

INVEST IN BAHRAIN

A DESTINATION FOR LOGISTICS GROWTH

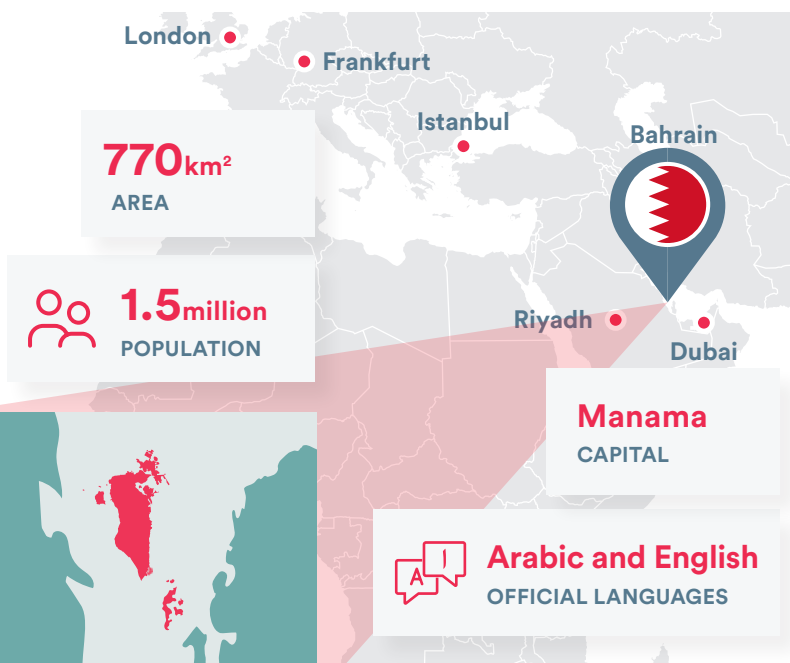
ECONOMIC DIVERSIFICATION & GROWTH

Bahrain was the first nation in the Gulf to shift away from an oil-reliant economy in the late 1960s guided by a strategic decision to focus on national economic growth and diversification to secure a more sustainable future. It has since achieved impressive strides - from 2003 to 2023, Bahrain's nominal GDP grew from USD 11 billion to USD 43 billion marking a CAGR growth rate of 7% — surpassing the global rate of 5%. By working towards developing and attracting investment into non-oil sectors — namely financial services, manufacturing, logistics, information and communication technology (ICT), and tourism - Bahrain also diversified. As of 2023, the financial services sector overtook oil as the highest contributor to real GDP, standing at 17.8% in 2023.

Bahrain continues to heavily invest in the advancement of its infrastructure, prioritising digital transformation and the reskilling of its highly skilled local workforce to bridge the global gap in talent.

By harnessing a curated approach known as **#TeamBahrain**, which champions the private and public sectors working closely together to create an innovative environment for businesses to succeed, Bahrain has successfully fostered a business-friendly investment ecosystem, prioritising the development of a robust, digitally ready economy and consistently pioneering regulatory policies and legislative frameworks.

As a result, Bahrain continues to attract leading players from around the world seeking a value adding location to set up or expand. Bahrain's 2023 FDI stock relative to GDP is well above the global average rate at approximately 99.7% - a testament to the island nation's earned standing as a trusted destination of choice for regional and global investors.



A THRIVING BUSINESS-FRIENDLY ENVIRONMENT

A thriving business-friendly environment, progressive legislation, and highly skilled & future-ready talent pool cement Bahrain's attractiveness as a leading destination for investment, where investors benefit from:

- **A favourable tax climate with 0% corporate and income tax** and no restrictions on repatriation of capital, profits, or dividends
- **Lowest operational costs** in the region¹
- **Strategic geographic location** with efficient access to regional markets
- **World-class logistics infrastructure** empowering global connectivity
- A young, driven, and fully **bi-lingual local workforce**, fluent in both English and Arabic
- Financially liberal legislation, enabling **100% ownership** across most sectors
- **Tailored incentives**, programs and wage subsidies for the local workforce
- A **robust educational base** fosters a knowledge-driven economy through STEM education and ongoing workforce training programs
- **#TeamBahrain's** agility links investors with key decision-makers across public and private sectors, offering unique opportunities



Sources: 1 KPMG's Cost of Doing Business in the GCC Report - Logistics 2021 2 AIRINC's Global 150 Cities Index 2023 3 Heritage Foundation's Index of Economic Freedom 2024 4 The Institute for Management Development's World Talent Ranking 2023 5 World Bank's Logistics Performance Index 2023

VISION & OPPORTUNITY FOR LOGISTICS GROWTH

A DEEP-ROOTED HISTORY & BRIGHT FUTURE AS A LEADING REGIONAL TRADING HUB

Bahrain's logistics sector has been a major asset to the country for years stemming from our roots as a commercial crossroads for more than 4,000 years.

Now bolstered with advanced infrastructural mechanisms and competitive operating costs, Bahrain's logistics sector continues to cement the island nation as a leading regional hub for trade on the world map.

Strategically situated in the heart of the Gulf, Bahrain offers unparalleled access and the shortest transit time between seaport, airport, and industrial zones, allowing for superior freight turnaround times and procedures.

Additionally, as the closest gateway to Saudi Arabia, Bahrain offers the fastest transport routes to market with 75% of Saudi Arabia's economy reachable within just a few hours via the King Fahd Causeway.

With up to 65% lower annual operational costs⁶ compared with other neighbouring countries, the logistics sector has been critical to the growth of Bahrain's economy year-on-year — increasing its contribution to GDP from 6.8% in 2022 to 7.4% in 2023.

Offering duty-free access covering 25 countries that represent 32% of the world's GDP, a highly-skilled workforce and an advanced world-class logistics infrastructure, Bahrain continues to be home to global companies like DHL, FedEx, GAC, UPS, SMSA Express and more.

Bahrain offers value-added opportunities for foreign investment within the logistics services sector as a whole, with specialised focus on the following business lines:



Freight Forwarding



Engineering Hubs



Back & Middle
Office



3PL & Air Cargo

Contact us

Whether you require support on key industry assessments, advisory on processes and requirements, or insight into where to establish a new global headquarters, the Bahrain Economic Development Board supports investors on their journey long after the first point of contact, nurturing long-term partnerships to ensure businesses remain successful. Get in touch to learn more about Bahrain's exceptional investment opportunities.



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Bahrain continues to invest heavily in numerous major infrastructure projects that will further facilitate the development and growth of the sector:

— Bahrain Global Sea-to-Air Hub

The Bahrain Global Sea-to-Air Hub is the fastest regional multi-modal logistics hub that has slashed the time and cost of logistics activities between Khalifa Bin Salman Port (KBSP) and Bahrain International Airport in half (time) and 40% (cost) respectively. The hub's use of cutting-edge technology has streamlined clearance procedures to such an extent that it offers a two-hour end-to-end bonded lead time for containers transiting between the airport and KBSP.

— Bahrain International Airport Express Cargo Village

Situated within the new award-winning airport and securing the global logistics giant FedEx as an anchor tenant, the Express Cargo Village is primed to offer state-of-the-art infrastructure enabling reduced shipping times, increased cargo capacity and operating efficiencies for express cargo and e-commerce companies.

— Planned King Hamad Causeway

Set to become the second bridge linking Saudi Arabia and Bahrain, the King Hamad Causeway will be integrated within the GCC Railway Network — further facilitating regional trade, supporting the growth of local industries, and providing new employment opportunities. Moreover, businesses in Bahrain will benefit from facilitated access to the Middle East and North Africa's largest and rapidly expanding market.

Logistics players can choose from new potential locations to operate from — including but not limited to the new state-of-the-art Bahrain International Airport (BAH) Express Cargo Village and the Bahrain Logistics Zone. The latter's current investors include regional distribution centres, value-added logistics services, third-party services, and freight forwarding operations, with more names choosing Bahrain for its impressive logistical capabilities and advanced facilities.

LOCAL SUCCESS STORIES WITH GLOBAL IMPACT



APM TERMINALS



APM Terminals manages Bahrain's Khalifa Bin Salman Port, one of the most efficient in the region with a 1.1 million TEU container capacity across its 900,000m² area, making it an essential cog in the region's supply chain. In addition, APM Terminals Bahrain is setting a sustainable example, with a solar power project in motion to make the Khalifa Bin Salman Port the first fully solar-powered seaport in the region.