

BAHRAIN

TRADE SUMMARY

The U.S. goods trade surplus with Bahrain was \$205 million in 2009, down \$86 million from 2008. U.S. exports in 2009 were \$669 million, down 19.4 percent from the previous year. Corresponding U.S. imports from Bahrain were \$464 million, down 14.0 percent. Bahrain is currently the 81st largest export market for U.S. goods.

The stock of U.S. foreign direct investment (FDI) in Bahrain was \$18 million in 2008 (latest data available), down from \$80 million in 2007.

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. 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.

As a member of the Gulf Cooperation Council (GCC), Bahrain applies the GCC common external tariff of 5 percent for most non-U.S. originating products, with a limited number of GCC-approved country-specific exceptions. Bahrain's exceptions include alcohol (125 percent) and tobacco (120 percent). Some 434 food and medical items are exempted from customs duties entirely.

GOVERNMENT PROCUREMENT

Under the FTA, procuring entities in Bahrain are required to conduct procurements covered by the FTA in a fair, transparent, and nondiscriminatory manner.

Bahrain requires foreign suppliers that are awarded a tender to register in accordance with the applicable regulations in Bahrain within 30 days from the date of the award of the tender. In order to be registered in Bahrain, a supplier must obtain a Commercial Registration Certificate from the Ministry of Industry and Commerce which requires that a registrant have a local presence in Bahrain. The United States has asked Bahrain to eliminate this local presence requirement for suppliers of goods or services of the United States in procurement covered by the United States-Bahrain FTA.

Bahrain is not a signatory to the WTO Agreement on Government Procurement, but it became an observer to the WTO Committee on Government Procurement in December 2008.

INTELLECTUAL PROPERTY RIGHTS (IPR) PROTECTION

In the FTA, Bahrain committed to provide strong IPR protection and enforcement. Bahrain passed IPR legislation and regulations to implement these commitments in the areas of copyrights, trademarks, patents, and enforcement, among others.

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