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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**

*Addendum*

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

This document contains the advance written questions and additional questions by WTO Members, and replies provided by the Kingdom of Bahrain.<sup>1</sup>

**Organe d'examen des politiques commerciales  
24 et 26 novembre 2021**

## **EXAMEN DES POLITIQUES COMMERCIALES**

BAHREÏN

### **COMPTE RENDU DE LA RÉUNION**

*Addendum*

*Présidente: S.E. Mme. Athaliah Lesiba Molokomme (Botswana)*

Le présent document contient les questions écrites communiquées à l'avance par les Membres de l'OMC, leurs questions additionnelles, et les réponses fournies par Bahreïn.<sup>1</sup>

**Órgano de Examen de las Políticas Comerciales  
24 y 26 de noviembre de 2021**

## **EXAMEN DE LAS POLÍTICAS COMERCIALES**

BAHREIN

### **ACTA DE LA REUNIÓN**

*Addendum*

*Presidenta: Excm. Sra. Athaliah Lesiba Molokomme (Botswana)*

En el presente documento figuran las preguntas presentadas anticipadamente por escrito y las preguntas adicionales de los Miembros de la OMC, así como las respuestas facilitadas por Bahrein.<sup>1</sup>

<sup>1</sup> In English only./En anglais seulement./En inglés solamente.

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**SAUDI ARABIA****Secretariat Report (WT/TPR/S/419)****3 Trade Policies and Practices by Measure****3.3 Measures Affecting Production and Trade****3.3.5 State trading, state-owned enterprises, and privatization**

Paragraph 3.130 page 67

"As part of its economic diversification strategy and the Vision 2030 strategy (Section 2.2), the Government has been seeking to foster greater private sector participation in the economy. Over the review period, Bahrain has implemented, or is in the process of implementing, several public-private partnership projects, including in the areas of social housing, utilities, and transport."

**Question:**

*Could you please provide us with the expected impact of implementing public-private partnerships on the economy?*

The Kingdom of Bahrain recently announced a new national economic recovery plan. The multi-year plan represents one of Bahrain's largest economic reform programs, with the aim of enhancing the economy's long-term competitiveness and supporting the post-COVID 19 recovery. The plan includes the launch of major strategic projects worth more than USD 30 bn in partnership with the private sector covering several sectors, including primary infrastructure, manufacturing, tourism, education, health, and transportation.

The plan is based on 4 additional pillars including the development of strategic priority sectors including Oil & Gas, Tourism, Logistics, Financial Services, Manufacturing, & the Telecommunications, I.T and Digital Economy, as well as simplifying and increasing the efficiency of commercial procedures, creating quality jobs, and achieving fiscal sustainability. As such the Economic Recovery Plan provides ample opportunities for partnerships between the public and private sectors to drive benefit for both sides.

## UNITED STATES

### Part I. Questions based on the Secretariat Report (WT/TPR/S/419)

#### 2 TRADE AND INVESTMENT REGIMES

**Page 28, Paragraph 2.17:** The Secretariat Report states that Bahrain "was a respondent in a case brought in 2017 by Qatar (DS527), which requested consultations with respect to measures relating to trade in goods, trade in services, and trade-related aspects of intellectual property rights."

- Has any progress been made in regards to this consultation?

With regards to the dispute DS527, the Kingdom of Bahrain reaffirms that since receiving the request for consultations in the above mentioned case on 31 July 2017, the Kingdom has always been and continues to be open for discussions on the matter, if so required. Further, the Kingdom of Bahrain reassures that any measures undertaken by the Kingdom at the time were completely in line with international agreements and Bahrain's obligations under the WTO agreements in the pursuit of national security interests. In particular, the measures in question were justified under the security exceptions set out in Article XXI of the GATT 1994, Article XIV bis of the GATS, Article 73 of the TRIPS Agreement, and other relevant provisions of the WTO.

#### 3 TRADE POLICIES AND PRACTICES BY MEASURE

**Page 46 Paragraph 3.38:** The United States understands that Bahrain and the GCC Members are currently considering revisions to the excise tax on non-alcoholic beverages.

- Regarding the excise tax on carbonated drinks, fruit juices and milk-based products, when and how will Bahrain switch from an *ad valorem* tax to a graduated tax based on total sugar content (from either naturally occurring and/or added sugars)?

GCC Member States are assessing an alternative approach to calculate the Excise Tax based on a tiered volumetric system. This is done by dividing the sweetened beverages on several categories according to their percentage of sugar whereby the rate of Excise Tax is applied for each category.

Any potential change and the timeline in which it will take place will have to be discussed and agreed among the "GCC Tax Working Group".

As you are aware, different aspects and issues with respect to taxation (including excise tax on beverages) are regularly reviewed by the "GCC Tax Working Group".

- Will Bahrain exempt beverages with no added sugar and low caloric beverages from this tax?

With regards to low calorie beverages, studies are currently being performed, to determine best practices with respect to the option of imposing low or no tax on beverages with low calorie added sweeteners

- Does Bahrain plan to revise this tax further to ensure there is no discrimination between energy drinks and other beverages currently covered that have similar amounts of sugar?

GCC member states do not consider that the GCC excise tax practices are or at any point were discriminatory as the tax is neutral and the same and like products are not subject to different tax treatments. Furthermore, the excise tax is applied to achieve the GCC common health objectives and is implemented on all products that fall within the definitions agreed upon by the GCC member States, regardless of their origin.

We would like to emphasize that the excise tax regime is not and was not discriminatory in any way. The difference in the tax rate between some drinks is based on the inherent difference between the type and content of the beverages. Thus, the appropriate tax rate is applicable to a drink depending on how it is categorized on the basis of the legal definition for each type of beverage.

- What is the timeline to inform private industry, governments, and other interested parties about the study currently underway on a new excise tax model and its implementation plan under the GCC Unified Excise Tax Agreement?

With regards to the GCC timeline of informing the concerned WTO Members, the GCC will do so as soon as the GCC member States undertake the completion of all the aspects of the new excise tax model and its implementation plan. Once a decision is taken on this matter at the GCC level, there will be a formal communication to inform the WTO Members of the new model and its implementation timeline.

- We understand that study may include a review by GCC Member State governments of the "legal definition" of different types of beverages – can Bahrain provide additional detail on this aspect?

Kindly note that the GCC Tax Working Group is in the process of amending such definitions and this will be harmonized across all the GCC implementing member states. This will be formally communicated with WTO Members upon its completion.

- What is Bahrain's formal mechanism for consulting with private industry, trading partner governments, and other interested parties regarding the selective tax, particularly in advance of any final decisions?

With regards to consultation with private industry, all GCC member States have their own public consultation process in place to obtain feedback and commentary from the private sector and any interested party on draft legislations prior to their enactment. In this regard, the GCC Member States remain committed to working closely with industry stakeholders and they welcome their comments and suggestions on regulatory and legislative issues that affect the industry and take them into consideration as they develop and improve legislative frameworks.

As for the mechanism for trading partner governments consultations, the GCC Member States are open to all commonly known mechanisms and use all of them at both bilateral and WTO levels.

Once again, we would like to assure that all comments and suggestions from the relevant stakeholders, including the private sector as well as from officials from WTO Members are taken into consideration. For this purpose, the GCC member States have maintained open and transparent dialogue with private stakeholders as well as with GCC trade partners to ensure transparency and effectiveness.

- We note differences among the GCC Member State governments in their implementation of the selective tax – will 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?

The implementation of Excise Tax is based on the Common Excise Tax Agreement of the States of the Gulf Cooperation Council and Law No. (40) of 2017, which provides for the application of Excise Tax on a number of goods harmful to human health and the environment, including tobacco and its derivatives, energy and soft drinks.

On this basis, GCC member states apply standardized tax treatments across different types of goods.

Any further expansion or amendments take place in a standardized manner and are rolled out based on the legislative process in each respective GCC member States.

- What is the status of Bahrain's consideration regarding the long-term implications of continued industry volume decline for: (1) sustainable streams of tax revenue; (2) upstream, direct and downstream employment and investments; and (3) viability of the beverage industry in Bahrain?

The policy to apply excise tax is taken at GCC Secretariat level and takes into account the impact it brings to the industry. This impact is regularly assessed and re-evaluated. As mentioned previously, direct communication is ongoing with the industry and is necessary to obtain feedback.

The GCC working group continuously assesses alternative mechanisms to enhance and re-evaluate the viability of its tax systems to ensure the industry concerns are carefully considered.

**Page 53, Paragraph 3.62:** The report notes that "businesses can apply to Export Bahrain . . . for a one-off grant covering up to 20% of the initial value of their first export transaction."

- Please explain how Bahrain views this measure in light of Article 3 of the Agreement on Subsidies and Countervailing Measures.

Export Bahrain is restricted to SME sector companies, the one-off grant is designed to help and encourage exporters to initiate their first export to new markets across the globe specifically during the pandemic. The initiative is currently launched as a pilot which will then be assessed and measured to decide if it requires to be further adjusted before its official launch. This program is open to all Bahrain-based companies whether owned by foreign or local investor. In line with Article 3.1 (a) the grant provided by Export Bahrain does not constitute any conditions tied to export performance.

- Has Bahrain notified this program to the WTO Committee on Subsidies and Countervailing Measures (WTO SCM Committee)?

As that the grant is at a pilot phase, it has not yet been notified to the WTO Committee. However, action will be taken to notify this program upon launching it officially.

**Page 53, Paragraph 3.64:** The report describes a program to reduce transportation costs for exports by 40% and that this program applies to "both small- and large-volume shipments." Further, use of this program appears to be related to goods' value added in Bahrain.

- Please explain how Bahrain views this measure in light of Article 3(a) and Article 3(b) of the Agreement on Subsidies and Countervailing Measures.

Export Bahrain does not offer any grant or subsidies through its shipping and logistics program. Export Bahrain acts as facilitators with transportation & logistic partners and service providers to provide below market rates to SME businesses.

- Has Bahrain notified this program to the WTO SCM Committee?

No, as the the program does not constitute any grants or subsidies.

**Page 53, Paragraph 3.66:** The report states that "Export Bahrain has entered into partnerships with local, regional, and international e-commerce platforms to provide cost-savings for and incentives to businesses selling their "Made in Bahrain" products and services online."

- Please explain how Bahrain views this measure in light of Article 3(b) of the Agreement on Subsidies and Countervailing Measures?

Export Bahrain does not offer any grant or subsidies through its e-commerce support program. Export Bahrain acts as facilitators with service providers (e-commerce platforms) to enable businesses to access and list their products and services on prominent e-commerce platforms at discounted rates and facilitate transaction based support.

- Has Bahrain notified this program to the WTO SCM Committee?

No, as the said program does not constitute any grants or subsidies.

**Page 59 Paragraph 3.89:** The United States understands that on September 5, 2021, Bahrain started implementing "Article 19 of the executive regulation of the public Health law 'Energy drinks'," notified on April 20, 2021, to the WTO TBT Committee as G/TBT/N/BHR/599. The United States notes that notification G/TBT/N/BHR/599 stated a proposed date of adoption as "[t]o be determined" and a proposed date of entry into force as "[g]enerally six months after publication in the Official Gazette." The United States remains concerned about the implementation of this measure as

companies do not start to repackage products until the measure is final given the considerable costs and complexities involved in adjustment by manufacturers to new labeling requirements.

- Does the proposed date of entry into force "[g]enerally six months after publication in the Official Gazette" refer to the proposed measure or the final measure?

The mentioned date is the deadline for the new requirements and entry into force. The six months from a day after publishing in the official Gazette from 5<sup>th</sup> March until the 5<sup>th</sup> of September 2021 is the grace period for the concerned companies to modify their situation.

- Please provide a copy of the final measure.

The Guideline for Special Food Licensing is published on the official website of the Ministry of Health and can be found at the following link (<https://www.moh.gov.bh/Content/Upload/File/637574496048234082-Specaill-food-guide-E%D8%A7%D9%84%D9%86%D8%B3%D8%AE%D8%A9-%D8%A7%D9%84%D9%85%D8%B9%D8%AA%D9%85%D8%AF%D8%A9.pdf>)

- Please respond to the U.S. comments, dated July 14, 2021, submitted on G/TBT/N/BHR/599.

Response has already been sent to Jason O. Buntin EOP/USTR, on 6<sup>th</sup> October 2021.

**Page 59 Paragraph 3.91:** Bahrain's notification G/TBT/N/BHR/599 covers only Article 19 of Decree (13) of 2021, entitled "Issuing the Implementing Regulations for the Public Health Law."

Article 16 requires a five-year license for these products: foods for infants and young children (0-36 months); foods for use in weight control diets; support supplements, energy drinks; vitamins and mineral supplements; carbohydrate, protein and fats supplements; foods with health or nutrition claims; other supplements for nutritional and health purposes.

- Will Bahrain notify Article 16 and other relevant Articles of Decree (13) of 2021 in accordance with the Agreement on Technical Barriers to Trade?

Notification on the article (19) of Decree (13) of 2021 which is related to the measures of energy drinks specifically has been already notified under the G/TBT/N/BHR/599. The other articles of Decree (13) of 2021 covers the registration and licensing requirements of the special foods.

**Page 65, paragraph 3.125:** The Secretariat Report states that Bahrain's most recent notification to the Working Party on State Trading Enterprises was made in October 2011.

- Please indicate when Bahrain intends to submit updated information.

We take note of the question and will submit an updated information in this regards.

**Page 69, Table 3.19:** The table indicates that the value of international tenders was BHD 118 million in 2019 and BHD 26 million in 2020.

- Please explain why the value of international tenders in 2020 decreased in comparison to 2019?

In 2019, there was purchases related to aviation including purchases of new aircrafts, in addition to purchases related to the exploration of oil industry. However, in 2020 the corona pandemic (COVID-19) has greatly and unexpectedly affected the supply lines and supplies and the provision of services.

- Can Bahrain provide additional data on international tenders in 2021?

Additional data will be provided in 1<sup>st</sup> quarter of 2022.

**Page 70, Paragraph 3.144:** The Secretariat Report notes that "[t]here are no Collective Management Organizations [(CMOs)] operating yet in Bahrain." Footnote 135 further states that "Chapter 10 of Law No. 22 of 2006 on Copyright Protection and Related Rights regulates the collective management of the financial rights of authors and owners of attendant rights."

- Is there any progress towards having a CMO in operation?

Chapter 10 of Law No. 22 of 2006 With Respect To The Protection Of Authors Rights and Neighbouring Rights regulates CMOs, however no real steps have been taken by authors and right holders towards having CMO in operation. At the moment, the Ministry of Information Affairs is currently studying the market, and reviewing comparative jurisdictions to benefit from their experiences in this particular field.

- If yes, please describe the nature of the progress and the timeline for a CMO to be in operation.

N/A

- If no, please explain why are there no CMOs yet in operation in light of what the Copyright law provides for CMOs.

The Copyrights Law No. 22 of 2006 does not require CMO to be of any specific nature. Authors and right holders of neighboring rights are permitted to allocate their pecuniary rights to any organization. Steps to have CMO in operation is in the hands of the right holders. Legal knowledge and awareness of this topic needs to be improved so that authors can take the needed steps and we are currently shifting our focus and efforts to accomplish this goal.

**Page 72, Paragraph 3.147:** Please provide the current timeline for implementation of Law No. 3 of 2021.

Law No. (3) of 2021 approving the amendment of the Trademarks Law (System) of the Cooperation Council for the Arab States of the Gulf was implemented since 12<sup>th</sup> of February 2021.

**Page 72, Paragraph 3.149:** The Secretariat Report identifies treaties and conventions to which Bahrain has become a party. However, the list does not include the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled or the Beijing Treaty on Audiovisual Performances.

- Does Bahrain plan to accept either treaty?

Bahrain is in the process of applying to access the Marrakesh Treaty and is currently coordinating with the relevant authorities.

- If yes, what is the timeline for the acceptance of the treaty?

The timeline is determined based on what is mentioned above and the due legislative process

**Page 74, paragraph 3.154:** The Secretariat Report states that "[t]here were no developments in the area of copyright and related rights over the review period."

- What are the reasons for this absence of development?

The Ministry of Information Affairs continues to raise legal and cultural awareness with respect to copyright law. This is achieved through providing lectures to students and members of literary and artistic societies, and the Ministry also undertakes inspection visits on regular basis covering all areas of Bahrain.

- Are there developments expected during the upcoming year?

Yes, the Ministry of Information is in the process of developing all areas in relation to copyright including, but not limited to, human resources and legal procedures.



**Page 74, Paragraph 3.154 & Page 75, Paragraph 3.156:** The Secretariat Report, paragraph 3.154 states: "[d]uring the review period, 42 cases of copyright infringement were taken to the public prosecutor, and 140,039 violating materials were seized and destroyed." In addition, paragraph 3.156 states: "[w]hile the authorities confirm there were no seizures of suspected copyright-infringing goods at the border over the review period, no data were available on copyright infringements within Bahrain."

- Could Bahrain please provide more context for these two statements, including the source of the information, from where the materials were seized, and an identification of the referenced authority?

The Directorate of Media Administration at the The Ministry of Information Affairs has referred these cases to the Public Prosecution. The cases were concerning violations of copyright by street vendors and shops selling copied CDs where these CDs were prepared locally in these shops and not imported from abroad, hence no reported seizures at the border over the review period.

- Could Bahrain please provide addition information as to the disposition of the 42 cases of copyright infringement after referral to the public prosecutor?

The required procedures with respect to seizure and destruction of counterfeited goods took place after the issuance of final decision by Bahraini Courts in 42 cases.

**Page 75, Paragraph 3.158:** The Secretariat Report states that intellectual property (IP) enforcement is also conducted through "receiving and accepting complaints of IP violations" and that "[s]ince 2014, 102 complaints were accepted, involving 52,239 goods. Additionally, 293 shops were referred to the Public Prosecution Office for selling such goods."

- Of those complaints and shops referred to the Public Prosecution Office, how many involved copyright-infringing goods?

None of the complaints and shops were related to copyright infringement and all are related to infringement of industrial property rights.

- Of those 52,239 goods, how many were copyright-infringing goods?

None of the 52,239 goods were related to copyright infringement and all are related to infringement of industrial property rights.

### 3 TRADE POLICIES BY SECTOR

**Page 77, Paragraph 4.6:** The Secretariat Report states that "preferential loans are also provided to farmers to encourage them to continue agriculture production, launch programmes to protect date palms, and other farming activities" through the Bahrain Development Bank.

- Please clarify if these preferential loans are accounted for in Bahrain's Table DS:1 notifications.

Bahrain is net food-importer, and its agricultural sector is extremely small. The government apply many initiatives to encourage people to engage in this sector. And in all cases, the production is small and will not affect in any way the competency of the imported products. And due to limited agricultural land in Bahrain, most of farmers are small-scale farmers and does not affect the products prices or compete with the imported products. The agricultural sector sharing on the GDP is less than 0.4%.

- Please explain if Bahrain currently notifies the Bahrain Development Bank loans to the WTO as domestic support.

Please refare to the above answer

- Please provide references to any applicable notifications.

Please refer to the above answer

**Page 84, Paragraph 4.44:** The Secretariat Report notes that Bahrain provides incentives for investment in the manufacturing sector.

- Please provide further detail on the incentives provided for local manufacturing.

All industrial activities receive incentives without discrimination, and the incentives are as follows:

Duty exemption of industry inputs that covers machinery, equipment, parts, raw materials, semi-manufactured materials, finished materials and packaging materials required for immediate industrial production.

## **Part II. Questions based on the Government Report (WT/TPR/G/419)**

### **3 ECONOMIC POLICY**

**Page 25, Paragraphs 3.125–3.126:** The Government Report discusses the Ministry of Industry, Commerce and Tourism's efforts to mitigate the impact of COVID-19 on services for intellectual property (IP) rights and enforcement of these IP rights, including "shifting all IP services to an online portal environment in the year 2020."

- Please explain whether the Ministry of Information Affairs took similar measures in regards to copyrights.

Yes

- Please describe what measures, if any, were taken.

Authors are entitled to submit their work online via The Ministry of Information Affairs website after filling specially designed form and provide soft copy of the created work in order to obtain depository certificate. The certificate shall be issued within 3 working days subject to payment of BHD50/- per submission.

The Ministry's website provides authors with soft copy of Law No. 22/2006 and authors can submit their questions and inquiries online.

**Page 25, 3.130:** The Government Report states "[t]he Ministry of Industry, Commerce and Tourism in Bahrain established Trade Inspection Directorate specialize in the inspections of trade violations in the local market. Accordingly, Bahrain expands its efforts against trade violations and IP infringements against trademarks, patents, and industrial designs in local markets."

- Does the Trade Inspection Directorate also inspect for copyright violations?

No.

- Is there a similar government section under the Ministry of Information Affairs?

Employees of the Directorate of Media Administration at the Ministry of Information Affairs have the capacity of law enforcement officers by virtue of Ministerial Order. Sudden inspection visits are undertaken in different locations to identify any copyright violation.

**Page 35, Annex I:** The Government Report states that Bahrain's technical assistance requirements include "IPR institutional upgrading, and HRD."

- Please provide additional information as to which areas of IPR this statement references.

This area is related to the technical assistance requirements in upgrading the IP's appropriate policy, legislation, and IP systems for administering IPRs in line with international obligations; and enforcing and regulating IPRs. Also, Training and human resource development in Intellectual Property for national IP's employees.

## UNITED STATES – FOLLOW-UP QUESTIONS

### • **Follow Up Question #1 (RD/TPR/1352, p.6):**

*Original Question:* Page 53, Paragraph 3.62: The report notes that "businesses can apply to Export Bahrain . . . for a one-off grant covering up to 20% of the initial value of their first export transaction." Please explain how Bahrain views this measure in light of Article 3 of the Agreement on Subsidies and Countervailing Measures.

*Answer:* Export Bahrain is restricted to SME sector companies, the one-off grant is designed to help and encourage exporters to initiate their first export to new markets across the globe specifically during the pandemic. The initiative is currently launched as a pilot which will then be assessed and measured to decide if it requires to be further adjusted before its official launch. This program is open to all Bahrain-based companies whether owned by foreign or local investor. In line with Article 3.1 (a) the grant provided by Export Bahrain does not constitute any conditions tied to export performance.

### **U.S. Follow Up Question:**

#### ***How does Bahrain define a SME company?***

#### **Answer:**

To clarify, till date, the grant under this initiative has been availed by only one first timer exporter with export transaction amounting to BHD 3,524.400 (equivalent to approximately USD 9,346) and the corresponding grant amounted close to BHD 705 (equivalent to approximately USD 1,870)<sup>2</sup>. The grant value under this initiative ranges from BHD 200 (equivalent to approximately USD 532) and is capped at BHD 6,000 (equivalent to approximately USD 15,960)<sup>3</sup>. It is relatively a small incentive to achieve larger multiplier value (For e.g.- a grant of BHD 6,000 (equivalent to approximately USD 15,960) will generate export worth BHD 30,000 (equivalent to approximately USD 80,000)).<sup>4</sup>

The definition of an SME in Bahrain, as published on the Ministry's website, is defined by the Minister of Industry, Commerce and Tourism Order No. (229) of 2017 on the classification of micro, small and medium enterprises.<sup>5</sup>

Article 1 of the above Ministerial Order states that the classification of micro, small and medium enterprises shall be according to the two criteria mentioned in the following table:

Classification	Criteria/Number of Workers	Criteria/Annual Revenue <sup>6</sup>
micro	up to 5 workers	from BHD 1 to BHD 50,000 (USD 2.65 to USD 132,979.00)
small	from 6 workers to 50 workers	from BHD 50,001 to BHD 1 million (USD 132,981 to USD 2,659,575)
medium	from 51 workers to 100 workers	from BHD 1,000,001 to BHD 3 million (USD 2,659,577 to USD 7,978,723)

### • **Follow Up Question #2 (RD/TPR/1352, p. 6):**

*Original Question:* Page 53, Paragraph 3.64: The report describes a program to reduce transportation costs for exports by 40% and that this program applies to "both small- and large-volume shipments." Further, use of this program appears to be related to goods' value added in Bahrain. Please explain how Bahrain views this measure in light of Article 3(a) and Article 3(b) of the Agreement on Subsidies and Countervailing Measures.

*Answer:* Export Bahrain does not offer any grant or subsidies through its shipping and logistics program. Export Bahrain acts as facilitators with transportation & logistic partners and service providers to provide preferential discounted rates to SME businesses.

<sup>2</sup> As per exchange rates captured on export transaction dated 7 April 2021: USD 1 = 0.3771

<sup>3</sup> BHD 1 = USD 2.65- Based on Central Bank of Bahrain Exchange Rate Policy.

<sup>4</sup> BHD 1 = USD 2.65- Based on Central Bank of Bahrain Exchange Rate Policy.

<sup>5</sup> <https://www.legalaffairs.gov.bh/PDF/RICT22917.pdf>.

<sup>6</sup> BHD 1 = USD 2.65

**U.S. Follow Up Question:**

***Can Bahrain provide additional details as to what Export Bahrain does to "act as facilitators" and how it is able to "provide below market rates to SME businesses"?***

**Answer:**

Export Bahrain BSC Closed is a Bahraini shareholding company closed that operates under commercial registration number 147617-1. Export Bahrain acts as a facilitator through building partnerships with transportation and logistic partners and service providers to cater for SME's the possibility of signing contracts at below market rates by offering the said service providers the possibility of a continued number of SME's gaining what could be described as wholesale rates.

- **Follow Up Question #3 (RD/TPR/1352, p. 6):**

*Original Question:* Page 53, Paragraph 3.66: The report states that "Export Bahrain has entered into partnerships with local, regional, and international e-commerce platforms to provide cost-savings for and incentives to businesses selling their "Made in Bahrain" products and services online." Please explain how Bahrain views this measure in light of Article 3(b) of the Agreement on Subsidies and Countervailing Measures?

*Answer:* Export Bahrain does not offer any grant or subsidies through its e-commerce support program. Export Bahrain acts as facilitators with service providers (e-commerce platforms) to enable businesses to access and list their products and services on prominent e-commerce platforms at discounted rates and facilitate transaction based support.

**U.S. Follow Up Question:**

***Can Bahrain provide additional details as to what Export Bahrain does to "act as facilitators" and how it is able to "enable businesses to access and list their products and services on prominent e-commerce platforms at discounted rates"?***

**Answer:**

Export Bahrain acts as a facilitator through building partnerships with local and international ecommerce platforms to provide more visibility for Bahrain based SME products and services in global markets as well as to encourage a borderless marketplace. Export Bahrain has negotiated various deals with different ecommerce platforms which reduces cost associated with listing. Export Bahrain tries to onboard as many partners as possible under their social responsibility to support the startup and SME eco system and let the customer decide which one is best for them. Export Bahrain's value proposition to these ecommerce platforms is to channel more Bahrain based businesses to list with them.

- **Follow Up Question #4 (RD/TPR/1352, p. 9):**

*Original Question:* Page 77, Paragraph 4.6: The Secretariat Report states that "preferential loans are also provided to farmers to encourage them to continue agriculture production, launch programs to protect date palms, and other farming activities" through the Bahrain Development Bank. Please clarify if these preferential loans are accounted for in Bahrain's Table DS:1 notifications.

*Answer:* Bahrain is net food-importer, and its agricultural sector is extremely small. The government apply many initiatives to encourage people to engage in this sector. And in all cases, the production is small and will not affect in any way the competency of the imported products. And due to limited agricultural land in Bahrain, most of farmers are small-scale farmers and does not affect the products prices or compete with the imported products. The agricultural sector sharing on the GDP is less than 0.4%.

**U.S. Follow-up Question:**

**While Bahrain may be a small contributor to the global agricultural system, transparency from all Members through notification obligations is an important principle to help that system function properly. The United States encourages Bahrain to provide information on these preferential loans in its Table DS:1 notification obligation.**

**Answer:**

Bahrain asserts its commitment to the principle of transparency and the importance serving its notifications obligations. We take note of the point made and will coordinate in having this information included in our future notifications, in cooperation with the WTO Secretariat.

**CANADA****1. QUESTIONS REGARDING THE SECRETARIAT REPORT (WT/TPR/S/419)****Summary**

Page 7, paragraph 4 – Page 29, paragraph 2.25 – Page 30, paragraph 2.27

It is stated respectively that: "Based on a decision by the GCC, all future trade agreements should be negotiated as a group.", that "(...) In November 2011, the GCC announced that all future agreements would be negotiated as a group.", and that "The GCC has also entered into negotiations with several other countries and economic groupings, including Australia, China, the European Union, India, Japan, the Republic of Korea, MERCOSUR, New Zealand, Pakistan, and Turkey."

Questions:

1. Could Bahrain please provide further details on the status of the ongoing FTA negotiations listed?

Negotiations status differ from one country and bloc to another depending on the stage of the negotiations. The GCC FTA negotiations team is currently engaged in advanced negotiations with 7 countries, and it is expected that signing with one of them will take place during the first quarter of next year at the latest.

2. What are Bahrain's views and position on the possibility for the GCC to explore FTA negotiations with other partners than those listed?

The GCC FTA negotiations with a number of countries and economic groupings falls under the auspices of the GCC Ministerial Council of the Ministers of Foreign Affairs of the GCC who have assigned at the GCC Secretariat General a newly appointed GCC General Coordinator and Head of the GCC FTAs Negotiations Team with an aim to open more international markets for the GCC goods and services.

**Part 2 Trade and Investment Regimes**

Page 33, para 2.45

The Secretariat report describes limitations on foreign individuals and foreign-owned companies' ownership in certain economic activities, in which full ownership is permitted in 64% of business activities, but limited to 49% in 33% of business activities, and prohibited in 3% of business activities. Canada notes that links provided in the Secretariat Report do not appear to function, and that the information available on the webpages referenced may not be relevant to this question.

Question:

3. Can Bahrain make available the respective lists of economic activities open to full ownership, limited to partial ownership, and prohibited to foreign entities?

It is noteworthy that 97% of the Business activities allow foreign investment (64% allow 100% foreign ownership; 30% allow foreign partnership with Bahraini partner at a percentage share to be determined between the partner; 3% limited to 49% foreign ownership). The remaining 3% of the total business activities is limited to Bahrainis only.

Please find the required link <https://www.legalaffairs.gov.bh/PDF/RCAB4021.pdf>. Further details can be found on the website for commercial registration [www.sijilat.bh](http://www.sijilat.bh)

### Part 3 Trade Policies and Practices by Measure

#### Page 61-62, paragraph 3.101-3.111

The report notes the main legislation covering SPS measures, including legislation relating to sanitary and phytosanitary measures and the main sanitary and phytosanitary requirements and procedures.

Question:

4. Does Bahrain have any planned upcoming sanitary and phytosanitary regulatory initiatives not referenced in the TPR reports that will impact Canadian exports of agriculture, forestry, or aquatic products?

No.

#### Page 67, paragraph 3.131

It is noted that the that Bahrain has no intention to accede to the GPA for the time being.

Question:

5. Would Bahrain be able to share the reasoning behind its desire to not accede to the GPA?

Your point is taken into consideration.

#### Page 67, paragraph 3.132

The Report indicates that Legislative Decree No. 36 of 2002, amended in 2010 through Law No. 29 of 2010, does not cover government procurement for the purchases "required by the public interest."

Question:

6. Could Bahrain provide examples of situations where procurements would qualify as being made in the "public interest"?

These procurements are related to military and national security

#### Page 68, paragraph 3.135

"The legislation provides for several procurement methods: (i) open (or so-called "public") tender as the main method for the purchases of goods, services, or construction; (ii) selective (or so-called "limited") tenders, applied if there is a limited number of suppliers, or the intended purchase is of **small value** that does not justify a large number of bids; (iii) competitive negotiated tenders, applied if no tender has been submitted at the end of public procedures, and when goods cannot be identified by precise specifications; (iv) direct purchasing, if it is established that the needs can only be supplied by a single source; (v) requests for proposals, as the main method for services, through local or international advertisement, or in a **specialized publication**, or applications for pre-qualification [emphasis added and footnotes excluded]."

Questions:

7. Could Bahrain provide the "small value" financial threshold for a procuring authority to conduct a "selective" tender?

A threshold is related to Tender Board's discretionary authority and depends on the nature of each project. Internal tenders are carried out for purchases below BD50K for the companies owned by the government and BD25K for the ministries and government authorities.

8. How does a "specialized publication" differ from other types of publications?

A specialized publication differs from other types of publications where a certain business sector needs to be published through media. For example, an oil and gas sector will need to be published through specialized publication focusing on oil and gas sector

Page 69, paragraph 3.139

The Report indicates that "[t]he [Bahrain Tender Board] may also advertise in other media of wider circulation."

Question:

9. Could Bahrain provide examples of the other media platforms it uses to advertise its tenders?

Any international publication and online Tender Board platforms (<https://www.tenderboard.gov.bh/>).

Page 70, paragraph 3.142

"Since 2019, registered SMEs have been eligible to obtain a 10% price preference during bidding for government tenders for goods, construction, and service contracts. This preference also applies to the internal tenders of government purchasing authorities" [footnote 130 excluded].

Question:

10. Could a foreign-owned company that is incorporated in Bahrain be considered as a "registered SME"?

A foreign owned SME is allowed to register in Bahrain, in order for a company to be considered as a registered "SME" it has to meet the requirements and criteria for classification as an SME and be registered at the Ministry of Industry, Commerce & Tourism' "SMEs Registration System". More information can be found at the following link: <https://www.moic.gov.bh/en/eServices/Pages/sme.aspx>

#### **Part 4 Trade Policies by Sector**

Page 77, paragraph 4.6

The Secretariat notes that the Government gives inputs to farmers at prices below-market level.

Questions:

11. How does Bahrain calculate these below-market prices?
12. Is Bahrain taking measures to minimize distortions caused by providing inputs at below-market prices?
13. Are these input supports for all farmers? If not, what is the process for determining if farmers qualify for this support?

Kindly note below answers to questions 11, 12 and 13:

Bahrain is net food-importer, and its agricultural sector is extremely small. The government apply many initiatives to encourage people to engage in this sector. And in all cases, the production is small and will not affect in any way the competency of the imported products. And due to limited agricultural land in Bahrain, most of farmers are small-scale farmers. The agricultural sector sharing on the GDP is less than 0.4%

The subsidy provided for plant production infrastructure consist of providing materials necessary for the construction of green plastic houses like plastic cover sheets and irrigation networks in a subsidized price 60%.



The way subsidized materials are provided does not include any direct payment for the farmers in full compliance with WTO Agreement on Agriculture and regular notification are sent to the WTO.

The Ministry purchases the materials, and then sell them to farmers at a discounted price of 60%. And the farmers pay 40% of the value of the purchased items.

Taking into consideration the small-scale farmers, the type and quantity of subsidized materials provided to them does not affect the products prices or compete with the imported products. The main reason for those subsidized services is to encourage people to enter and maintain in the agricultural sector. And it is available for all farmers.

Page 79, paragraph 4.17

The Secretariat report notes that Bahrain possesses 165 million barrels of crude oil reserves, 2.41 trillion cubic feet of natural gas reserves, and in 2018, discovered large unconventional oil resources in the Khaleej Al Bahrain basin amounting to at least 80 billion barrels of tight oil and 10-20 trillion cubic feet of deep gas reserves.

Question:

14. Can Bahrain provide information on how they plan to offset the emissions generated through the extraction of oil and gas from these reserves given Bahrain's commitment to cut carbon emissions by 30% by 2035, and to reach net-zero by 2060?

Although the specific details of the carbon emissions cut by 30% by 2035 has not yet been announced publicly, but the plan to reduce emission and flaring are in place. Tatweer Petroleum-Bahrain Field Development Company WLL (TP) has been challenged to maintain high oil rates and is in the process of installing additional associated gas compression capacity to reinject produce gas. The increased flaring in the last three years was a conscious decision to maintain production levels and represented approximately 1500 BOPD. Non the less, TP plans to reduce flare intensity gradually and ultimately eliminate flaring all together in 2023.

Page 85, para 4.49

The Secretariat Report describes the Invest Aluminium Bahrain Programme, which seeks to attract foreign investment into the aluminium industry.

Question:

15. Does the Invest Aluminium Bahrain Programme consider a focus on attracting investment towards low-carbon production methods for aluminium?

The Government of the Kingdom of Bahrain announced a new national economic growth and fiscal balance plan. The multi-year plan represents one of Bahrain's largest economic reform programmes, with the aim of enhancing the economy's long-term competitiveness and supporting the post-COVID 19 recovery.

The new five-pillar plan, which aligns with Bahrain's Economic Vision 2030 and the Kingdom's intention to achieve net zero by 2060, includes A Strategic Projects Plan: catalyzing over USD 30 billion of investments in strategic projects and creating new industrial investment areas across the Kingdom targeting for example the downstream aluminum industry.

Page 88, paragraph 4.73

"The Central Bank of Bahrain and Financial Institutions Law No. 64 of 2006 prescribes that no person may undertake a 'regulated service' in Bahrain unless licensed by the CBB. Licensing procedures for establishing a bank are the same for Bahraini and foreign-owned banks (conventional and Islamic). Foreign ownership of locally incorporated banks may be up to 100% without any restriction."

Question:

16. Does Bahrain have plans to update its GATS commitments to reflect the ability of foreign banks to own up to 100% of locally incorporated banks?

In response to this question, the answer is that the captured paragraph 4.73 above expresses the current CBB standing for foreign ownership and hence financial institutions in Bahrain are able to establish with 100% foreign ownership structure. There are no plans for now to update Bahrain's GATS commitments.

Page 99, paragraph 4.133

It is noted that any ship may acquire Bahraini nationality if it is registered at any port in Bahrain, and if the owner or owners are Bahraini nationals; in the case of a corporation, it must have Bahraini nationality. It is also noted that the Ministry of Transportation and Telecommunications (MTT) may, with the consent of the Council of Ministers, award Bahraini nationality to ships owned by foreigners.

Questions:

17. Can Bahrain confirm what specific considerations, conditions, and time limitations, if any, are taken into account when awarding Bahraini nationality to ships owned by foreigners?

According to Article 2 of the Bahrain Maritime Code, for a ship to be registered under the Bahrain flag, the owner/s must be a Bahraini national. However, ships owned by foreigners may be registered in Bahrain by the Minister of Transportation and Telecommunications after obtaining the consent of the council of Ministers. There are several considerations and conditions will be taken into account when awarding Bahraini nationality to ships owned by foreigners, such as the added value to the Bahrain Register and to Bahrain economy. For example, the name and size of owning company and the GT of the vessel, the size of company's investment in Bahrain and if the ship is participation in an added value projects in Bahrain. Those are considered carefully before seeking the approval of the Council of Ministers. With regards to time limitation, There is no specific time limit.

18. How many times did the MTT award Bahraini nationality to ships owned by foreigners during the review period, and for what specific purposes?

There were no cases where ships owned by foreigners have been awarded the Bahraini nationality during the review period.

Page 102, paragraph 4.146

It is noted that since 2014, the MTT's Land Transport Regulation Directorate has been responsible for licensing and regulating public transport vehicles and enforcing the related rules. In general, to be licensed to undertake land transport services in Bahrain, foreigners must partner with a Bahraini. The allowed percentage of foreign ownership depends on the licence type. For taxi services, foreign ownership is limited to 49%.

Question:

19. In addition to taxi services, can Bahrain confirm which other licence types exist for land transport service providers, as well as the corresponding foreign ownership limits for each?

There are 15 land transport activities in Bahrain including taxi with the following ownership breakdown:

- 11 activities are allowed with a Bahraini ownership as a WLL company or BSC company,
- 2 activities are allowed with a 100% foreign ownership
- 2 activities are allowed with 100% Bahraini ownership

100% Bahraini ownership:

ISIC Code	Activity Name
771-1	Renting and leasing of motor vehicles
771-2	Renting and leasing of motor vehicles - Luxury Vehicles Rental with Driver

Foreign ownership allowed with a Bahraini ownership in a WLL company or BSC company:

ISIC Code	Activity Name
4911	Passenger rail transport, interurban
4912	Freight rail transport
49211-1	Passenger land transport - Transport of passengers (Domestic)
49211-2	Passenger land transport - Transport of passengers (International)
49211-3	Passenger land transport - Public Transportation
49221-1	Taxi - Taxi
49221-2	Taxi - Call Taxi
4923-1	Freight transport by road - Internal Transport of goods
4923-2	Freight transport by road - International Transport of goods
773021	Motorcycle Rental
791202-2	Operation of Land Tours - International Transport of Tourists

Foreign ownership allowed 100%:

ISIC Code	Activity Name
52210	Other service activities incidental to land transportation- Provision of smart applications for public transport activities
791202-1	Operation of Land Tours - Internal Transport of Tourists

## 2. QUESTIONS REGARDING THE GOVERNMENT REPORT (WT/TPR/G/419)

### Part 3 Enhancing Productivity and Capacity

Page 14, paragraph 3.51

It is noted that the Privatization Programme – which falls under the supervision of the Ministry of Finance and National Economy and the Bahrain Economic Development Board (EDB) – concentrates on multiple sectors, including transportation and ports and airport service.

Question:

20. Could Bahrain provide additional information on the measures taken during the review period to increase privatization in the transportation sector, including in port and airport services?

Kindly note the following:

1. The ports industry in the Kingdom of Bahrain have been privatized since 2006.
2. Bahrain Public Transport Company

Bahrain Public Transport Company is a private joint venture between leading UK-based international transport providers National Express Group plc and Bahrain-based Ahmed Mansour Al Aali (AMA), the largest and longest-established contracting and construction group in the Kingdom of Bahrain.

The National Express Group operates in the UK, Continental Europe, North Africa, North America and the Middle East and at the end of the year we employed nearly 50,000 people and operated over 20,000 vehicles. Passengers made nearly 1 billion journeys on our services in 2019.

BPTC was appointed by the Ministry of Transportation and Telecommunications (MTT) under a 10-year concession in 2015 agreement to operate Bahrain's new Public Transport Network in accordance with international standards and practices. Under the supervision and regulation of the MTT, BPTC is responsible for the operation of the entire public bus network as well as the provision of the upgraded buses, related equipment and passenger terminal infrastructure.

The Company has made substantial investments in the new network largely driven by a three-pronged approach geared towards Safety, Connectivity and Technology. BPTC has employed a combination of internationally acclaimed safety programs, intensive driver up-skilling schemes, a fleet of technologically advanced vehicles, to ensure the new public transport model offers the highest in safety and customer service standards - maximizing reach, connectivity, accessibility and delivering an enhanced travel experience.

### 3. Bahrain Metro

Another major big-ticket transport project expected to move forward in the short term is the Bahrain Urban Transit Network, or the Bahrain Metro. Officially announced in August 2018, the project is also expected to be developed under a PPP model, with the government announcing plans to issue a tender for the project in late 2019.

Valued at up to \$2bn, the project is slated to reach a total length of 109 km on completion. The urban transit project's first phase envisions the creation of an automated, driverless system connecting Manama's main residential, business, administrative and recreational areas. This first 28.6-km phase is expected to include 20 stations operating across two lines. The first line will connect BIA to Seef Mall through Airport Avenue and the King Faisal Highway, then travel onwards to The Avenues mall, Bab Al Bahrain and City Centre Bahrain mall, spanning nine stations in total.

The second line will run from Juffair to the educational area in Isa Town along Al Fateh Highway, the Diplomatic Area, Bab Al Bahrain, Al Farooq Junction, Salmaniya, Zinj, Tubli and Salmabad. Passengers will be able to transfer at interchange stations in Bab Al Bahrain and Al Farooq Junction. According to the MOFNE, the metro will eventually be expanded to six lines, with construction on the first phase of the project expected to wrap up in 2030.

#### Page 18, paragraph 3.87

The Green Building Guide "constitutes a basic reference for all sectors with regard to the standards and special requirements that must be adhered to when requesting new building permits," with 10 mandatory requirements and 64 optional requirements.

Question:

21. Can Bahrain explain how, if applicable, any of these requirements may impact their imports of building materials or other goods related to building and infrastructure development?

The Kingdom of Bahrain joins the international community in seeking cutting edge technologies and advancement in building materials and other goods related to building infrastructure development and is driven by international solidarity and commitment to the post COP26 efforts in setting new standards and, importantly, accountability in terms of Carbon footprint in procurement.

There is an expected impact on trade arising from the publication and implementation of the Green Building Code. There will be a change in the selection of imports from international markets. However, these changes should not be regarded as restrictive local codes and practices but rather a commitment to the above mentioned goal.

Also, it should be noted that the Green Building Code will also seek to identify externalities in Carbon footprint assessment for materials. Again, in line with international best practice, the Bahrain Green Building Code will provide scores for those compliant materials which are produced in Bahrain in order to eliminate that Carbon contribution from freight movement.

In summary, yes there will be impacts in our opinion, however, those impacts will represent best practice procurement practices which are not unique to Bahrain and are in keeping with international best practice in sustainable procurement.

Page 19, paragraph 3.89

Market surveillance campaigns are carried out to verify the conformity of vehicle and tire labelling for energy efficiency with technical regulations.

Question:

22. Can Bahrain provide more details on the conduct of market surveillance campaigns and if similar protocols are in place for other sectors with a sustainability focus (e.g., trade affected by the Green Building Guide, renewable energy projects, and other energy efficiency initiatives)?

In regards to more details on the conduct of market surveillance campaigns:

Regarding the conformity of vehicle and tire labelling for energy efficiency with technical regulations, in 2019 for example, Testing and Metrology Directorate at the Ministry of Industry, Commerce and Tourism did two market surveillance campaigns:

- 1- On Bahrain cars exhibition: 105 vehicles were checked for fuel consumption efficiency label. Percentage of commitment to install the label was 75%. For the other 25%, there situation was corrected on the first day of the exhibition by reprinting the removed label and fixing them with the cooperation of Testing and Metrology Directorate staff.
- 2- On vehicles agencies and showrooms: 51 showrooms and agencies were covered in this market surveillance campaign including 189 vehicles. Percentage of compliance was 92%. Formal procedures were made as not all violations are able to be corrected in place as per some were from the manufacturer of importer.

In regards to other initiatives with a sustainability focus:

Testing and Metrology Directorate introduced number of local Energy Efficiency initiatives in cooperation with Electricity and Water Authority, Supreme Council of Environment, such as:

- Minimum Energy Performance and Labeling for lighting Technical Regulation that was implemented through issuing the Ministerial Order No. (3) 2015. This Technical Regulation banned the sale of halogen bulbs for general household use in the Kingdom of Bahrain by regulating the non-directional Household Lamps.
- Energy Performance Technical Regulation and Labeling requirements for Air Conditioners, as per the Ministerial Order No. (70) 2015. This regulation specified the Minimum Energy Performance Standard (MEPS) and the energy labelling requirements for air conditioning units and heat pumps used in residential and commercial sector.
- Vehicles and Tires Efficiency Technical Regulation and Labeling with respect to fuel efficiency and other essential parameters have been entered into force for the models of year 2018.
- Electric Vehicles Technical Regulation approved and issued as per the Ministerial Order No (16) for 2021 regarding Electric Vehicles. Through this Technical Regulation, the importation of Electric Vehicles will be allowed and their used is permitted if they meet the safety and efficiency requirements.

Page 20, paragraph 3.90

Bahrain is participating in the development of a cross border grid through GCCIA (Gulf Cooperation Council Interconnection Authority) that would exchange power and save cost on avoided generation and reduce emissions.

Question:

23. Does Bahrain anticipate incorporating the avoided emissions in its carbon accounting or other assessments of its progress on climate change targets? If so, how?

The Kingdom of Bahrain calculated the emissions inventory from different sectors and is now in the process of calculating and reporting the avoided emissions also from different sectors, as the government has taken numerous actions towards inclusion of sustainable development and climate

change in its plans and operations; all these actions affirms Bahrain support and commitments towards sustainable development.

## **Part 5 Trade Policy**

### Page 33, paragraph 5.9

It is stated that "The GCC countries are evaluating the feasibility impacts of negotiating Free Trade Agreements (FTA) with other countries and regions in order to finalize the priorities of negotiations in this regard."

Questions:

24. Could Bahrain please provide details regarding the process that the GCC is conducting to assess the priorities of negotiations of FTAs with the GCC, e.g. steps of the assessment, criteria used, types of impacts considered, etc.?

The process that the GCC is conducting to assess the priorities of negotiations for the potential Free Trade Agreements consists of visions, methodologies and thorough studies that achieve the interests of the six GCC countries in accordance with the negotiating offers and requests for Free Trade Agreements with other countries and economic blocs.

25. Is this process being conducted only on existing negotiations or does it also include potential future FTA negotiations with the GCC?

The mentioned process above is followed for current and future FTA potentials.

26. How much of this assessment process has the GCC completed and when will the priorities assessment be concluded?  
Initial assessment process of the FTAs in the pipeline has been completed and it will conclude once the GCC member states agree to start the actual negotiations.

### Page 33, paragraph 5.10

It is stated that "The GCC has concluded a Free Trade Agreement (FTA) with Singapore, which came into force on 1 of September 2013. Bahrain and GCC signed the European Free Trade Association (EFTA), which came into force on 1 July 2015, according to Law No. (7) 2012. In active negotiations with 6 countries for new FTA'S."

Question:

27. Could Bahrain please clarify which six (6) countries have launched negotiations for new FTAs with the GCC?

The in active negotiations of the GCC with the 6 countries for new FTAs are in fact a continuation of the negotiations that were already undergoing between the GCC members states and not "new FTAs" per se.

### Page 34, paragraph 5.13

It is stated that "Additionally, there are high-level joint committees with a number of countries which facilitates on-going discussions between both sides on different range of subjects including the encouragement and facilitation of bilateral trade and investment."

Question:

28. Could Bahrain please provide further details on the subjects that are covered at these bilateral high-level joint committees?

The Kingdom of Bahrain holds several High-Level Joint committees meetings with a number of countries on bilateral level to discuss many cooperation topics related to trade, investment, culture, development and varies other subjects of interest for both countries.

**SINGAPORE****PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT**

QUESTION:

**3.1 Measures Directly Affecting Imports**

Page 38 (Para 3.11)

1. The WTO Secretariat Report notes that Bahrain has implemented a "white list" for importers and exporters since November 2019 which enables trusted companies to clear their imports and exports of certain products without customs inspection. Singapore commends Bahrain's efforts in implementing initiatives to facilitate trade. Could Bahrain elaborate on:

(i) how these importers and exporters are evaluated to be eligible for the white list;  
The white list is a list established by the government supervisory authority (OGA) to exclude some shipments from obtaining the approval of the agency in terms of facilitating trade and reducing clearance periods for customs declaration. Customs introduced this initiative to encourage OGA to participate in trade facilitation that is based on the risk management concepts. Accordingly, customs suggest OGA to analyse their databases and select the companies with low probability of violation and high importation/Exportation level. However, the OGA is the responsible entity of accrediting these facilitations.

(ii) what is the process of accreditation under the white list; and  
The OGA is the responsible entity for accrediting the white list.

(iii) is Bahrain considering to review this white list on a regular basis to expand the list of companies?  
Yes, Bahrain Customs Affairs is reviewing Periodically in order to update the list, in coordination with the (OGA).

Page 54 (Para 3.67)

2. The WTO Secretariat Report notes that the Bahrain Economic Development Board (EDB) offers after-care services to ensure investors' needs are met. Could Bahrain elaborate on what these after-care services are specifically?

The EDB has a dedicated Investor Aftercare team which is responsible for developing strategic and effective aftercare services to investors based in the Kingdom of Bahrain in the interest of and FDI generation.

The team's mandate is to maintain proactive and ongoing engagements with investors based in the Kingdom of Bahrain with the primary objective of enhancing investment promotion, facilitating growth, sourcing expansions and generating FDI.

The Investor Aftercare team further provides post-establishment facilitation services through seamless support of investors ensuring smooth and continuous operations through the identification and resolution of legal, technical and administrative obstacles.

The Investor Aftercare team's focus through its relationship management role seeks to encourage cross-sectoral collaboration and engagement of international investors with the wider local business community and strategic government stakeholders through thought leadership and business development opportunities.

The Investor Aftercare team services further encompass retention support programmes addressing threats of facility closures or reductions.

The team provides extensive services to EDB clients, which include:

- Regular interactions with EDB clients to address any challenges and operational bottlenecks, as well as escalating issues and regulatory hurdles to the relevant government stakeholder.
- Host regular sector roundtable sessions to discuss industry-relevant developments.

- Encourage business retention, facilitate expansion projects, and support the development of value chain clusters.
- Continuously provide feedback to the relevant stakeholders with regards to Bahrain's investment climate.

## **PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT**

### **3.2 Developing Industry**

Page 9 (Para 3.11)

3. The Government Report states that the manufacturing sector is a key driver for Bahrain's economic diversification strategy. Could Bahrain elaborate on the plans to develop and advance the manufacturing sector?

The Ministry of Industry, Commerce and Tourism (MOICT) has implemented and working on many initiatives to develop the manufacturing sector as follows:

- MOICT and its partnerships with the GCC countries are working to update the unified GCC strategy for industrial development in the GCC states. The strategy includes a general framework and an executive plan for regional initiatives and projects to increase industrial cooperation and coordination among member states.
- Industrial Development Directorate at MOICT has completed the conversion of all remaining manual services of to electronic services in the industrial services system "Industry.bh".
- MOICT prepared a training and induction program for the factories in the Kingdom of Bahrain about implementation of the Fourth Industrial Revolution.
- MOICT is working with the GCC countries on updating The Common Industrial Regularity Law of the GCC.
- MOICT is working on the development of the new version of Industrial services system Industry 2.0 that will combine all the services of the industrial sector in one system. (<https://www.industry.bh/>)
- MOICT is scheduled to launch its new Industry National Strategy on 6th December 2021.

### **3.14 Digital Economy**

Page 21 (Para 3.101)

4. The Government Report states that the Central Bank of Bahrain (CBB) launched the beta version of FinHub 973 in October 2020, the region's first cross-border, digital innovation platform and Bahrain's central digital lab. Could Bahrain share about:

- (i) the status and progress of this digital lab; and  
The digital lab was launched in its beta format and we were able to successfully complete the first round of fintech challenges. We are now working on going live for next year.
- (ii) if there had been any notable domestic and/or international projects arising from FinHub 973?  
Bahrain Supernova Fintech Challenges:  
The challenges were hosted on FinHub 973, CBB's Digital Lab. The challenges were aimed at furthering the development of fintech within CBB's digital strategy to boost collaboration and integration between financial institutions and startups utilizing open APIs.



The challenge addressed real market challenges with an aim to find customer-centric solutions. The following themes were tackled:

- i. Central Bank of Bahrain – RegTech Solution: Account Blocking & Unblocking Automation Process
- ii. Bank ABC: Autonomous Finance
- iii. The Benefit Company: extending payment services for proximity/wearables devices
- iv. Ila Bank: Banking, User Experience & AI
- v. National Bank of Bahrain: Connecting Customer Account System with NBB for Banking Needs

## **4.2 Financial Services**

Page 27 (Para 4.10)

5. The Government Report states that the Central Bank of Bahrain (CBB) introduced a Regulatory Sandbox that will allow startups, FinTech firms and licensees to provide innovative banking and financial solutions amongst other areas. Could Bahrain elaborate on:

- (i) the scope of this regulatory sandbox;
  - a. Rolling basis – not cohort based
  - b. Type of companies to enter/eligible to apply:
    - i. Start-ups, companies, or any current licensed institutions
    - ii. Innovative idea that is not currently licensed under CBB rulebook (project can be in idea stage)
  - c. Duration: 9-12 months of testing
  - d. Thresholds:
    - i. Volunteer customer limit: 100
    - ii. Size of transactions (depending on the project being tested)
  - e. Company will need to set up in Bahrain: obtain a commercial registration and a local bank account, but does not need to have a physical office during sandbox stage
- (ii) the uptake rate of the regulatory sandbox since its launch; and
  - a. Since the sandbox launch in 2017, we have received 150 applications as of September 2021
  - b. We currently have 23 companies testing in the regulatory sandbox
  - c. Since launch, 12 companies have graduated (successfully completed tests) from the regulatory sandbox and 2 of which went on to obtain a license:
    - i. Tarabut Gateway (obtained an Open Banking license)
    - ii. Rain Financial (crypto asset license)
    - iii. Arabianchain (cryptoexchange)
    - iv. Belfrics (cryptoexchange)
    - v. Basket FZE (crypto ATM)
    - vi. Sprinklexchange (Capital Markets Platform)
    - vii. Braxtone, Tasweya (Insuretech)
    - viii. Bambucorn (Tokenization)
    - ix. PIE (Microfinancing)
    - x. Spare (Open Banking)
    - xi. Spire (Open Banking)
    - xii. Pyypl (PSP and Card Processing)
- (iii) if there had been any notable projects that had been developed as a result of this sandbox?
  - a. Many of our FinTech related regulatory developments were a direct result of solutions introduced and tested in the Sandbox, such as Open Banking, Cryptoasset and Digital Financial Advice (robo-advisory) regulations.
  - b. The Sandbox plays an important role in providing regulators with insights on innovative financial business models and solutions and a sense of whether those

business models and solutions meet both the risk appetite of the regulator and the needs of the local market.

- c. Bahrain has a mobile retention rate of over 100% which is an indication of a tech-savvy and innovation friendly population. Therefore, the CBB aims to implement regulations that support digital transformation in order to match the population's eagerness to adopt technological solutions. The Sandbox encourages the CBB to implement such innovative regulations by studying the solutions that are present in the Sandbox.

**BRAZIL****PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT****II TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES****Page 93 (Para 4.102)**

4.102. The TRA grants either an individual licence or a class licence for the operation of a telecommunications network or for the provision of telecommunications services (Tables 4.10 and 4.11). Under the Telecommunications Law, to be eligible for a licence, the applicant must be an entity incorporated in Bahrain, or a branch of a foreign company licensed to operate in Bahrain in accordance with the Commercial Companies Law (No. 21 of 2001) and have all the infrastructure and personnel associated with the provision of telecommunications services located in Bahrain. Licences are granted for 15 years, renewable for a further term of 10 years. Since 2020, the TRA is in the process of moving from technology-specific licences to technology-neutral licences so that frequencies can now be used for both wimax and mobile services.

Questions:

1. Can the Kingdom of Bahrain give more information regarding licensing framework? Can either the individual and class licenses incentivize the development of the supply on the telecom market of the Open-RAN model and the 5G standalone service architecture? If yes, how so.

The Licensing framework does not serve to incentivize the development of the supply on the telecom market of open RAN. Telecommunication Licenses are granted to enable licensed operators to provide public telecommunication services and/or to operate a public telecommunication Network.

2. Can the Kingdom of Bahrain elaborate more on the changes in the licensing framework related to changing the licences to technology-neutral ones?

Historically, both frequency license and the server license distinguished between the technology used for the provision of the services such that the holder of a WiMax license was only authorized to provide fixed wireless services which in turn only allowed for the provision of nomadic services. Accordingly the handover between cells was prohibited. Similarly, mobile network operators were only licensed to provide mobile telecommunication services.

In recent amendments in our licenses, this distinction has been removed so that the licensees can now use the allotted frequencies for the provision of any telecommunication service regardless of the underlying technology.

3. Infrastructure sharing is critical for the deployment of service in certain areas. Given that, can the Kingdom of Bahrain supply additional information regarding spectrum sharing in their regulatory regime?

As per the provisions of the frequency license granted to the licensees, licensees are not allowed except with prior written approval of the authority, to assign, transfer, trade, sell, lease, pool or otherwise dispose of the whole or any part of the rights, privileges, duties and/ or obligations under the frequency license to any person(s). As such spectrum sharing is permissible only with the explicit approval of the Authority.

## EUROPEAN UNION

### WT/TPR/S/419 – Secretariat Report

#### SUMMARY

##### Para 5 p.7:

*"Steps were taken in 2021 to further facilitate foreign participation in some of the selected economic activities where foreign access remains prohibited."*

#### EU Question N°1

**Could you explain the reasons why fishing is still one of the few sectors only allowed for citizens and businesses of Bahrain and the GCC? Do you intend to change this in the near future?**

Bahrain National fish stocks are limited, and in order to ensure sustainability, fishing fleet needs to be reduced by 50% by providing alternative business opportunity. Hence, issuance of new fishing licenses was prohibited since 2009.

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1.2 Rules of origin

##### Para 3.21 p.40:

*"Under the non-preferential scheme, products are generally considered as originating from the country where they are wholly obtained or where they underwent substantial transformation, with at least 40% of local value-added. As mentioned above, all imports into Bahrain, including from other GCC member States, must be accompanied by an original certificate of origin. This must be stamped by the Chamber of Commerce and Industry/Commerce Union of the country of origin and relevant Consulate of Bahrain or any Arab Embassy in the country of origin before the goods may be exported to Bahrain. Consular fees are levied with the rates varying according to the invoice value; they range from USD 60 for imports with an invoice value of up to USD 2,646 to USD 1,200 for imports with an invoice value of USD 264,553 and over. Consular fees are waived for US traders. Where the certificate of origin is not available, a BHD 10 deposit is payable until it is provided. Bahrain has not submitted any notification under the Article V of the Agreement on Rules of Origin on the implementation of non-preferential rules of origin."*

#### EU Question N°2

**There is no legitimate trade enforcement purpose served by requiring that traders have certificates of origin stamped or signed by foreign ministries and consulates as part of a Member's import process, the waiver for consular fees exists for US traders. There seems to be a discrimination in applying such fees, therefore can Bahrain consider expanding this waiver to all WTO members or abolish the request for a consular stamp all together?**

According to the decision No. (7) 2018, the certificate of origin is NOT among the documents to be required with the customs declaration except the (1) Obtaining exemption from customs duties under the Free Trade Agreement, (2) If the imported good not stand with a fixed indication of origin, and (3) If the Bahrain customs had doubts. However, the stamp is required issued by the authorised agencies and consulate embassy.

**If not, could Bahrain explain what the added value is of requiring an interaction with a Consulate of Bahrain or any Arab Embassy in the country of origin before export of goods. In particular the EU would like to learn which services are covered by the fee and how the fee is 'limited in amount to the approximate cost of services rendered'. This obligation does not seem to be met, since the fixed amount of the fee is higher when the invoice value increases, while the 'service' rendered in the form of stamping the document seems to be the same.**

Bahrain will take note of this comment.

**It is important that members are aware of the non-preferential rules of origin of their trading partners. Therefore the EU requests Bahrain to notify its non-preferential rules of origin scheme to the WTO pursuant to Article V of the Agreement on Rules of Origin.**

There is currently no non-preferential rules of origin scheme to be notified to the WTO.

### **3.3.2.1 Standards, technical regulations, metrology, testing and certification**

Para 3.85 p. 58:

*"Copies of standards and technical regulations may be purchased online from the MOICT's standards store."*

#### **EU Question N°3**

**The paragraph seems to suggest that Bahrain requires economic operators to buy access to technical regulations. Could Bahrain please clarify whether this is the case?**

Yes, copies of technical standards and regulations can be purchased online from the Bahrain standards store at the Ministry of Commerce, Industry and Commerce webpage through the following link <http://www.moic.gov.bh/en/eServices/standardstores>

### **3.3.2.2 Marking, labelling and packaging requirements**

*On 20 April 2021 Bahrain notified to WTO Article 19 of the public health law concerning "Energy drinks" concerning energy drinks that marketed as boosting energy and increasing physical and mental performance and contain high amount of caffeine, sugar or sugar substitute as basic ingredients in addition to other ingredients that gives the stimulant characteristics like vitamins, taurine, ginseng, and guarana. It is prohibited to do any of the following actions:*

- 1. Not allowed to be sell for persons under 18 years. All retail shops that sell energy drinks directly to consumers, should put in a prominent place a clear, legible statement in both Arabic and English language that it is not allowed for persons under 18 years.*
- 2. Not allowed to be sell in restaurants, school canteens, health and educational establishments.*
- 3. Not allowed to be distributed free to all age groups.*
- 4. The following cautionary statement should be added on label of Energy Drinks in both Arabic and English language: "not suitable for pregnant or lactating women, persons under 18 years persons with sensitivity to caffeine or any other product components, or those who suffer from diseases that may affect their health especially Cardio vascular Disease patients, diabetics, and athletes during exercise".*
- 5. Advertisements of Energy Drinks in any way of advertising whether it is (audible, visual, readable) are not allowed unless permissions obtained from the concerned authority in the Ministry of Health.*

#### **EU Question N°4**

**The EU maintains its serious concerns voiced in the Council for Trade in Goods, the Market Access Committee as well in bilateral contacts with the GCC countries in relation the GCC "Treaty on Excise Tax" of December 2016:**

- **The EU would like to request Bahrain to reconsider the implementation of Article 19 and proposes to wait for a harmonized GSO regulation 1926 to be implemented in a harmonized way throughout GCC region thus eliminating any unnecessary market access barriers.**

The Ministry of Health in the Kingdom of Bahrain would like to thank you for sharing your valuable comments and questions on the Article 19 of the executive regulation of the public health law "Energy drinks", as notified under the WTO Agreement on technical barriers to trade on 20 April 2021 (G/TBT/N/BHR/599). We totally understand your concerns.

We completely understand your request. Although, with the expiry of the six-month period on 5 September 2021, the regulation had been entry into force and has become part of the legislative system of the Kingdom of Bahrain". Accordingly, all those who are addressed by the articles of the regulation must abide by what is stated therein"

However, once the GSO 1926 is updated. We in the kingdom of Bahrain will consider it locally. Where, any updated legislation disregards the previous one.

- **How does Bahrain plan on addressing the concerns raised to revise the advisory statements provided in GSO regulation 1926 in line with international best practice such as "not recommended for children or pregnant or breast-feeding women" as prescribed by Annex III point 4 of the Food Information Regulation (EU) 1169/2011?**

Extensive scientific responses and objective justifications were provided to all the comments we received from the concerned stakeholders during the notification period. As well, several meetings were held with delegations from several companies, and representatives from many countries.

- **Does Bahrain plan on making any amendments to its implementation of excise tax? Would Bahrain consider exempting all zero sugar beverages from the tax and harmonizing the tax rate at 50 percent for energy drinks and all other categories of sugar-sweetened beverages subject to the tax until the ongoing GCC excise taxation revision takes effect?**

Any amendments to the implementation of the excise tax is done in collaboration with GCC countries within the framework of the GCC Agreement on Excise Tax whereat regular updates of the excise goods list are being considered.

Also,

- **Finally we understand that the GCC is undergoing a study concerning the excise tax with the potential to move towards a sugar volume tax. We would like to ask Bahrain, if there is a timeline for the results of the study. If yes, does Bahrain plan to move towards to the new system for taxing carbonated drinks?**

The Kingdom of Bahrain does not have the timeline for the results of the mentioned study. In addition, carbonated beverages are already subjected to excise tax at 50%. In addition to several meetings were held with delegations from several companies, and representatives from many countries.

### **3.3.3 Sanitary and phytosanitary requirements**

Para 3.110 p. 62:

*"3.110. The Imported Food Group is responsible for the inspection of imported foods (including fruits and vegetables) and beverages to determine if they comply with the relevant standards on raw materials, food additives, food labelling, and hazardous substances. Random samples are drawn from shipments for laboratory analysis according to a predetermined plan. All consignments that are imported for the first time are analysed before release. Results are assessed against GCC and Codex Alimentarius standards to ensure that imported food items are safe for human consumption. Imports are detained if they are found not to be in compliance with GSO standards or as a result of a negative laboratory analysis. Rejected foodstuffs must be destroyed or re-exported to the country of origin under food control supervision. Inspection fees depend on the shipment quantities per kg (BHD 8/kg for quantities of 1 kg-1,000 kg, BHD 9/kg for 1,000 kg-5,000 kg, and BHD 10/kg for more than 5,000 kg). "*

### **EU Question N°5**

**Could the Kingdom of Bahrain provide information on the steps of the approval procedure that a country needs to follow if it wants to export agri-food products to the Kingdom of Bahrain, including providing a web link where this information can be found?**

The following is a link to the website of the Ministry of Works, Municipalities and Urban Planning for the export of agri-food products to the Kingdom of Bahrain and the related user manual:

- <https://www.mun.gov.bh/pwdCustomer/login?lang=en>
- [http://staticbh.mun.gov.bh.s3-website-me-south-1.amazonaws.com/common/pwd\\_customer\\_En.pdf](http://staticbh.mun.gov.bh.s3-website-me-south-1.amazonaws.com/common/pwd_customer_En.pdf)

### **3.3.6 Government Procurement**

Para 3.131 p.67:

*Bahrain is an observer to the GPA since 2008 but signalled it has no intention to join the GPA. Acceding the GPA would be in the interest of Bahrain. The adoption of internationally recognised*

*GPA rules on transparency and non-discrimination would ensure better use of public money in Bahrain. In addition, GPA accession would increase business opportunity on GPA members procurement markets for Bahraini companies.*

#### **EU Question N°6**

**What are the reasons for Bahrain not to join the WTO Agreement on government procurement?**

your point is taken into consideration.

Para 3.132 p.67:

*Contracts awarded for reason of public interest are not covered by the public procurement law. This is potential significant loophole in Bahrain's legal framework on public procurement.*

#### **EU Question N°7**

**How many contracts have been awarded in the past three years for reason of public interest? What is the corresponding value of these contracts?**

These procurments are related to military and national security

Table 3.19 p.69:

*The table shows a dramatic fall in international open tenders between 2019 and 2020.*

#### **EU Question N°8**

**How Bahrain explains the significant drop in international open tenders between 2019 and 2020?**

In 2019, there was purchases related to aviation including purchases of new aircrafts, in addition to purchases related to the exploration of oil industry. However, in 2020 the corona pandemic (covid 19) has greatly and unexpectedly affected the supply lines and supplies and the provision of services.

Para 3.142 p. 70:

*Bahrain has introduced a 10% price preference for registered SMEs.*

#### **EU Question N°9**

**Does the SME price preference apply to foreign subsidiaries incorporated in Bahrain? What are the criteria for SMEs to be eligible to the price preference scheme? What is the registration system for SMEs?**

SME price preference applies to the registered SMEs" and order for a company to be considered as a "registered SME" it has to meet the requirements and criteria for classification as an SME and be registered at the Ministry of Industry, Commerce & Tourism' "SMEs Registration System". More information can be found at the following link : <https://www.moic.gov.bh/en/eServices/Pages/sme.aspx>.

### **3.3.7 Intellectual Property Rights**

Para 3.144 p.70:

*"The main institutions responsible for intellectual property matters in Bahrain are the Foreign Trade and Industrial Property Directorate of the MOICT133, which includes the National Patents Office (also in charge of Industrial Designs), the Trademark Office, and the Industrial Property Control Section; Customs Affairs within the Ministry of Finance, which is responsible for matters related to border measures; and courts of law, which are responsible for enforcement issues. Copyrights are under the Ministry of Information Affairs."*

#### **EU Question N°10**

As regards medicinal products and plant production products, does Bahrain legislation provide for an administrative marketing approval process and a link with patent duration?

The Kingdom of Bahrain permits the registration, importation, and marketing of a generic drug only after the brand name drug's patent has expired. As per Decree-Law No. (18) of 1997 regarding the regulation of the profession of pharmacy and pharmacy centers, as amended by Decree-Law No. (20) of 2015, Article (67), the National Health Regulatory Authority (NHRA) to place any

restrictions on exchange or marketing of any registered drug or pharmaceutical it deems necessary. Pharmacy centers, hospitals and health centers, clinics and doctors, has the obligation to report to the authority any adverse consequences related to use of a drug or pharmaceutical post marketing. The NHRA Medicine Licensing Guideline, indicate the following:

Generic formulation (first generic only) application must have relevant documents from Bahrain patent office (MOICT) and GCC patent office.

Attached:

- Law No. (18) of 1997 regarding the regulation of the profession of pharmacy and pharmacy centers
- NHRA Medicine Licensing Guideline

Para 3.146 p. 72:

*"In November 2020, the Shura Council approved the draft law on the protection of new plant varieties to implement the International Convention for the Protection of New Plant Varieties; this draft offers patent protection of 25 years. As at mid-2021, this law had not entered into force."*

#### **EU Question N°11**

**Could Bahrain please indicate when the law is implemented? Is there any project of notifying this law?**

The draft law is still in the legislative process as it after the approval of the Shura Council the draft law is now at the Council of Representatives (Nuwab Council) and has yet to be discussed at the Nuwab Council.

#### **EU Question N°12**

**Bahrain has been in contact with the Office of the UPOV for assistance in the development of the law based on the UPOV Convention. Does Bahrain plan to be member of UPOV 1991?**

Yes, Bahrain is planning to be member of UPOV Convention.

#### **3.3.7.2 Industrial property**

Para 3.152 p. 74:

*"Following the GCC Supreme Council's decision in 2021, the GCC Patent Office stopped accepting new filings of patent applications pending agreement between the GCC member States on amendments to the related implementing regulations."*

#### **EU Question N°13**

**Could Bahrain explain the nature of these amendments and why the GCC Patent Office has stopped its activities?**

Based on the GCC's Supreme Council's decision in its 41<sup>st</sup> Session (Al-Ula - January 5, 2021) to approve *"The law amending some provisions of the Patent Regulation of the Cooperation Council for the Arab States of the Gulf"*, the GCC Patent office has stopped accepting new filings of patent applications in accordance with the mentioned Patent Regulation of the Cooperation Council for the Arab States of the Gulf, until there is an agreement between the GCC member states on the amendment of the implementing regulations in accordance with the amendments made to the law of the GCC Patent Office. Accordingly, the GCC Patent office is not closing and will resume receive new applications once the new implementing regulations is finalized and issued by relevant Authority in each of the GCC members states.

### **4 TRADE POLICIES BY SECTOR**

#### **4.1.2 Agriculture, Forestry, and Fisheries – Policy**

Para.4.4 p. 46:

*According to the 2018 FAO report on Fisheries and Aquaculture in Bahrain, in 2016 aquaculture production in Bahrain was estimated at 6 tonnes. Although it appears that there were no real commercial fish farming operations at that time, there were opportunities and local interest.*



**EU Question N°14****Could you describe the current situation of aquaculture in the country?**

Bahrain Hatchery was established in 1979 through collaboration with FAO and JAICA to commence research and development activities to select feasible local fish that can tolerate and be a successful nominee to endure local atmospheric conditions.

The government has successful to produce up to 5 million fingerlings annually of different local species including silver bream, grouper, mullet, and rabbitfish and managed to export it to all GCC countries.

In 2021, a new five years strategy was adopted to bolster national food security by enhancing local protein production through aquaculture and is expected to make a conspicuous impact in near future.

**4.4.2 Telecommunications and postal services**

Para 4.120 p.97:

"Postal services are regulated by the MTT. According to Law No. 49 of 2014 with Respect to Postal Services, the state-owned Bahrain Post has the exclusive right to carry out the following activities throughout the country: accepting, collecting, distributing, and transporting various postal items to all parties through various and appropriate means; issuing and printing postage stamps, money orders, reply coupons (IRCs), and postal orders of various categories, types, and shapes; opening and closing post offices throughout Bahrain; installing and removing letter deposit boxes; and organizing other postal services with the approval of the Minister in charge of postal services. The courier and express services are operated by a number of domestic and foreign companies. According to the authorities, there is no other foreign investment restriction in postal services."

**EU Question N°15****Can the Kingdom of Bahrain specify whether there is weight limit for postal items for which the state-owned Bahrain Post has the exclusive right to accept, collect, distribute, and transport?**

- Original Resolution:

" B) The rate charged by a licensee for a postal dispatch of less than 50 grams for Express transmission of documents or papers within the Kingdom (Local) should not be less than twice the postage charged by Bahrain Post for such services. However, the application of such provision may be exempted by a Ministerial Order."

- Adjusted Resolution:

Based on Ministerial Resolution No. (6) of 2017 exempting from the condition contained in Paragraph (B) of Article (70) of the Executive Regulations, Law No. (49) of 2014 Concerning Post : " Those licensed to conduct postal services are exempted from the condition contained in paragraph (b) of Article (70), and based on this exemption, they are allowed to determine the postal business tariff without being bound by this condition, provided that this tariff is not in any case less than the fee charged by Bahrain Post for registered mail service".

- Conclusion:

The licensee tariff for post items delivery - 50 grams and less – should not be charging less than registered mail of Bahrain Post tariffs. Companies that prove charge less are liable to prosecution

**4.4.3.1 Maritime transport**

Para 4.126 p. 98:

*"The authorities indicate that Bahrain has signed several memoranda of understanding to facilitate shipping procedures and trade with foreign countries including China, Turkey, Morocco, the United Arab Emirates, Turkmenistan, and Oman. During the review period, it also changed ownership requirements to allow 100% foreign participation in, inter alia, re-exportation of goods and other logistics value-added services, stevedoring, sea and coastal passenger water transport, ship management and operation services, ship chandelling agency, ship building and repair services, pilotage, and towage. Prices of freight, towage, and other transport services (excluding passengers)*

*are set by the operators, subject to PMA approval. All other prices of maritime services are set and regulated by the MTT."*

#### **EU Question N°16**

**Can the Kingdom of Bahrain provide more information on the criteria used by PMA to approve operators' transport prices and by the MTT to set prices of other services?**

"The criteria set towards approving port services pricing and tariffs in the Kingdom of Bahrain is based on several factors set by the PMA within the Ministry of Transportation and Telecommunication. The first factor to be considered is the Kingdoms' current national economic status/ indicators. The second is the laws and clauses stipulated in the concession agreement with the port operating company. The third is a costing analysis conducted by the PMA to ensure that the set rates are not inflated. Finally, a regional benchmark is to be conducted to ensure Bahrain Ports competitiveness within the region."

- Pls note the link below for the licensing and registration of licensing and registration for ships, port and private jetty users and operators:

<https://www.mtt.gov.bh/content/licenses-and-applications>

- The following is a link to the PMA tariffs:

<https://www.mtt.gov.bh/content/tariffs>

Para 4.130 p. 99:

*It is indicated that Bahrain intends to adopt this year the new Maritime Law, which will cover issues related to international maritime conventions and protocols, the operation of port facilities and it will supersede the previous Maritime Law of 1982. Paragraph 4.134 of the report states that regarding cabotage (and under article 4 of Maritime Code), "... coastal navigation, fishing, towing, and pilotage in territorial waters, as well as navigation between Bahraini ports, are permitted exclusively to ships flying the Bahraini flag".*

#### **EU Question N°17**

**With regards to the adopting of the new Maritime Law, will there be any changes in international maritime transport services and in maritime cabotage? In the affirmative, will maritime cabotage be permitted under some circumstances?"**

The new Maritime law will basically update the maritime framework in Bahrain by incorporating national, regional and international conventions and protocols, the operations of port facilities and defines the role, responsibility and functions of the MTT.

The new Law will comprise three primary laws: The Merchant Shipping Act, The Port Act and The Maritime Commercial Law. Once passed, the new Code will update the Kingdom's maritime legislation to be on the cutting edge of international maritime law. The maritime transport services will definitely be impacted in a positive manner since all legal frames, obligations and responsibilities will be clearly defined. This will hopefully attract more service providers to invest in the Kingdom of Bahrain, knowing that there is a solid legal infrastructure.

As for the cabotage, it will be restricted to Bahraini flagged ships, however the Minister will have the authority to grant permission for foreign flagged ships to do cabotage under certain conditions.

Para 4.155 p.103:

*"There is a moratorium on new licences for one-, two-, and three-star hotels in Bahrain due to the lack of further market needs for new hotels of these categories. Licences are granted only for four- and five-star hotels. In 2015, Bahrain adopted Decision No. 4 of 2015 with respect of hotel classification, and MOICT issued a Hotel Classification Manual for any type of hotel, to help guests make informed choices. 51 The Monitoring and Licensing Directorate is in charge of hotel classification and all hotels undergo a review of their classification every two to three years."*

#### **EU Question N°18**

**Can the Kingdom of Bahrain inform whether there is an end date to the moratorium on new licenses for one-, two-, and three-star hotels?**

Bahrain Tourism and Exhibition Authority is in process to review all existing and proposed new activities related to short stay accommodation such as hotels, hotel apartments, service & furnished apartments, guest houses as well as timeshare & Airbnb options.

This review will include the existing moratorium on new licenses for one, two, and three-star hotels with the required recommendations/criteria by Mid 2022.

Para 4.156 p. 103:

*"Foreign participation is allowed up to 100% in all tourism activities, except for travel activities, for which foreign ownership is allowed up to 49%."*

**Can the Kingdom of Bahrain specify which activities fall under the scope of "travel activities", for which foreign ownership is allowed up to 49%?**

Travel activities fall under ISIC4 code 7911 which include four business activities as follow:

- 1- Travel office activities - Travel Agencies Office-7911-1.
- 2- Travel office activities - Airline General Sales Agent-7911-2
- 3- Travel office activities - Direct Sales for the airline operating in Bahrain-7911-3
- 4- Travel office activities - Sales of private air transport services-7911-4

In accordance to the recent Order issued by HRH the Crown Prince and Prime Minister No. 40 for the year 2021, the first two activities that include Travel Agencies Office & Airline General Sales Agent are allowed foreign ownership provided that they have a Bahraini partner at a percentage to be determined by the partners, other two activities including direct sales for the airline operating in Bahrain and sales of private air transport services allow foreign ownership up to 100%.

#### **Other Questions**

##### **ILO Fundamental Conventions**

In the ILO Centenary Declaration for the Future of Work (2019), ILO members unanimously committed themselves to work towards ratification of outstanding ILO fundamental conventions and periodically consider, in consultation with employers' and workers' organizations, the ratification of other ILO standards. We have to note that no progress regarding ratification of three fundamental ILO Conventions by the Kingdom of Bahrain has been recently seen (No 87 - Freedom of Association and Protection of the Right to Organise, No. 98 - Right to Organise and Collective Bargaining, No 100 - Equal Remuneration).

##### **EU Question N°19**

**In this regard, can the Kingdom of Bahrain inform the Commission about latest developments towards ratification of the fundamental ILO Conventions mentioned above as well as about the recent steps on the ratification of other ILO standards?**

It is vital to mention that the Government of Bahrain works towards improving labour legislations of continuous bases. Bahrain has an advanced freedom of association scheme which allows the establishment of free and independent trade unions as well as federations. The Trade Unions Law (No. 33 – 2002) states explicitly that the trade unions have an independent juristic entity. It also protects all unions activists against any discrimination or abuse from the employer due to the workers activities or membership in a trade union. Trade Unions Law recognize the right to strike as well as multi-unions establishment on the company's level and on the national level. Moreover, it allows trade union activists to carry out their duties on full time bases according to some conditions. Bahrain has proclaimed two federations and around 160 trade unions.

Labour Legislations in Bahrain give great attention to anti-discrimination. Labour Law and all regulations are applicable to all workers in the private sector, regardless their sex, origin, religion or creed as stated by the Constitution of the Kingdom of Bahrain. Labour Law (No. 36 – 2012) clearly prohibits any discrimination act against the workers.

Recently, two major amendments in this regard were approved. The first amendment, 2018, added a new article that prohibits discrimination between all categories of workers in aspects of sex, origin,

language, religion or creed, in accordance with the principles enshrined in the Constitution of the Kingdom of Bahrain and related labour conventions. Under this provision, the employer is prohibited from discriminating between his employees in all labour rights stipulated in the labour law of the private sector, which includes labour contracts, working hours, leaves, training, wages and freedom of association, as well as occupational safety and health requirements. It should be noted that this provision covers domestic workers as well as expatriate workers. This amendment, which was approved in accordance with the recommendations of the International Labour Organization, provides for penalties against employers.

The Decree-Law added a new provision criminalizing sexual harassment at work. The amendment imposed progressive penalties including imprisonment. The penalty was also imposed on the perpetrator of this violation if it is practiced by an employer or his representative. This provision provides legal protection to all private sector workers, men and women, from sexual harassment at work, and provides a dissuasive sanction to those who exploit their position or authority as per the recommendations of the International Labour Organization in this regard.

The second amendment, 2021, declared equality between men and women in terms of wages. It also expands the right of women to join any kind of jobs and work at all shift times as men.

To conclude, it can be noticed that most of the labour legislations in Bahrain are incompatible with the ILO standards in the fields of freedom of association and countering discrimination.

In reply to both enquiries, we would like to clarify that the ratification procedure in Bahrain is run according to a constitutional process. Mainly, it is the role of the legislative authority to accept the ratification of an international instrument before the final approval by His Majesty the King. This process shall be carried out in collaboration with all governmental agencies concerned in the topic of the international instrument. Consultations should be done with all other concerned parties as well, such as social partners and non-governmental organizations. The Government of Bahrain always evaluates the need of joining new international conventions based on several requirements, including the importance of that instrument, existing national laws and practices associated with the instrument, and the ability to fulfill all provisions in a reasonable timeline. Currently, there is no intention to ratify more ILO conventions or other international instruments, however the evaluation will remain continuous in this regard.

**EUROPEAN UNION – FOLLOW-UP QUESTIONS****Follow-up question to EU question number 1:**

*According to the information provided, Bahrain has not issued any new fishing licenses since 2009. Does this apply in an equal way to all citizens and businesses, regardless of their nationality?*

Artisanal Fisheries is considered as a small sector with a relatively low output due to limited fishing grounds and international decline in natural fish stocks. Consequently, in order to sustain national marine resources and contribute to international efforts in this regard, Order No 11 of the year 2009<sup>7</sup> was issued to prohibit the issuance of any new fishing licenses for shrimps and fish which is in turn regulated in accordance to Article 3 of Law No. of 2002, regarding the regulation of fishing, exploitation and protection of marine wealth which states that without prejudice to the special provisions regarding citizens of the Cooperation Council for the Arab States of the Gulf, non-citizens of the Kingdom of Bahrain are prohibited from practicing commercial fishing <sup>8</sup>.

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<sup>7</sup> <https://www.legalaffairs.gov.bh/PDF/RCPMW1109.pdf>

<sup>8</sup> <https://www.legalaffairs.gov.bh/PDF/L2002.pdf>

**CHINA****PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT****Page 1, Para. 2 of Summary**

The reforms contributed to maintaining positive but fluctuating levels of economic growth, largely supported by the expansion of the non-oil sector, while the fixed exchange rate regime contributed to domestic price stability. However, the subsequent onset of 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 these macroeconomic stabilization reforms. The economy contracted by about 5.1% in 2020 due to the COVID-19 pandemic and falling oil prices.

**Question:**

1. Please elaborate on the content of the USD 12 billion economic stimulus package.

**I. Initiatives announced in March and April 2020**

- Paid full salaries of insured Bahrainis employed in the private sector for three months; doubled the Liquidity Support Fund to BHD 200 million;
- redirected Tamkeen's programs to support affected companies; exempted all tourism-related industries from tourism levies for three months; exempted some of the fees levied by the Labour Market Regulatory Authority (LMRA) for three months;
- paid all Electricity and Water Authority (EWA) utility bills for all accounts for three months;
- issued directives to increase banks' lending ability including deferral of loans for six months;
- supported taxi drivers and driving instructors (BHD 300 monthly for three months);
- postponed mortgage instalments collected by Eskin Bank for six months;
- granted an exemption from municipal fees for all accounts for three months;
- exempted all businesses from government industrial land rental fees for three months;
- supported kindergarten and nursery teachers (paid full salaries for three months);
- suspended rent collection from the shops owned by Eskin Bank for three months; and
- suspended rent collection from properties owned by the Supreme Council for Environment (SCE) for three months.

**II. Initiatives announced in June and July 2020**

- Paid 50% of salaries of insured Bahrainis (in adversely affected sectors) for three months;
- paid EWA utility bills for Bahrainis' first home for three months;
- extended support to taxi drivers, driving instructors, and nursery teachers at 50% for three months; exempted Bahrainis in their first home from municipal fees for three months;
- extended exemption of all tourism-related industries from tourism levies for three months;
- reduced the fees levied by LMRA by 50% and exempted adversely impacted companies for three months;
- exempted businesses that export at least 30% of their products from industrial land rental fees for three months;
- extended Tamkeen's Business Continuity Support (BCS) Program for three months; and
- waived the 2020 CR renewal and commercial activity fees.

Adversely affected sectors:

catering and restaurants, personal services, travel and aviation, training and rehabilitation, transport, newspapers, manufacturing, health, retail (except food), administrative services, real estate and construction, and any other adversely impacted sectors, except financial services, telecommunications, professional services, and schools and universities.

**III. Initiatives announced in September 2020**

- Paid 50% of salaries of insured Bahrainis employed in most adversely impacted companies for three months;
- paid EWA utility bills for Bahrainis in their first homes for three months;
- exempted Bahrainis in their first homes from municipal fees for three months;
- exempted all tourism-related establishments from tourism levies for three months;

- extended support given to taxi drivers, driving instructors, and nursery teachers at 50% for three months; and
- extended option for deferral of loans by banks, as agreed with the CBB, for three months.

Most adversely impacted sectors:

restaurants, entertainment, cinemas, exhibition centres, event halls, travel and aviation, tourism, hotels, training and rehabilitation, transportation, and retail (except food).

#### **IV. Initiatives announced in first quarter of 2021**

- Extended Tamkeen's BCS Program for closed businesses for three months;
- paid 50% of salaries of Bahrainis working in closed businesses as part of the BCS Program for three months;
- exempted closed businesses from municipal fees for three months;
- exempted all tourism-related establishments from tourism levies for three months;
- extended option for deferral of loans for six months;
- paid BHD 300 a month to tour guides for nine months; and
- extended Tamkeen's BCS for gyms and exhibition halls for six months.

Closed businesses:

entertainment halls, cinemas, event and exhibition halls, and spas.

#### **Page 8, Para 12 of Summary**

In 2016, Bahrain enacted a new law on standards and meteorology to enable the adoption of international standards and expand the scope of work to be aligned with international and regional practices. A "Made in Bahrain" mark was launched to promote local products. Various specific trade concerns were raised regarding GCC technical regulations in the WTO TBT Committee and one specific trade concern was raised in the SPS Committee.

#### **Question:**

2. Please provide more information on "Made in Bahrain".

"Made in Bahrain" is one of the initiatives launched by the Ministry of Industry, Commerce and Tourism in early 2020, which is an authorized trademark that is granted to national licensed and registered factories wishing to obtain it with a condition that the local content of their products is not less than (35%), to stimulating the Bahraini industry by supporting national products and to enhance consumer confidence in the national product, and to limit the use of Kingdom of Bahrain flag and place it randomly and illegally on products, in accordance with Article no. (8) from Law no. (4) for the year 2002 with respect to Kingdom of Bahrain flag.

#### **Page 43, Para 3.35**

The manufacturing sector is dominated by energy-intensive industries such as aluminium and petrochemical production. The main manufacturing companies are large and partially state-owned. In fact, Aluminium Bahrain Company is one of the largest aluminium companies in the world. It is a joint venture between the Saudi Arabian Basic Industries Corporation and Bahrain's Mumtalakat. Bahrain has undertaken efforts in recent years with a view to building an environmentally friendly manufacturing sector. Manufacturers are encouraged, through various means, to shift to cleaner production activities. An environmental impact assessment has to be made before a project is launched. Import tariff rates average 4.9% in the manufacturing sector (ISIC definition) and range from zero up to 100%.

#### **Question:**

3. Please elaborate on measures to encourage cleaner production in manufacturing enterprises.

The Kingdom of Bahrain has been giving importance and priority to addressing clean production, clean energy, green and low-carbon development in its plans since long, as an important element of the country sustainable development. This commitment is clearly reflected in the Bahrain 2030 National Planning Development Strategies Project, which includes a development plan concentrating on the possible ways of integrating environment into the development. More precisely, it mentions how environment can support the development without having adverse impacts.

Bahrain has legally managed the risks associated with the release of pollutants in the environment, that is declared under numerous respective ministerial orders. Several national legislations are enforced to ensure different sectors working in the kingdom of Bahrain are complying to the requirements of protecting the environment and clean production; Those Ministerial Orders aims to control air emissions, effluents discharges to the marine environment, waste generation, chemicals usage. etc. ; the legislation incorporate but not limited the Legislative Decree No. 21 of 1996 regarding the environment, Ministerial Order No. 2 of 2021 regarding environmental standards (air), Ministerial Order No. 3 of 2021 regarding environmental standards (water), Ministerial Order No. 7 of 2002 regarding controlling the import and use of banned and restricted chemicals, Ministerial Order No. 4 of 2006 regarding the management of hazardous chemicals, wastes, Ministerial Order No. 10 of 2006 regarding online monitoring of Air Pollutants Source Emissions, ... And many other national legislations.

In addition, the Environmental Impact Assessment (EIA) system is mandatory before approving any industrial and other development projects in Bahrain, for the purpose of integrating environment and development matters. EIA is a tool for mainstreaming environmental and clean production requirements in the projects units, by enforcing the implementation of Best Available Techniques (BAT) to prevent and control its emissions and impacts. EIA outcomes help in achieving clean production through the recommendation of mitigation measures and management plans for those projects.

Environmental Impact Assessment helps in identifying potential environmental impacts and proposing best alternatives for mitigating any adverse impacts, and then proposing Environment Management Plan to proper implementation of mitigation measures to reduce the impacts arising out of the project activities and to specify actions to be taken for improvement of the project operations. Main parts of the EIA are the Environmental Management Plan (EMP), that is requires industries to develop and to implement Pollution Prevention plans, reduce the waste generation, recovery of valuable byproducts, better units and operation efficiency, reduced energy consumption.

Environmental Management Plan helps in formulation, implementation and monitoring of the project during its lifecycle. A project may have identified proper mitigation measures but without a management plan to execute it, the desired results for clean production may not be obtained.

With regards to Energy Sector specifically, creation of a Sustainable Energy Authority, responsible for developing sustainable energy policies, promoting renewable energy and enhancing energy efficiency practices, is a large step by the government towards promoting clean production.

Bahrain committed to accelerate its efforts towards promoting clean production practices to support the international efforts in sustainable development. Despite only contributing 0.07% of the world's carbon footprint, Bahrain has committed to reducing its emissions by 30% by 2035 as well as achieving net zero by 2060.

#### **Page 25, Para 2.9**

The Ministry of Industry, Commerce and Tourism (MOICT) is responsible for the coordination and implementation of Bahrain's trade-related and investment policies, in coordination with other ministries and bodies, including the Economic Development Board (EDB), the Ministry of Finance, and the CBB. The EDB continues to provide strategic direction on the management of the economy. Private sector participation in trade policy formulation is ensured through the Bahrain Chamber of Commerce and Industry (BCCI). A joint committee is in place between the MOICT and the BCCI, acting on behalf of the private sector. It aims to ensure that economic reforms reflect positively on the national economy. It held a first meeting on 10 February 2002, and since then continues to do so every three months or whenever the need arises and discusses relevant issues.

#### **Question:**

4. Please specify Bahrain's main measures for improving foreign investment environment during the review period.

The Government of Bahrain has been keen on introducing initiatives that aim to further diversify Bahrain's economy, attract FDI, encourage domestic private sector investment, and boost the competitiveness of the national economy. In 2021, the government announced plans to create more than 20,000 jobs annually for citizens by 2024 and attract \$2.5 billion in foreign direct investment by 2023



Some of the key initiatives that have been introduced over the past few years include the following:

**I. Initiative: Enhancing the Business Environment:-**

- 1- Liberalization of Business Activities (2021):
  2. Edict 40 of 2021 was issued and it opens up commercial activities that foreign investors may operate in Bahrain.
- 2- Investor Residency Program (2021):
  3. Bahrain's Nationality, Passport and Residence Affairs (NPRA) introduced self-sponsored residence permits for expats. The online service covers foreign retirees, investors and property owner in Bahrain.
- 3- Commercial Companies Law (2020 and 2021):
  4. Bahrain introduced amendments to its Commercial Companies Law (Companies Law). In an effort to simplify the regulation of private companies. The Amendment introduces a number of key changes including: Employee share schemes, non-profit companies, Convertible notes.
  5. The revised Law combined with the issuance of various resolutions has resulted in reducing the minimum capital requirements for setting up a new business in Bahrain. The law also introduced amendments aimed at protecting minority shareholders rights, thus enhancing corporate governance, offering higher flexibility for investors, decreasing the level of violations, disruptions and conflict within a company, while simultaneously increasing the level of protection towards the interest of the company and stakeholders.
- 4- Bankruptcy Regulations: (2018):
  6. Bahrain issued Law No. 22 of 2018 with respect to the Reorganization and Bankruptcy. The Bankruptcy Law aims to maximize the value of bankrupt estates in the country and encourage corporate reorganization over liquidation. The introduction of the law is intended to improve the process of doing business in Bahrain to local and foreign investors, as the law offers 'debtor-friendly' restructuring tools that are in line with international best practice.
- 5- Competition Regulations (2018):
  7. Bahrain Government issued Law No. 31 of 2018 with respect to the Competition Promotion and Protection, which is the first standalone law to address competition related concepts. The Law focuses on regulating the following core issues: anticompetitive arrangements; abuse of dominant position; and economic concentration
- 6- Company Registration Portal "Sijilat"(2016):
  8. The Ministry of Industry, Commerce & Tourism ("MOICT") introduced the 'Sijilat' commercial registration system in 2016. The Sijilat system comprises an online portal - accessed through the use of an E-Key — which streamlines the company registration process. The portal enables its users to initiate applications to register commercial entities as well as the ability to complete many more commercial services electronically, eliminating the burden of physically attending the various ministries to complete such procedures.
- 7- Real Estate Regulations (2017):
  9. Bahrain introduced several laws and regulations to strengthen oversight and promote investment in the real estate sector.
  10. Law No. 27 of 2017 concerning the Promulgation of the Real Estate Sector Regulation Law was introduced in 2017. The law stipulates the establishment of a Real Estate Regulatory Agency (RERA) which is mandated to regulate the Real Estate sector in Bahrain.
  11. Bahrain also introduced Benayat - a new system to fast-track the process of obtaining building permits.
- 8- Developing procedures for resolving commercial disputes (2020):
  - 1 Increasing the effectiveness of the performance of the courts and reducing the time for resolving commercial disputes and enforcement courts:
    - The judicial holiday was canceled in the Commercial Court and Execution Courts to ensure that the execution courts continue to operate throughout the year. This has led to a fundamental efficiency shift in the court system.
    - Implementing a comprehensive plan to sort the execution files and distribute them to the various courts.
    - Establishing a mechanism to automatically close the enforcement files and remove all applicable procedures after making sure that the enforcer against him has fully

- fulfilled his obligations.
- Increasing the number of judges in execution courts from 6 to 8, and increasing the number of execution courts.
- 2 Launching an online system to automate the appointment of experts.
- 3 The Ministry of Justice issued several resolutions in 2020 to streamline the procedures for commercial claims, including the introduction of an electronic system for civil and commercial cases. The system aims to reduce the procedures before the courts and enhancing the speedy settlement of pending cases.
- 4 The Ministry of Justice has enabled electronic registration and electronic payment of all commercial courts through a dedicated portal available to the public.
- 9- Enhancing the effectiveness of resolving labor disputes (2020):
  - Establishing a body for resolving individual labor disputes in the Ministry of Labor and Social Development, which reduces the number of cases brought before the courts and speeds up their decision, as it aims to conduct amicable settlement of the individual dispute between the worker and the employer with the consent of both parties and before resorting to the judiciary in order to reduce the number of cases brought before the courts, reflects the Ministry's keenness to finding rapid mechanisms to resolve individual labor disputes in a manner that guarantees the protection of the rights of both parties to production, the worker and the employer, in the Kingdom of Bahrain.
  - The establishment of the aforementioned apparatus is based on the text of Article No. (119) of the Labor Law in the Private Sector No. (36) of 2012 and its amendments, as the aforementioned apparatus will consist of two units, the first of which is the registration unit, and the second the friendly settlement unit.

## **II. Initiative: Improving the Digital Economy:-**

- 1- Data Policies and Regulations (2017, 2018, 2021):
  - 1- The Personal Data Protection Law, issued in 2018, which promotes the efficient and secure processing of big data for commercial use and provides guidelines for the effective transfer of data across borders
  - 2- Legislative Decree No. 56 of 2018 in Respect of Providing Cloud Computing Services to Foreign Parties — was introduced to allow foreign parties to retain sovereignty over data hosted and processed in Bahrain, This law aims to build trust between nations by giving assurance that a nation's local laws will be applied to data stored offshore in Bahrain.
  - 3- 8 executive orders and implementing regulations have been issued by the Data Protection Authority for public consultations. Those include: data subject's rights, rules and regulations for processing sensitive data, processes related to submission of complaints, adequacy decisions, among other topics.
  - 4- In order to encourage cross-border data flows, the government amended legacy localization requirements that mandated government data to be stored onshore. This has been a key move to operationalize the CloudFirst Policy. Moreover, several regulatory authorities have also followed suit to encourage cross-border data flows in key sectors. For example, the Central Bank of Bahrain has issued regulations in its rulebook allowing financial institutions to host data offshore (subject to key considerations).
  - 5- The government of Bahrain introduced a policy to encourage the adoption of cloud services for government agencies. This policy sets out general guiding principles for government ministries and agencies to consider in adopting cloud computing solutions as a primary part of their information technology planning and procurement.
- 2- Electronic Transactions (2018):
  - 1- Electronic Transferable Records Law, modelled on the United Nations Commission on International Trade Law (UNCITRAL) e-commerce model laws, Bahrain has become the first country to enact an Electronic Transferable Records Law. This new piece of legislation allows for electronic transferable documents including bills of lading, promissory notes among others, equivalent to traditional commercial documentation issued on paper. This fully paperless approach allows the holder of

the electronic documents to claim payment of a sum of money or delivery of certain goods, ultimately creating unparalleled efficiency in the logistics supply chain's financial workflow. This modern new law further facilitates the future potential use of blockchain in FinTech and logistics.

- 2- The Electronic Communications and Transactions Law was introduced to enable secure and seamless electronic interactions between businesses, citizens and public authorities. The law regulates electronic transactions in line with the United Nations Convention on the use of electronic communications in international contracts.
- 3- FinTech (2017, 2018, 2020, 2021):
  - The Central Bank of Bahrain (CBB) introduced a Regulatory Sandbox that will allow startups, FinTech firms and licensees to provide innovative banking and financial solutions.
  - The CBB also issued several regulations to enable, regulate and encourage FinTech activities, including: issuance of regulations for crowdfunding, crypto assets, robo-advisory regulations, insurtech, etc.

#### **Page 70, Para 3.144**

The main institutions responsible for intellectual property matters in Bahrain are the Foreign Trade and Industrial Property Directorate of the MOICT, which includes the National Patents Office (also in charge of Industrial Designs), the Trademark Office, and the Industrial Property Control Section; Customs Affairs within the Ministry of Finance, which is responsible for matters related to border measures; and courts of law, which are responsible for enforcement issues. Copyrights are under the Ministry of Information Affairs. At the regional level, the GCC Patent Office (based in Riyadh) is responsible for patent protection for the patents granted by the Office. There are no Collective Management Organizations operating yet in Bahrain.

#### **Question:**

5. Please elaborate on the measures Bahrain has taken to strengthen the IPR protection since last review.

There are a number of measures undertaken by the Ministry of Industry, Commerce and Tourism to strengthen the IPR protection since the last review, namely:

#### **1- At the level of the Directorate of Foreign Trade & IP:**

The Directorate of Foreign Trade & IP has taken several measures in the last years to strengthen IPR protection:

- Bahrain's national IP office play a significant unique role in enforcing the IP rights compared with other Countries' IP offices, the office receives, reviews, & accept complaints of Industrial Property violations. For example: (since 2014, 102 complaints were accepted, involving 52,239 goods additionally, 293 shops were referred to the Public Prosecution Office for selling counterfeit goods). - The Directorate provide exclusive assistance channel with Bahrain Custom by providing details about IP rights owners for suspicion counterfeit goods hold by the Customs on Bahrain's borders, which facilities the proceeding of civil and criminal measures.
- The Directorate of Foreign Trade & IP focus on the IP awareness to public, businesses, and universities as a key-element to increase the IP awareness thereby encouraging IPR protection and IP enforcement. From this perspective, the Directorate establish several initiatives of:
  - (1) Providing lectures and workshops on IP protections, IP-related national seminars in cooperation with WIPO international Organization and GCC's IP Center dedicated for Public, businesses and inventors.
  - (2) Providing lectures and workshops on IP protections and IP consultations in cooperation with Bahrain Chamber dedicated for businesses and inventors.

- (3) (Providing lectures and workshops on IP protections and IP enforcement for Bahrain Custom's employees.
- (4) Providing lectures and workshops on IP protections and IP awareness in cooperation with SME's Directorate dedicated for start-ups, businesses, and inventors.
- (5) Providing lectures on IP protections and IP awareness in cooperation with Universities dedicated for students.

2- At the level of the Directorate of Inspection:

- The Directorate of Inspection Directorate (ID) at MOICT was established based on the Decree 55/2019 issued on 1/8/2019 reorganizing the Ministry of Industry, Commerce and Tourism.
- ID main function is to perform all-in-one centralized inspection serving different directorates across all MOICT to avoid multiplicity of inspections visits and promote compliance with applicable laws and regulations.
- The centralized Inspection utilizes a web-based system meant to ensure transparency with mobile and email alerts once inspection is performed to view the results.
- Inspections related to Foreign Trade & Industrial Property Directorate (FTIPD) concerning issues associated with intellectual property enforcement are part of the ID functions.
- ID receives the verified complaint from FTIPD regarding an infringement of a registered trademarks with full details and performs inspections accordingly.
- Infringing goods being detected by ID are seized, and a report relating to the offence is prepared to FRIPD, where the matter will be transferred to the Public Prosecution for further action.
- The decisions are based on the final judgement of the criminal court (disposal of good, or deleting the commercial registration, etc.) which will be executed by ID.
- In addition to the legal inspection procedures, IP plays a vital role in creating and spreading awareness with regards to the importance of complying with the MOICT laws and regulations to enhance the value of the busniesses.

## **PART II: OTHER QUESTION**

6. Please elaborate on Bahrain's expectations for the 12th Ministerial Conference of the WTO.

The Kingdom of Bahrain looks forward to concrete and equitable outcomes at the WTO's 12<sup>th</sup> Ministerial Conference which would demonstrate the pivotal role played by the World Trade Organization for the solid maintenance and support of the multilateral trading system, the sustained expansion of world trade, and the economic and social development of developing and least-developed countries – particularly in terms of building back following the impact of the COVID-19 pandemic.

In this regard, the Kingdom of Bahrain takes special interest at MC12 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.

**ISRAEL****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.1 Measures Directly Affecting Imports****3.1.1 Customs procedures, valuation, and requirements**

"3.2. In January 2017, Bahrain launched its Customs Strategy 2017-2020. The plan sets out four main missions for Customs Affairs: (i) contribute to the national economy; (ii) enhance the flow of legitimate trade and travel; (iii) protect and safeguard Bahrain from prohibited/restricted items; and (iv) secure land, air, and maritime borders.<sup>3</sup> The authorities indicate this plan has been fully implemented. A new Customs Affairs strategic plan for 2021-24 was released in January 2021. It has three goals: (i) align plans and programmes with Vision 2030 (Section 2.2) and the policies of the World Customs Organization; (ii) reinforce customs work and develop acquisitions; and (iii) build the capacities and capabilities of Customs Affairs to face challenges and convert them into opportunities. "

**Question 1. Can Bahrain elaborate regarding the new Customs Affairs strategic plan for 2021-2024:****a. Does the plan include specific changes to the customs regime in place today? If so, to which areas of operation would they apply?**

With the current strategy 20201-2024 Bahrain Customs Affaires (BCA) will implement service level agreements with stake holders, operating companies and relevant authorities to enhance our relationship with the trade community.

BCA strategy aims to develop the corporation mechanism with the logistics sector and to continue Customs Clearance Committees role to facilitate the movements of goods and develop policies.

With the lunch of the Customer service center the BCA wants to have a continuous communication with all relevant parties to ensure effective support.

Enhancing our Risk Management system will enable more effective trade and ensuring security.

BCA are introducing new facilitation programs to clients and aims to enlist more than 100 companies into these programs that we have launch which include the Authorized Economic Program.

The second phase of single window clearance system (OFOQ) once implemented, will improve the clearance procedures from payment procedures too paperless transaction.

**b. Does the plan include any short-term measures which will be implemented in the near future?**

Yes, each implementation phase has a short-term outcome

**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.1 Measures Directly Affecting Imports****3.1.5 Import prohibitions, restrictions, and licensing****3.1.5.1 Import prohibitions**

"3.40. Under the GCC Common Customs Law, each GCC member State still determines its own list of prohibited or restricted products. GCC member States are developing a common list, but this is a work in progress. Imports that are prohibited in some GCC member States but permitted in others **may** not transit through the member States in which they are prohibited. "

**Question 2. Can Bahrain elaborate on the circumstances under which transit within the GCC will be denied?**

Bahrain implementing the GCC first point of entry and the duties will be transfers to the final destination as long as the goods are not prohibited in the final destination of the GCC members country.

Bahrain Customs will deny if the imported goods are prohibited in the final destination of the GCC member country, according to their national law.

### **3 TRADE POLICIES AND PRACTICES BY MEASURE**

#### **3.1 Measures Directly Affecting Imports**

##### **3.1.1 Customs procedures, valuation, and requirements**

"3.11. In November 2019, a "white list" for importers (and exporters) was established by certain OGAs and issued by Customs Affairs. This enables trusted companies to clear their imports and exports of certain products without customs inspection. The OGA selects and accredits trusted companies on the basis that they have a low probability of violation and they undertake a high volume of trade. As at mid-2021, there were 58 accredited companies (Table 3.2). The objective is to reinforce customs operations, reduce the costs for traders, and speed up procedures."

#### **Question 3. Can Bahrain elaborate regarding the "white list" for importers:**

**a. Which requirements must an importer meet in order to be admitted to the "white list"?**

Based on risk management concept;  
Companies with low probabilities of low violation;  
High importation and exportation level.

**b. what specific benefits companies under the "white list" receive?**

Facilitating trade;  
Reduce clearance period of customs declaration;  
Exclude some shipments from obtaining the approval of the agencies.

**c. What are the differences between the AEO program described under paragraph 3.12 and the "white list"?**

AEO is an accredited operator that meets the conditions and standards of the AEO programme.  
White list is a list of compliant traders provided by the government and control bodies to exclude some shipments from obtaining permits with the purpose of facilitating trade and reducing release time of declarations

**THAILAND****WT/TPR/S/419, Page 40, Para 3.21**  
**Trade Policies and Practices by Measure:**  
- Rules of Origin

**Question 1:** According to Para 3.21, all imports into Bahrain under the Non-preferential scheme must be accompanied by an original certificate of origin stamped by the Chamber of Commerce and Industry/Commerce Union of the country of origin and relevant Consulate of Bahrain or any Arab Embassy in the country of origin. Since some exporting countries may have the authorised government agency to issue a non-preferential certificate of origin, Thailand would like to ask whether Non-preferential CO issued by the authorised government agency is also acceptable and whether such CO needs to be stamped by the relevant Consulate / Embassy mentioned above. If it needs to be stamped by those agencies, Thailand would like to kindly ask Bahrain to accept CO issued by the authorised government agency without the requirement to be stamped by the Consulate or Embassy.

According to the decision No. (7) 2018, the certificate of origin is NOT among the documents to be required with the customs declaration except the (1) Obtaining exemption from customs duties under the Free Trade Agreement, (2) If the imported good not stand with a fixed indication of origin, and (3) If the Bahrain customs had doubts. However, the stamped is required issued by the authorised agencies and consulate embassy.

In addition, could Bahrain provide an update regarding the notification of rules of origin used by Bahrain in accordance with Article V of the Agreement on Rules of Origin?

Bahrain will notify the WTO of any updates regarding the rules of origin used in Bahrain whenever it applies.

**WT/TPR/S/419, Page 48, Para 3.42**  
**Trade Policies and Practices by Measure:**  
- Import Restrictions and Licensing

**Question 2:** Importation of several products must obtain an industrial license from Ministry of Industry, Commerce and Tourism (MOICT), which MOICT has issued industrial license only to a firm or an individual resident in Bahrain. Could Bahrain clarify why issuing industrial license is only limited to a firm or an individual resident in Bahrain? Will Bahrain consider to issue industrial license to a firm or an individual who does not reside in Bahrain?

Industrial licenses are not limited to an individual resident in Bahrain. Manufacturing activities are allowed 100% for foreign ownership without the need for the owners to have residency in Bahrain.

To operate a manufacturing activity, foreign investors must first obtain a commercial registration with a manufacturing activity. Once the commercial registration is issued (i.e. company is incorporated), an Industrial License is then issued on the Commercial Registration. Below is a high level process:

- 1- Foreign investors engages an approved professional body to assist it in incorporating in Bahrain
- 2- A Commercial Registration is issued for the foreign investors certifying that they have officially incorporated a company in Bahrain
- 3- The locally established company, which is 100% foreign owned, applies for an Industrial License to activate the manufacturing activity.
- 4- Industrial License is issued on the Commercial Registration to allow the company to start it's manufacturing operations.

**WT/TPR/S/419, Page 58, Para 3.86****Trade Policies and Practices by Measure:**

- Standards and Other Technical Requirements

**Question 3:** Once GCC Standardization Organization (GSO) has approved GSO Standard, GCC member including Bahrain must withdraw any existing national standard that conflicts with the new GSO standard. In case of adopting new GSO standard, will there be any notification procedure to notify private sectors and stakeholders in advance? and how long for that transitional period before the new GSO standard has come into force?

Kingdom of Bahrain is an active member on GCC Standardization Organization (GSO) and participating on standards developing technical committee. Once the GSO has approved the Gulf Standards or Technical Regulation, Kingdom of Bahrain raise the for national adoption through the National Committee of standards and metrology. The existing national standards will be withdrawn if it contradicts the new Gulf standards.

Before adopting any new Gulf standards or technical regulations, we share the private sector and stakeholders through Bahrain Chamber of Commerce to study projects before they are being approved.

The Ministry of Industry and Commerce and tourism issue the Ministerial order for the adoption and publishing in the Official Gazette, the Technical Regulations shall be implemented within a period of no less than 6 months, and for the Gulf Standards (voluntary), there is no obligation to implement it.

**WT/TPR/S/419, Page 93, Para 4.100****Trade policies by sector**

- Telecommunication and postal services

**Question 4:** According to the report, the government of Bahrain does not maintain any foreign ownership restrictions in its telecommunication sectors. However, a telecommunication operator must be licensed to operate its business in Bahrain. In this regard, there are limited licenses for certain telecommunication services, such as a mobile telecommunication license, with only three operating licenses have been granted, and they are all Bahraini Companies. Could Bahrain provide further explanation on how the government has allocated licensing, particularly a mobile telecommunication license? Are there any restrictions on obtaining a license for foreign investors?

- In general, there are no limited numbers for the licenses that are to be issued by the Telecommunications Regulatory Authority of the Kingdom of Bahrain ("TRA") except for the mobile telecommunications licenses. The provisions of the Fifth National Telecom Plan (NTP5) that is issued by the Government of the Kingdom of Bahrain states that "The Authority shall not issue new individual mobile telecommunications licenses during the period of NTP5. However, should there be significant change in the mobile market or extenuating circumstances, then the Government may direct the Authority to review the market to assess whether the existing market structure remains appropriate".
- In relation to the inquiry of how the mobile telecommunications licenses are granted by the TRA, most of the mobile telecommunications licenses were granted via an auction, except for the mobile telecommunications license which was initially granted to the national incumbent operator "Batelco" in 2003.
- For a foreign company that wishes to obtain a telecom license in the Kingdom of Bahrain, such company is required to be either a company incorporated in the Kingdom, or should be a branch of a foreign company licensed to operate in the Kingdom in accordance with the Commercial Companies Law.

**WT/TPR/G/419, Page 20, Para 3.98****Enhancing Productivity and Capacity**

- Digital Economy

**Question 5:** According to the report, the government of Bahrain has launched the "cloud first policy" which allows both the government and the private sector to use cloud network. In this light, Thailand



seek further clarifications on this policy, namely (1) can the foreign companies use the data from such network? (2) Does Bahrain have any limitation or condition on the cross-border data free flow? and (3) Does the cloud network exclude sensitive information such as financial data or personal health data?

Below is a link that contains the document of the Cloud First Policy.

<https://www.bahrain.bh/wps/wcm/connect/269f6ff2-9f3d-430e-9798-8518f3735dad/Cloud-First+Policy.pdf?MOD=AJPERES>

**WT/TPR/S/419, Page 53, Para 3.62**  
**Trade Policies and Practices by Measure:**  
- Export Support and Promotion

**Question 6:** Can Bahrain provide more information on the Exporter Solution initiative launched in May 2021 which covers details of eligibility criteria for providing one – off grant to the companies under the initiative and other future work plan to support the entrepreneurs beside the aforementioned grant; for example, soft loan, tax and/or non – tax incentives, including other forms of technical assistance to promote the entrepreneur's capacity enhancement.

The one-off grant is designed to help and encourage exporters to initiate their first export to new markets across the globe specifically during the pandemic.

The initiative is currently launched as a pilot which will then be assessed and measured to decide if it requires to be further adjusted before its official launch.

Current Eligibility Criteria include:

First time exporters or existing exporters with new service and product lines  
SME Businesses with active Bahraini CR / virtual CR  
To meet the minimum standards of local production, goods manufactured or processed.

**THAILAND – ADDITIONAL QUESTIONS****WT/TPR/S/419****Page 21, Para 3.99 (C)****Productivity and Capacity:**

- Digital economy

**1.** Regarding the investment in cloud computing services and data centres by foreign parties, is there any limitation or restriction on foreign business ownership?

There are no restrictions on foreign ownership for cloud computing services and data centres. 100% foreign ownership is allowed.

**2.** Can Bahrain provide in more details about laws for the provision of Cloud Computing Services by Foreign Parties? How does the Government of Bahrain ensure the jurisdiction of the authorities in foreign states to control their own data as well as the security of data, when they locate computing facilities or data center in Bahrain?

The purpose of this law is to provide a legal framework that encourages Foreign Parties use of and investment in Cloud Computing Services within Data Centers. Law No. (56) of 2018 regarding Supply of Cloud Computing Services to Foreign Entities was issued on 29 November 2018 as a 'legislative decree' (more on that later) and Article (3) of the law states that a subscriber's content is subject to the exclusive jurisdiction of the competent courts and authorities of the foreign country which is home to the subscriber. Bahrain has effectively carved out a piece of its own judiciary in order to encourage foreign subscribers to use local cloud computing data centers. The same article allows service providers to respond directly to competent foreign authorities and allows them to comply with any directive of such authorities. The only obligation such service providers have to the local authorities is to notify the Bahraini public prosecutor "at the earliest convenience" of any foreign order and provide a copy of the same. Article (4) of the law empowers the Cabinet of Ministers to specify, through publication in the official gazette, which data centers are recognized as protected by the cloud computing law, and which foreign countries are recognized. Should a data center, or country, be removed from the list by the Cabinet, the law's protection of foreign data will continue for 120 days from the date of removal to allow subscribers enough time to migrate

**3.** Are there any conditions or restrictions for conducting e-commerce or online trading business in Bahrain?

Operating e-marketplaces/websites/web portals (ISIC code 6312) is allowed for 100% foreign ownership (source of revenue is not from buying and selling products, rather from commissions, registration, subscription, etc). As for online trading business, this can be practiced under "Retail Sale Via the Internet" activity (ISIC code 4791) which requires a local shareholder, but the ownership percentage is up to the shareholders determine; However, 100% foreign ownership would be allowed if the company will invest BD50,000 in the first year of being licensed.

**WT/TPR/G/419****Page 30, Para 4.38****Enhancing Productivity and Capacity:**

- Digital economy

**1.** Given that Bahrain has implemented the initiative called "Made in Bahrain" in order to promote domestic manufacturers who are registered and received factory permission Bahrain with no less than 35% local content requirement. Meanwhile, Thailand has launched the similar initiative called "Made in Thailand (MiT)" to promote domestic manufactures or entrepreneurs who have business registration in Thailand and meet CRDthe local content requirement no less than 40%, in line with the principle agreed by ASEAN. In this regard, can Bahrain provide the rationale or reference behind the local content requirement for "Made in Bahrain"? This would serve as information for the criteria of Qualifying Value Content (QVC) under Rule of Origins if Thailand and Bahrain are to resume the negotiation of Thailand-Bahrain Free Trade Agreement in the future.

Local content requirement for "Made in Bahrain" is 35% to be in line with the principle agreed within the GCC and international region, regarding Rules of Origin if Thailand and Bahrain are to resume the negotiation of Thailand-Bahrain Free Trade Agreement, this must be decided during the negotiation.

## ICELAND

- What is the participation of women in the economy of Bahrain?
- The participation of Bahraini women in various aspects of work and economic activities is one of the most important aspects of modern life in the Kingdom of Bahrain. Bahraini women proved their presence in the labor market and entered nearly all fields of work in the private and public domains and entrepreneurship. The Kingdom of 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. This has been achieved through numerous national measures, mainly through:
  1. **A well-established infrastructure that supports women's participation in the economy**
    - Many stakeholders from the public and private sectors and civil society organizations are keen to support the economic participation and entrepreneurship for both women and men within the programs and plans of their strategies and in a manner that ensures equal opportunity between men and women. These institutions include: the Bahrain Chamber of Commerce and Industry, the Ministry of Industry, Trade and Tourism, and the United Nations Industrial Development Organization (UNIDO).
    - In addition, the Supreme Council for Women seeks to have a complementary role to that of the concerned parties to develop and complete the economic work system, and works to encourage the relevant institutions to provide the services required by training programs in the economic field whether through providing loans and concessional financing services, or through providing integrated economic incubators that provide the administrative, advisory, training, and technical services needed by women to enter the field of entrepreneurship; in addition to launching initiatives and awards.
  2. **Policies and plans that support women in the workplace and achieve equality:**
    - **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.
    - **The adoption and implementation of the National Plan for the Advancement of Bahraini Women (2013-2022)** which sets clear objectives for women's advancement in all fields of life. The Plan's strategic implementation phases and initiatives have been outlined with an evidence-based and target-oriented methodology that undergoes a continuous monitoring and evaluation process to ensure its alignment with the National Economic Vision 2030 and the Sustainable Development Agenda.
    - The economic participation of women is considered a fundamental pillar to attaining the desired level of women's advancement according to the 5 core fields of the "National Plan", which takes into consideration the socio-economic aspect of achieving family stability, the importance of maintaining an economy based on the principle of equal opportunities and increasing prospects of lifelong learning available to women to reinforce their competitiveness in the labor market. Additionally, much of the progress achieved in the status of women is due to the implementation of a National Model for the governance of Gender Balance in public life. It serves as a comprehensive governance model which outlines a framework of pillars aiming to ensure gender balance at the national level.
  3. **Supporting the transition from informal to formal work**
    - The Kingdom of Bahrain has been able to expand the options for women who work in informal jobs by creating the infrastructure and legislation that supports their progress and their safe transition from informal to formal jobs. Some examples that have been translated to reality to encourage productive families and to support their progress, include the following:
      - ✓ The economic support provided by the Ministry of Labor & Social Development to families for training programs and production units of the "Khutwa" program for household projects in cooperation with local or civil society organizations.

- ✓ The decision of the Minister of Industry, Trade and Tourism No. (97) for the year 2017 amending Article (4) of Decree No. (84) of 2017 on regulating the activities of incubators and business accelerators to encourage women's entry into the field of entrepreneurship and take advantage of the services of the economic system.
- ✓ The decision of the Minister of Industry, Trade and Tourism No. (152) for the year 2016 regarding the authorization to engage in commercial activities through a virtual shop for business owners who do business from multiple locations and have no address or place of business.

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. 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.

- Have specific barriers that limit women's participation in trade been identified?
  - The Kingdom of Bahrain through 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.
  - With the onset of the pandemic, the Supreme Council for Women took the initiative to revise the (2019-2022) Strategic Plan for the Implementation of the National Plan for the Advancement of Bahraini Women, to take into consideration the numerous challenges and opportunities brought on board by the pandemic and in particular those effecting the economy, specifically the business ecosystem.
  - Considering the interest of the Kingdom of Bahrain in supporting the economic participation of Bahraini women and its belief in the contribution of Bahraini women to the national economy, the Supreme Council for Women has also initiated the National Gender Balance Model. It is a leading mechanism for those responsible for setting policies, public strategies, legislators, program implementers and plans, and by setting a general framework for those parties to ensure proper mainstreaming and sustainability for Bahraini women. It seeks to balance the distribution of resources in reducing gender gaps that affects achieving equality between men and women at a national level. It also defines the roles and responsibilities of the different sectors in the framework of national responsibility for achieving a sustainable impact for mainstreaming women's needs and equal opportunities. It consists of five pillars:
    - ✓ **Policies:** Reviewing and amending policies, strategies, plans and programs to ensure mainstreaming women's needs in development and equal opportunities.
    - ✓ **Budgets:** Budgets responsive to the needs of women that reflect the extent to which women benefit from the allocation of resources and expenditure on labour, programs and services.
    - ✓ **Knowledge Management:** Making use of all sources of national knowledge and expertise with value-added and identifying the ways to manage and include them through systems and practices based on collection, management and dissemination of knowledge.
    - ✓ **Audit and monitoring:** Auditing internal policies and regulations to ensure their compliance with the principle of equal opportunities.
    - ✓ **Impact Measurement:** Refers to the measurement of the impact of the national model regarding mainstreaming women's needs in development by monitoring and measuring the state of change in the performance, direction and values of individuals, institutions and the community through qualitative and quantitative data on the extent to which mainstreaming women's needs and equal opportunities are achieved.
- The implementation of the National Gender Balance Model has resulted in addressing previously noted gaps in trade including flexibility in offering virtual commercial registrations and expanding Bahraini exports. Additionally, the availability of funds that target SME's have further contributed towards funding issues that face these entities including funds and initiatives that specifically target women.

- Has Bahrain implemented any specific measures to encourage women's participation in trade and promote women's entrepreneurship, or are such measures being developed?

The Kingdom of Bahrain through the Supreme Council for Women has set a wide array of programs and initiatives based on the National Plan for the Advancement of Bahraini Women (2013-2022) which is implemented through triennial Strategic Plans. Within these plans, there has been an significant interest in encouraging the entrepreneurial activity of women through the following:

1. **Bahraini Female Entrepreneur Honor Seal:** The main goals of the award include honouring distinguished young Bahraini females in the field of entrepreneurship, highlighting outstanding female competencies in the field of entrepreneurship and reinforcing the economic empowerment of women.
2. **Bahrain Women's Development Center "Riyadat":** The Center serves as an integrated business incubator with complete management, investment, training, technical and technological services needed by women to enter into the field of entrepreneurship. The Center was established in collaboration with the Bahrain Development Bank.
3. **Bahraini Women's Development Fund for Trade "Riyadat"** is one of the funding initiatives launched by the Supreme Council for Women in cooperation with Tamkeen and the Bahrain Development Bank to enhance women's access to interest-free business loans and encourage more women in the field of entrepreneurship targeting small and medium enterprises.
4. **The introduction of "Sijili" for virtual commercial registrations,** by the Ministry of Trade, Industry and Tourism which aims to support the business activities of entrepreneurs with flexible conditions such as waiving the condition of having a business location for home-based business. Today 50% of the virtual commercial registrations owners are women.
5. The **establishment of the Women's Export Program,** which aims to provide an ideal environment to support and develop domestic exports of products and services. As a result, 39% of the Bahraini companies that have received support are owned and managed by Bahraini female entrepreneurs and 50% of companies that exported their products or services to regional and international markets for the first time were owned by female entrepreneurs.

In cooperation with the **Bahrain International Airport,** the Supreme Council for Women within the "Souq Al Qaseerya" section at the airport offers opportunities to showcase women entrepreneurs' products' and giving them access to the global markets showcasing their innovative products.

- Are the effects of trade policy on women and men measured and monitored, and if so how?

The Kingdom of Bahrain through the Supreme Council for Women seeks to continuously measure and monitor both positive and negative trends occurring to the status of women through detailed KPIs included in the following tools:

- 1) A **National Gender Balance Report** approved by the State and government measures the contributions of men and women at the national level. It is one of the key monitoring and evaluation tools that measures the gender balance in the national economy prepared by the Supreme Council for Women in coordination with the relevant institutions. Various key recommendations are issued at the end of the report based on the results to improve performance and bridge existing gaps.
- 2) The **National Observatory for Gender Balance Indicators** which contains main indicators measuring the impact of the contribution of women on the national economy. The objective of the observatory is to continuously monitor the progress of women at a national level benchmarked to regional and international statistics.
- 3) Through its specialization to establish a **research and studies center,** the Supreme Council for Women also regularly conducts research projects and studies based on precise scientific methodologies in order to better understand the status of women in various fields and the challenges they face. The aim of this research center is to produce objective oriented recommendations to bridge any gaps.

**Equal Opportunities Committees** which are established mandatorily through a circular issued by Civil service Bureau in the public sector and voluntarily in the private sector. These committees play an important oversight role to monitor any challenges that face gender balance and women advancement and address them through recommending policy changes or implementing target-specific initiatives. The Ministry of Industry, Commerce and Tourism has established an equal opportunities committee that ensures the coverage of the above-mentioned objective in what concerns the specialization of the institution.

**INDIA****Questions based on Government Report (WT/TPR/G/419)****Page 23 Paragraph 3.113**

**Background:** To achieve that aim the legislative system got updated including introduction of a new law for the maritime sector in line with national and international requirements. Taking the necessary procedures to join the international and regional conventions and treaties related to the maritime sector and the port sector and introducing a manual of rules and regulations related to the management of the Bahrain Logistics Zone.

**Question: 1.** Against the above-mentioned background, India requests Bahrain to provide a detailed insight on the legislative changes/ rules or regulations it has made in maritime sector and in management of Bahrain Logistics Zone.

The new law will update the maritime framework in the Kingdom of Bahrain by incorporating national, regional and international conventions and protocols, operations of port facilities and defines role, responsibility and functions of the Ministry of Transportation and Telecommunications (MTT). It will comprise three primary laws: the Merchant Shipping Act the Port Act, and the Maritime Commercial Law. Once passed, it will update the Kingdom's maritime legislation to be on the cutting edge of international maritime law. Furthermore, it will help facilitate and simplify the movement of goods/cargo in and out of the Bahrain Logistics Zone via Khalifa bin Salman Port (KBSP).

For example, the new law/regulations will make room for registration of pleasure craft and offshore units in Bahrain. The registration of ships, mortgages, lien and order of priority, arrest and disposal of ships, limitation of liability, ..., etc., have been drafted in such way to raise the confidence of ship-owners, banks and their lawyers. Most of the major maritime conventions have been referred to in the law so that the requirements are complied with sovereign right to grant exemptions and determination of equivalence. There are appropriate penal provisions as deterrent for non-compliance. The law defines detailed standards as how ships registered in Bahrain may be surveyed, audited and certified. It also defines how the same standards will be applied to visiting foreign ships so that the Kingdom of Bahrain does not become a den of unseaworthy ships. It has been drafted in such way that most of the future changes in international conventions and protocols will be absorbed in our law automatically. It also paves the way for training and certification of Bahrainis as merchant marine officers under the provisions of the relevant international convention. This will be vital to attain self-sufficiency in human sector.

The new law will cover and regulate in detail carriage of goods by sea, charter parties, carriage of passengers on ships and marine insurance.

**Page 32, Paragraph 4.65**

**Background:** A new tourism strategy in 2015 was launched by the Bahrain Tourism and Exhibition Authority (BTEA) aimed at developing tourist attractions, increasing the number of events and activities, easing access to Bahrain through all entry ports (sea, land, and air), and providing quality accommodation for tourists. It was termed as the "4A's" as it was made up of four pillars: Awareness, Attraction, Access, Accommodations, and was launched with the slogan "BAHRAIN, OURS YOURS". By the end of 2019 tourism contribution to GDP rose from (3.4%) (2015) to (6.9%).

**Question: 2.** Does Bahrain give any special financial assistance to its tourism service providers as a part of its Tourism strategy? If yes, kindly share details of form, quantum of assistance given annually. Has Bahrain given any special financial assistance to their tourism service providers to deal with adverse effects of the COVID-19 pandemic? If yes, kindly share details of form and quantum of assistance.

The Kingdom of Bahrain's Tourism strategy was updated with the launch of the new 2022-2026 Tourism strategy in November 2021 which builds on the previous strategy launched in 2015. The strategy's framework is based on four main objectives: increase the contribution of tourism to GDP to reach 11.4% in 2026, to highlight Bahrain's position as a global tourist hub, increase the number of targeted countries to attract more tourists, and diversify tourism products.

As part of the new strategy, the Bahrain Tourism and Exhibitions Authority has launched a new scheme for local Destination Management Companies (DMCs) to support them in bringing in tourists to the Kingdom. The program awards USD 15 per night per visitor to DMCs who are enrolled in as part of the program, in Bahrain and abroad.

The tourism sector was one of the most adversely impacted sectors during the COVID-19 pandemic and was included in the economic stimulus packages launched by the Government of Bahrain, along with other sectors in the economy.

In this regard, and in terms of the support provided by the Government to the tourism sector during the COVID-19 Pandemic to mitigate the economic impact to those most affected, the Government has exempted all hotels, hotel apartments, and tourist restaurants from paying the tourism levies and fees.

In addition to the above, from the early days of the pandemic in March 2020, the Government of Bahrain announced economic stimulus packages to support businesses, including tourism establishments, hardest-hit by Covid-19.

### **Questions based on Secretariat Report (WT/TPR/G/419)**

#### **Page 8 Paragraph 6**

**Question: 3.** India requests Bahrain to give an insight on its remote customs clearance service, authorized economic operator scheme and other schemes giving facilitated access for trusted operators.

Remote customs clearance service: has implemented in Bahrain Customs Affairs (BCA) that enable the importers to complete all the customs clearance procedures remotely from their offices, without the need to exist in the port physically, this service is cover all the customs clearance procedures starting from creating the customs declaration; online duties payment through the available payments platforms, as well as the getting approvals from (OGA), Moreover, the importers can book the appointment for inspection or release their goods according to the route specified for shipment based on customs risk management standards.

The Bahrain Customs AEO program: is implemented since 2018, and currently, there are 12 AEOs in multiple scopes including import, export, transportation and transportation management, warehousing, and Customs Clearance.

Bahrain Customs provides another facilitated access for trusted operators such as the white list, Compliant Operator, Eligible Operator.

For more information please check the following link:

<https://www.bahraincustoms.gov.bh/en/authorized-economic-operator>

#### **Page 8 Paragraph 11**

**Background:** Bahrain provides various programmes to support domestically established industries, including tariff exemptions for inputs used by companies having an industrial licence and, in some cases, incentives to encourage exports.

**Question: 4.** Are the incentives Bahrain provided to encourage exports in accordance with the WTO ASCM Agreement?

All incentives and programs provided by Export Bahrain are set to comply with the WTO ASCM Agreement.

#### **Page 38 Paragraph 3.11**

**Background:** In November 2019, a "white list" for importers (and exporters) was established by certain OGAs and issued by Customs Affairs. This enables trusted companies to clear their imports and exports of certain products without customs inspection. The OGA selects and accredits trusted companies on the basis that they have a low probability of violation and they undertake a high volume of trade. As at mid-2021, there were 58 accredited companies.



**Question: 5.** What is the accreditation process by the OGA?

The OGA is the responsible entity for accrediting the white list.

What is the rationale behind considering low probability of violation and high volume of trade as criterion to select a trusted company?

Based on risk management concept;  
Companies with low probabilities of low violation;  
High importation and exportation level.

Is there any other criterion to select a trusted company?

Facilitation Lists According to the Compliance Framework (Customs Facilitations).

In addition to the white list, and in order to improve the business and investment environment, Customs Affairs has facilitated customs procedures for major traders and investors through facilitation lists in the automated risk engine, which are updated periodically.

Facilitation lists:

#	List name	Main Accreditation rules or principles
1	AEO	Available in the AEO program guide: <a href="https://www.customs.gov.bh/sites/default/files/2019-04/Authorized%20Economic%20Operator%20Programme%20Guide%20Eng.pdf">https://www.customs.gov.bh/sites/default/files/2019-04/Authorized%20Economic%20Operator%20Programme%20Guide%20Eng.pdf</a>
2	Compliant Operator (new)	Available in the Post Clearance Audit guide: <a href="https://www.bahraincustoms.gov.bh/en/node/465">https://www.bahraincustoms.gov.bh/en/node/465</a>
3	Eligible Operator (new)	Available in the Post Clearance Audit guide: <a href="https://www.bahraincustoms.gov.bh/en/node/465">https://www.bahraincustoms.gov.bh/en/node/465</a>

For more information please check the following link:

<https://www.bahraincustoms.gov.bh/en/authorized-economic-operator>

#### **Page 44 Paragraph 3.32**

**Question: 6.** Does the tariff exemptions granted to industries having an industrial license from the MOICT amounts to financial contribution by the government since it's similar to revenue foregone or tax otherwise due not collected as per WTO ASCM Agreement?

There are no tariff exemptions granted to industry in Bahrain. All incentives and programs provided by Export Bahrain are set to comply with the WTO ASCM Agreement.

#### **Page 68. Paragraph 3.135**

**Background:** Government Procurement.

**Question: 7.** Please throw some light on the "competitive negotiated tender" procedure.

A contract may be entered into by way of competitive negotiation in any of the following cases:

- The goods that cannot be identified by precise specifications.
- Technical works which by their very nature require the execution thereof by technical personnel, specialists, or appointed experts.
- Goods, constructions, or services which by their very nature or purpose of obtaining them require to be purchased from their points of manufacture.
- Supplies, constructions, and services for which no bids have been submitted in the tenders or bids were submitted at unreasonable prices and where the need therefor does not allow inviting tenders therefor.
- In cases of disasters and urgent necessity that cause an urgent need for goods, constructions, or services where it is not likely to allow following the public tendering procedures.

An invitation to submit bids in competitive negotiations shall be invited to the biggest number of operators in the type of business subject to the negotiation in the manner to be outlined by the Implementing Regulations.

In case of following procedures of competitive negotiation, the buyer shall, through a committee that the Board shall decide to form, enter into negotiations with bidders or their representatives. The buyers shall notify the bidders of any requirements, directives, documents or information related to bidding.

Upon finalizing their negotiation, the buyer shall request those who have submitted acceptable bids to submit within the time limit fixed for them their best final bids and the buyer shall select the best of these bids subject to the rules to be determined by the Implementing Regulations.

Confidentiality shall be observed in negotiations between the buyer and bidders. It shall be prohibited for either party to reveal any technical or pricing information related to the negotiations without the approval of the other party subject always to complying with the provisions related to access to the purchasing procedures register provided for in this Law.

Is the approval of Tender Board (TB), except in case of open tendering, mandatory even if the tender is an "internal tender"?

Tender Board's approval is not required in case the total value of the tender is within the threshold i.e. BD50K for the companies owned by the government and BD25K for the ministries and government authorities. Such purchases are processed by a Committee in each purchasing authority called "Internal Purchases Committee".

Please elaborate the "two-phase tender" procedure in the context of Bahrain Government procurement.

A contract may be entered into by a two-phase tender if it is feasible to draft detailed specifications for goods or constructions or to determine the characteristics of services to obtain the best solutions to meet the buyer's requirements if the following conditions are fulfilled:

- (a) Availability of clear criteria for technical evaluation of offers.
- (b) If there is enough time for holding a two-phase tender.
- (c) If there is the intent to conclude a lump-sum contract.
- (d) If it is expected to receive more than one bid.

The first phase of the tender provided for in the preceding Article shall take place by an invitation to be sent by registered letters with notes of delivery to submit preliminary bids without quoting a price but containing technical, quality or other proposals for the goods, constructions or services and suggestions with respect to terms of the contract and information about the competence and qualifications of bidders. Negotiation may take place at this stage with any bidder whose bid has not been rejected concerning any aspect of the bid.

The second phase of the tender shall take place by inviting bidders whose bids have not been rejected to submit final bids inclusive of prices on the basis of one set of the specifications. AT this stage, it is possible to amend any specifications contained in the original documents, provided that all bidders shall be notified of such amendments.

#### **Page 86, Paragraph 4.65**

**Background:** In the same context, a Fintech and Innovation Unit was also established to promote Bahrain's digitalization policies and improve the services offered to customers, as well as a "Regulatory Sandbox" to allow start-ups and fintech firms to access innovative banking and financing solutions. As an example, Bahrain FinTech Bay, a local incubator since 2018, is one of the leading fintech hubs in the Middle East and aims to further the development, interaction, and acceleration of the fintech ecosystem. Bahrain FinTech Bay incubates various fintech initiatives through innovation labs, acceleration programmes, educational opportunities, and collaborative platforms. It serves as a framework where ideas can be tested, refined, and licensed within a controlled environment before being ready for the market. Among the recent developments in digital banking, Bank ABC launched Ila Bank, a mobile-only banking space; National Bank of Bahrain launched the

first open banking services in the Middle East and North Africa (MENA) region; and Bahrain Islamic Bank launched Bahrain's first fully digital bank branch.

**Questions: 8.** Could Bahrain please explain if FinTech bay is a government initiative or is there any private partnership also? Kindly share details of mechanism of assistance, quantum given annually by Bahrain's Government to fintech start-ups and whether it is available to foreign owned start-ups as

Bahrain Fintech Bay (BFB) W.L.L. is a private entity; it started as an initiative from the Economic Development Board (EDB) but ventured out to become its own entity. It is an initiative focused on creating an ecosystem within the space provided. BFB is a co-working space that houses many regulatory sandbox companies and other fintech focused companies, as well as its partners (ranging from banks and other financial institutions to venture capitalist firms and media partners). BFB also hosts a number of accelerator programs, educational programs (partnership with Georgetown University for a Fintech certificate), and publishes ecosystem reports. The Fintech & Innovation Unit (FIU) works closely with BFB in reference to housing sandbox companies (both foreign and domestic). In addition, the FIU also would often assist BFB in specific projects when necessary.

**Page 87 Paragraph 4.67**

**Background:** On financial inclusion, the CBB's strategy aims to: (i) improve women's, SMEs', and young people's access to financial services; (ii) promote the protection of consumers of financial services; (iii) improve and provide financial coverage data and statistics to support policy development; and (iv) promote awareness and financial education. The number of bank accounts within retail banks increased markedly from 1,505,233 in 2013 (with a population of 1,253,191) to 2,108,637 in 2019 (with a population of 1,483,756).

**Questions: 9.** What are the initiatives for improving Women's access to financial services under CBB's strategy? What was the share of accounts opened in the name of a woman during 2013-2019?

The Kingdom of Bahrain takes pride in providing equal opportunities to both genders and ensuring they are represented in various fields. Bahraini women are key players in the Kingdom of Bahrain's development process whose contributions span the full spectrum of public life, including politics, social, economic and financial developments, and more. Bahrain has managed to create an inclusive environment that fosters a balance between genders. Hence, Bahraini women have full access to financial services with no limitations.

**TURKEY****THE SECRETARIAT REPORT****1.2 Recent Economic Developments, 1.2.2 Monetary and exchange rate policy, pg. 15, 1.11.**

It is stated in the Secretariat Report that *"In June 2009, Bahrain, the State of Kuwait, Qatar, and the Kingdom of Saudi Arabia signed an agreement to form a monetary union, the so-called Gulf Monetary Council (GMCO), which is based in Riyadh. The agreement was ratified and entered into force in March 2010. However, the date for adoption of a single currency is yet to be determined. The GMCO's membership is open only to countries of the Gulf Cooperation Council (GCC)."*

**Question:** Although monetary union agreement was signed and ratified, why single currency has not been adopted yet? In addition, could Bahrain kindly provide with information about the expected impacts of the ratified monetary union agreement on the economy?

**Answer:**

The GCC Monetary Union Agreement was approved in June 2009 and entered into force in February 2010, following completion of ratifications procedures and gaining the status of an international treaty. These countries have already made important progress toward economic and financial integration and currency unification. However, important steps lie ahead on the way to establish a common currency, so the GCC countries took a different approach to create the Gulf Monetary Council (GMCO) that continues to work towards adopting a single currency and puts in place a well defined criteria to ensure economic convergence and creating an interlinkage payment system between the countries of the Cooperation Council. The system is currently up and running and work has been commenced with the Kingdom of Saudi Arabia and Bahrain, Kuwait and the United Arab Emirates to commence operations before the end of the year, and Oman and Qatar by mid of 2022. All these steps are significant towards moving closer to the establishment of the single unified currency.

There's no doubt that Bahrain will benefit from the ratification of the Monetary Union agreement. In fact, economic and monetary union is a crucial step in the process of economic integration. The economic benefits of the ratified GCC Monetary Union agreement are plentiful, and there are various channels through which may affect Bahrain economic growth. For instance, integration of the GCC countries will improve competitiveness as barriers to competition will be reduced, and it will increase the efficiency of their financial markets. This in turn will improve productivity and will ensure a stable macroeconomic environment. In addition, the move toward a single GCC currency will save time and costs to residents, merchants and investors as no exchange rates will be applied between the GCC Monetary Union member countries.

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