

# **BAHRAIN**

## **TRADE SUMMARY**

The U.S. goods trade surplus with Bahrain was \$829 million in 2010, up \$625 million from 2009. U.S. exports in 2010 were \$1.2 billion, up 87.2 percent from the previous year. Corresponding U.S. imports from Bahrain were \$420 million, down 9.3 percent. Bahrain is currently the 71st largest export market for U.S. goods.

## **IMPORT POLICIES**

Upon entry into force of the United States-Bahrain Free Trade Agreement (FTA) in August 2006, 100 percent of bilateral trade in consumer and industrial products became duty free immediately. Bahrain will phase out tariffs on the remaining handful of agricultural product lines by 2015. Textiles and apparel trade is duty free, promoting new opportunities for U.S. and Bahraini fiber, yarn, fabric and apparel manufacturing. Generally, to benefit from preferential tariffs under the FTA, textiles and apparel must be made from either U.S. or Bahraini yarn and fabric. The FTA provides a temporary transitional allowance for textiles and apparel that do not meet these requirements, in order to assist U.S. and Bahraini producers in developing and expanding business contacts.

As a member of the Gulf Cooperation Council (GCC), Bahrain applies the GCC common external tariff of five percent for most non-U.S. products, with a limited number of GCC-approved country-specific exceptions. Bahrain's exceptions include alcohol (125 percent) and tobacco (120 percent). Some 438 food and medical items are exempted from customs duties entirely. According to the WTO, Bahrain's simple average applied tariff for non-U.S. products is 8.5 percent for agricultural goods and 4.7 percent for non-agricultural goods.

## **GOVERNMENT PROCUREMENT**

The Tender Board plays an important role in ensuring a transparent bidding process, which the Government of Bahrain regards as vital to attracting foreign investment. In 2002, Bahrain implemented a new government procurement law to ensure transparency and reduce bureaucracy in government tenders and purchases. The law specifies procurements on which international suppliers are allowed to bid. The Tender Board is chaired by a Minister of State who oversees all tenders and purchases with a value of BD 10,000 (\$26,525) or more.

The FTA requires procuring entities in Bahrain to conduct all procurements covered by the FTA in a fair, transparent, and nondiscriminatory manner.

In December 2008, Bahrain became an observer to the WTO Committee on Government Procurement.

## **INTELLECTUAL PROPERTY RIGHTS (IPR) PROTECTION**

In the FTA, Bahrain committed to provide strong IPR protection and enforcement. Bahrain has launched public awareness campaigns that equate IP piracy with theft to combat television satellite cable piracy. In October 2009, the Telecommunication Regulatory Authority (TRA) blocked all the IP addresses used in cable piracy and the Ministry of Industry and Commerce banned the sale of decoding devices.

In order to implement its FTA obligations, Bahrain passed several key pieces of IPR legislation. These

## **FOREIGN TRADE BARRIERS**

laws improve protection and enforcement in the areas of copyrights, trademarks, and patents. Implementing regulations supporting these laws have also been enacted. Bahrain joined the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performances and Phonograms Treaty in December 2005.

As part of the GCC Customs Union, the six Member States are preparing a draft common trademark law, as well as a draft common unfair competition law to protect companies from unfair commercial use of undisclosed information submitted for marketing approval of pharmaceutical products. The United States is engaged in a dialogue with GCC technical experts to help ensure that the trademark law and unfair competition law will facilitate Member States' implementation of international and bilateral obligations.