continuing our joint efforts in order to conclude the negotiations soon.

4.208. Regarding Bahrain's business environment, Japan values Bahrain's efforts to provide generous support to foreign companies operating in the market. Japan particularly appreciates Bahrain's taxation system, which includes elements such as a corporate tax exemption, and the cooperative attitude of the Bahrain Economic Development Board, which has an office in Tokyo.

4.209. To conclude, Japan expresses its appreciation for Bahrain's participation in this Trade Policy Review despite the ongoing COVID-19 pandemic, as well as Bahrain's efforts to improve its trading environment since the last review. We wish the delegation of the Kingdom of Bahrain every success in this Trade Policy Review.

## MOROCCO

4.210. The delegation of the Kingdom of Morocco extends a very warm welcome to His Excellency Mr Zayed bin Rashid Al Zayani, Minister for Industry, Commerce and Tourism of the Kingdom of Bahrain.

4.211. Our thanks also go to the Government of the Kingdom of Bahrain and the Secretariat of the Organization for their detailed reports, and to His Excellency Mr Li Chenggang, Ambassador/Permanent Representative of China, for his comments and insights.

4.212. Morocco congratulates the Government of Bahrain for its commitment to the multilateral trading system and for carrying out its fourth trade policy review, demonstrating its full compliance with WTO rules, in particular the principle of transparency. We also welcome the active engagement of this brother country in the negotiations of certain bilateral and regional trade agreements, bearing in mind their contribution to a free, open and transparent trading system.

4.213. My delegation notes with satisfaction the long-standing efforts of the Bahraini Government to diversify its economy, including within the framework of the Economic Vision 2030, which addresses, among other things, the Sustainable Development Goals.

4.214. This Vision, which aims to build a better life for every Bahraini citizen, is driven by the need to move from an oil-based economy to a competitive, productive, sustainable and diversified economy, supported by a strong regulatory framework that creates an attractive environment for domestic and foreign investment.

4.215. In this regard, and with reference to this economic diversification strategy launched by Bahrain, Morocco strongly encourages the Bahraini Government to persevere in the implementation of this diversification strategy, which will reinforce the trade policies that the Government is implementing in accordance with the commitments made and fully honoured in the framework of the WTO, in particular the Trade Facilitation Agreement.

4.216. The trade policy review report reveals Bahrain's progress in recent years, notably the achievement of an average annual growth rate of 2.61% in non-oil imports between 2010 and 2020. Progress has also been made on the legislative front with the adoption of several investment-friendly laws, including the introduction, in 2016, of the SIJILAT online commercial registry system to simplify business registration, streamline licensing requirements and ensure coordination between relevant agencies.

4.217. Before concluding, I would like to reiterate my country's desire to further promote cooperation with this brother country in the light of the excellent bilateral relationship we enjoy and the strategic partnership that unites us through the Gulf Cooperation Council.

4.218. All areas of common interest, in particular those of an economic and commercial nature, should be strengthened in order to reinforce trade levels and improve investment opportunities. Lastly, the Kingdom of Morocco wishes the Kingdom of Bahrain a fruitful Trade Policy Review.



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**5 REPLIES BY THE REPRESENTATIVE OF THE KINGDOM OF BAHRAIN AND ADDITIONAL COMMENTS**

5.1. On behalf of the Kingdom of Bahrain, allow me to begin by expressing our thanks to our Chair, H.E. Ambassador Athaliah Molokomme of Botswana, for her remarkable and cordial conduct of our fourth Trade Policy Review meeting. Dedicated thanks are also due to H.E. Ambassador Li Chenggang of China, for his valuable and insightful remarks. We also reiterate our sincere appreciation to the WTO Trade Policy Review Division for the quality of their report and their technical and functional coordination and support throughout the entire review process.

5.2. As a small, open, developing economy that thrives on free trade, the Kingdom of Bahrain firmly believes in the effectiveness of a strong rules-based multilateral system in ensuring a fair and predictable international trading environment and contributing to global economic development and prosperity.

5.3. To this end, the Kingdom of Bahrain attaches great importance to the Trade Policy Review exercise as one of the most important instruments at the WTO for ensuring transparency and predictability in the multilateral trading system.

5.4. In this respect, we are deeply encouraged to see the high level of interest displayed in Bahrain's review through the valuable statements and comments made by the distinguished Membership during the opening session of this meeting for which we thank you all.

5.5. We are also pleased to note that a number of issues that were raised by Members during our third review in 2014 have been resolved, which serves as a testament to the commitment of the Kingdom of Bahrain to its obligations under the WTO Agreements and to our fellow WTO Members.

5.6. As for our current review, I am happy to report that the Kingdom of Bahrain has provided written answers to all 141 advance questions received by Members within and after the deadline, and we trust that the responses were to your satisfaction. Follow up questions received after the opening session will be fully attended to in due course.

5.7. I would also like to express our sincere appreciation for the opportunity to interact with Members and the valuable remarks made during the opening session on Wednesday, which we have engaged with intensively over the past 48 hours. In this regard, and in reaction to those remarks, we are pleased to make the following announcements:

- Our formal support of the Buenos Aires Declaration on Trade and Women's Economic Empowerment.
- Participation in the Trade and Environmental Sustainability Structured Discussions, in line with the Kingdom's commitment to reach net zero by 2060.
- Serious consideration to our accession to the GPA subject to conformity with national legislation and practices.
- The intention to join as a participant of the JSI on Services Domestic Regulation.

5.8. Furthermore, as a founding Member of the WTO and having invested more than 25 years in this Organization, we are fully committed to the WTO reform process and stand ready to engage and cooperate with Members in relevant discussions which are essential for the continued strength of the Organization.

5.9. In the area of notifications, the Kingdom of Bahrain works closely with the WTO and is committed to meeting all its notification obligations. In this regard, we do not believe that we have any outstanding notifications but welcome any specific suggestions which we guarantee to act upon in due course.

5.10. COVID-19 has undoubtedly taken a toll on the global economy, and we highly recognize the efforts undertaken by the WTO to minimize such adverse impacts and facilitate access to essential medical goods and services.



5.11. On a national front, our economy has shown positive sign towards recovering to 2019 levels, and while not reaching that goal in aggregate, several sectors have already surpassed 2019 levels. These positive indicators reinforce our belief that we are on the right track to surpass aggregate 2019 levels by 2022.

5.12. The Kingdom of Bahrain takes great pride that under its presidency, the GCC has relaunched and initiated several FTA negotiations. With a dedicated negotiations team in place, the GCC is simultaneously engaged with seven countries, and expects a signing of at least one to take place during the first half of next year. At this point it prudent to thank my GCC counterparts as well as the GCC General Secretariat and the GCC negotiations team for their exemplary efforts in resurrecting this initiative.

5.13. In the same vein, we were pleased to hear the positive feedback and calls in Members' interventions for deeper bilateral economic, trade and investment engagement with the Kingdom of Bahrain which we have always welcomed and shall continue to do so.

5.14. As a historic trading nation, we greatly appreciate the remarks made by Members in considering Bahrain as a gateway to the GCC Market and look forward to reinforcing such a tradition with the launch of our recent logistics strategy guaranteeing air to sea shipments in less than two hours.

5.15. With regards to the Investment Regime in Bahrain, it is noteworthy that 97% of business activities allow foreign investment (64% allow 100% foreign ownership; 30% allow foreign partnership with a Bahraini partner leaving the share split entirely open to the partners and only 3% limited to 49% foreign ownership).

5.16. In the area of Sanitary and Phytosanitary measures, we reassure Members that concerns raised in this regard are currently being addressed in coordination with the Ministry of Health and we shall revert in due course on the outcomes.

5.17. The Kingdom of Bahrain is a party of the GCC Unified Excise Tax Agreement, and we continue to work with our fellow GCC members States to establish a unified position in this regard.

5.18. As part of the National SME Development Strategy launched in 2018, "Export Bahrain" was established to act as a catalyst to SMEs exports. The outfit provides guidance, mentoring, networking, capacity building and non-financial assistance to all Bahrain based companies, owned by both foreign and local investors.

5.19. Women in Bahrain are fully empowered and are considered completely equal to their male counterparts in all facets of life which is why the Kingdom views no need in treating women any differently as evident by women's strong and noteworthy presence in all fields of work in both private and public domains, as well as their active participation in entrepreneurship and CR ownership.

5.20. As for the upcoming WTO Ministerial Conference next week, the Kingdom of Bahrain takes special interest in issues of vital interest to developing countries, LDCs, Small Island Developing States and Net Food Importing Countries. Such areas include the WTO's response to the pandemic, food security measures, fisheries subsidies disciplines, the development dimension, among other areas of vital interest. In addition, as an active participant of both the Joint Statement Initiative on E-Commerce and MSMEs, the Kingdom of Bahrain welcomes concrete outcomes in both areas.

5.21. In closing, allow me to reiterate our sincere appreciation to all those concerned in ensuring a successful conclusion to the fourth Trade Policy Review meeting of the Kingdom of Bahrain.

5.22. The review has presented an excellent opportunity for the Kingdom of Bahrain to showcase its progress as well as hear insightful views and recommendations from Members on how to continue to build on our strong legacy of openness and commitment to the multilateral trading system.

5.23. In this regard, we would like to assure the Membership that the views and recommendations expressed will be dealt with diligently and effectively for the benefit of both the Bahraini economy and the shared interests of the entire WTO Membership.

5.24. Thank you all once again for the time and effort put into this successful process, and we look forward to concluding a successful 12<sup>th</sup> Ministerial Conference next week.

#### DISCUSSANT

5.25. I would like to congratulate the delegation of the Kingdom of Bahrain led by H.E. Mr Zayed bin Rashid Al Zayani, Minister of Industry Commerce and Tourism, and also H.E. Ambassador Yusuf Abdulkarim Mohammed Bucheeri and his team here in Geneva for their outstanding work undertaken in the course of the fourth Trade Policy Review of Bahrain.

5.26. This review has been a constructive and fruitful exercise, which allowed us to deepen our understanding of Bahrain's trade and investment policies, as well as significant developments since the last review in 2014.

5.27. This morning, I would like to share my observations on this review from three aspects.

5.28. First, on Bahrain's achievements during the review period. Members were delighted to see that Bahrain effectively responded to the pandemic with a series of measures, which resulted in growth projections of 3.1% in 2021.

5.29. Members highly commended the role of the ambitious economic Vision 2030 in advancing the country's economic development and diversification agenda, as well as in guiding the Government's policy making.

5.30. Importantly, Members acknowledged Bahrain's decades of economic diversification efforts and the positive achievements till now. It is recognized that non-oil exports witnessed a 4.6% average annual growth rate between 2010-2020, and the contribution of non-oil exports to total exports increased from 27% in 2010 to 53% in 2020. Non-oil imports also experienced 2.4% average annual growth during the past decade.

5.31. Members congratulated Bahrain for the continued improvement of its trade and investment regime to further facilitate foreign participation in Bahrain's economy, particularly simplifying business registration, streamlining licensing requirements, removing many foreign ownership restrictions.

5.32. Members highlighted Bahrain's role both as a founding and strong supporter of the multilateral trading system, notably, its ratification of the WTO Trade Facilitation Agreement and its implementation two years ahead of the schedule. Members also value Bahrain's participation in various Joint Statement Initiatives (JSIs), including investment facilitation for development, MSMEs etc.

5.33. Second, on concerns raised by Members. Like in any other review, there are some concerns that were raised by Members and areas for improvement. Some Members raised concerns about the outstanding notifications of Bahrain on subsidies and state trading enterprises and encouraged Bahrain's improvement of its transparency obligation.

5.34. Several Members were interested in the potential revisions of the Excise Tax Treaty for the GCC and emphasized the importance of harmonizing its implementation and the need for further engagement with private stakeholders. Members also raised questions on Bahrain's investment policies, IPR protection digitalization etc.

5.35. Third, on Members' expectations on Bahrain. It impressed me that members have high expectations on Bahrain's active and constructive participation in the multilateral trading system. While welcoming Bahrain's participation in some JSIs, a few members encouraged Bahrain to consider acceding to the WTO Government Procurement Agreement, supporting the Ministerial declaration on trade and women's economic empowerment, participating in the Trade and Environmental Sustainability Structured Discussion (TESSD) and joining the JSI on Services Domestic Regulation. One Member also call for Bahrain's cooperation in the WTO reform discussions and invite Bahrain to join the MPIA.

5.36. Members also reiterated the importance for Bahrain to continue to maintain an open, fair, and transparent business environment, with the aim to further grow its economy and reinforce the role as a regional economic pole.

5.37. It is important to emphasize that, all in all, Members considered Bahrain as a reliable and important trading partner in the region and looked forward to strengthening bilateral economic and trade relations.

5.38. Finally, as also mentioned in H.E. Mr Zayed bin Rashid Al Zayani's opening statement on Wednesday, we altogether look forward to the WTO's 12<sup>th</sup> Ministerial Conference next week.

5.39. It has been a pleasure and an honor to be the discussant for Bahrain's fourth Trade Policy Review. I want to thank you, Madam Chair, as well as the WTO Secretariat for the efforts. And finally, I would like to, once more, congratulate the Bahraini delegation for a successful and fruitful review.

#### EUROPEAN UNION

5.40. On behalf of the EU, let me first thank the delegation of Bahrain for the comprehensive overview regarding the main trade and economic developments during the review period on Wednesday and this morning.

5.41. The EU appreciates the opportunity to receive in-depth information about the modernisation and diversification strategy by Bahrain, despite of the challenges caused by the global pandemic. The EU stands ready to continue supporting these efforts.

5.42. In spite of these efforts, the economy of Bahrain has been affected by the pandemic during the past two years, with significant impact on government revenues.

5.43. The EU considers it important that Bahrain continues and steps up its engagement towards the efficient functioning and modernization of the multilateral trading system.

5.44. The exchanges during this review also underlined the need for Bahrain to address certain concerns by the WTO Members in some areas that are important to ensure predictable and transparent trading conditions with Bahrain.

5.45. The EU appreciates the timely responses provided by Bahrain to our advance written questions. We have posed one follow-up question regarding fishing licenses and look forward to receiving the reply in due course.

5.46. In conclusion, the EU would like to once again thank Bahrain for its constructive engagement in this important transparency exercise, demonstrating its commitment to the WTO. We are confident that our good cooperation will continue.

## 6 CONCLUDING REMARKS BY THE CHAIRPERSON

6.1. This fourth Trade Policy Review of the Kingdom of Bahrain has given us an excellent opportunity to examine the evolution of its trade and related policies over the past seven years. The success of this review has been ensured by the active participation of WTO Members who submitted around 150 advance written questions, as well as by the comprehensive reports prepared by the Government of Bahrain and the WTO Secretariat.

6.2. I would like to express here my great appreciation to the high-level delegation of Bahrain, led by H.E. Mr Zayed Bin Rashid Al Zayani, Minister of Industry, Commerce and Tourism. In the delegation, I recognize my colleague Ambassador, H.E. Dr Yusuf Abdulkarim Mohammed Bucheeri, Permanent Representative of Bahrain to the WTO. My gratitude also goes to our discussant Ambassador, H.E. Mr Li Chenggang, Permanent Representative of China to the WTO, for highlighting the main developments in Bahrain's trade policies and practices since its previous review, as well as the challenges the economy is facing. I would also like to thank the 23 Members who have taken the floor.

6.3. In his introductory remarks, Minister Al Zayani updated Members on measures being taken for the diversification and inclusive development of Bahrain's economy. These include empowerment of women and the young; support to SMEs; improvement of the regulatory environment; and development of economic sectors such as tourism and healthcare. The Minister also indicated the measures being taken by Bahrain to weather a turbulent period of falling oil prices and COVID-19 pandemic which contributed to a 5.1% drop in GDP in 2020.

6.4. Members took note of the updates and commended Bahrain on its socio-political stability and its openness to trade. They stressed that the strategy to diversify the economy away from hydrocarbons was showing signs of success with the services sector now accounting for around 60% of GDP. Members acknowledged the important role of trade in Bahrain's economic development, with a trade to GDP ratio of invariably over 130%. They urged Bahrain to pursue its reforms which, together with the recent measures, would contribute to its economic recovery projected for 2021.

6.5. Bahrain was praised for its participation in, and support for, the multilateral trading system. The country is actively engaged in various WTO discussions and initiatives; it ratified the Trade Facilitation Agreement and implemented the related obligations ahead of time. Bahrain was invited to consider joining the JSI on Services Domestic Regulation, the Buenos Aires Declaration on Trade and Women's Economic Empowerment, the Trade and Environment Sustainability Structured Discussions, and the Multi-Party Appeal Arbitration Arrangement. Some Members also urged Bahrain to join the Government Procurement Agreement. In this regard, I warmly welcome the Minister's announcement today that Bahrain will formally support the Buenos Aires Declaration of Trade and Women's Economic Empowerment; will participate in the Trade and Environmental Sustainability Structured Discussions; will seriously consider its access to the GPA, subject to conformity with national legislation and practices; and that, Bahrain intends to join as a participant in the JSI on Services Domestic Regulation.

6.6. While acknowledging Bahrain's good record of fulfilling its WTO notification obligations, Members urged it to ensure that all its notifications are fully submitted in a timely manner. Several Members welcomed Bahrain's steps to improve the environment for trade and investment by removing restrictions to foreign direct investment, streamlining business licensing and registration requirements, introducing reforms to expedite customs clearance, improving its government procurement regime, and enacting legislation on competition, anti-money laundering and bankruptcy. Some Members also noted that the absence of corporation taxes and the low costs of running a business made Bahrain attractive for investors. Some concerns were expressed about excise taxes, on beverages in particular, and about their revisions under consideration at the GCC level.

6.7. Other areas of interest to Members included future steps in regional integration; the "made in Bahrain" initiative; digital transformation of both the public and private sectors; measures to promote the fintech industry; and efforts to mitigate climate change.

6.8. In conclusion, I would say that this has been a very positive review, with Members overwhelmingly highlighting the positive trends since 2014 in terms of the liberalization and

transformation of Bahrain's economy. Moreover, on the eve of the WTO's Twelfth Ministerial Conference, we have heard Members express their appreciation for Bahrain's engagement in the WTO and their hopes that it will be deepened even further. Members have appreciated the oral and written responses provided by the Bahraini delegation to their questions and look forward to receiving further written responses to any outstanding and follow up questions within one month. This successfully concludes this TPR of the Kingdom of Bahrain.

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