

# **BAHRAIN**

## **TRADE SUMMARY**

U.S. exports in 2013 were \$1.0 billion, down 15.9 percent from the previous year. Corresponding U.S. imports from Bahrain were \$635 million, down 9.4 percent. The U.S. goods trade surplus with Bahrain was \$383 million in 2013, down \$127 million from 2012. Bahrain is currently the 78th largest export market for U.S. goods.

## **The United States-Bahrain Free Trade Agreement**

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 and most agricultural products became duty-free immediately. Bahrain will phase out tariffs on the few remaining agricultural product lines by 2015. Textiles and apparel are duty free, providing 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 10-year transitional period 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.

## **GOVERNMENT PROCUREMENT**

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 the Minister of Housing who oversees all tenders and purchases with a value of BD 10,000 (\$26,525) or more. The Tender Board plays an important role in ensuring a transparent bidding process which Bahrain recognizes is vital to attracting foreign investment. The FTA requires procuring entities in Bahrain to conduct procurements covered by the FTA in a fair, transparent, and nondiscriminatory manner.

The Tender Board awarded tenders worth \$3 billion in 2013, an increase of 53.8 percent over 2012. Bahrain has begun tendering and awarding several major public infrastructure projects including new roads, bridges, public housing, utility upgrades, port upgrades, and the expansion of Bahrain International Airport. In 2011, other Member States of the Gulf Cooperation Council (GCC) announced that they would establish a \$10 billion fund over a 10-year period to promote development in Bahrain. This fund is geared toward infrastructure projects in Bahrain, with donor countries overseeing use of the fund. In 2013, one U.S. company faced prolonged (and to-date unresolved) issues with the tendering process related to a GCC-funded project.

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

## **INTELLECTUAL PROPERTY RIGHTS PROTECTION**

The FTA requires Bahrain to provide strong intellectual property rights (IPR) protection. As part of its FTA obligations, Bahrain passed several key laws to improve protection and enforcement for copyrights, trademarks, and patents. Bahrain's record on IPR protection and enforcement continues to be mixed. Over the past several years, Bahrain has launched several campaigns to combat piracy of cable and satellite television by blocking illegal signals and prohibiting the sale of decoding devices, and has launched several public awareness campaigns regarding IPR piracy. However, the government's efforts

to inspect and seize counterfeit goods from stores have been unsuccessful, and counterfeit consumer goods continue to be sold openly.

As the six Member States of the GCC explore further harmonization of their IPR regimes, the United States will continue to engage with GCC institutions and the Member States and provide technical cooperation on IPR policy and practice.