

BAHRAIN

TRADE SUMMARY

The U.S. goods trade surplus with Bahrain was \$508 million in 2012, down \$186 million from 2011. U.S. exports in 2012 were \$1.2 billion, down 0.3 percent from the previous year. Corresponding U.S. imports from Bahrain were \$701 million, up 35.2 percent. Bahrain is currently the 75th 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 BD10,000 (\$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 \$1.38 billion in 2011, an increase of 10 percent over 2010. Bahrain has begun tendering several major public infrastructure projects including new roads, bridges, public housing, utility upgrades, port upgrades, the expansion of Bahrain International Airport, and a five billion dollar, five-year plan to upgrade the country's oil and gas industry to greatly increase production. 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. The fund is geared toward infrastructure projects, with donor countries overseeing its use.

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 United States-Bahrain FTA provides for 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. In 2012, Bahrain joined the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedures, and made progress on drafting the laws necessary to accede to the International Union for the Protection of New Varieties of Plants.

Bahrain's record on IPR protection and enforcement is 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. Bahrain also launched several public awareness campaigns, equating IPR piracy with theft. 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 intellectual property policy and practice.