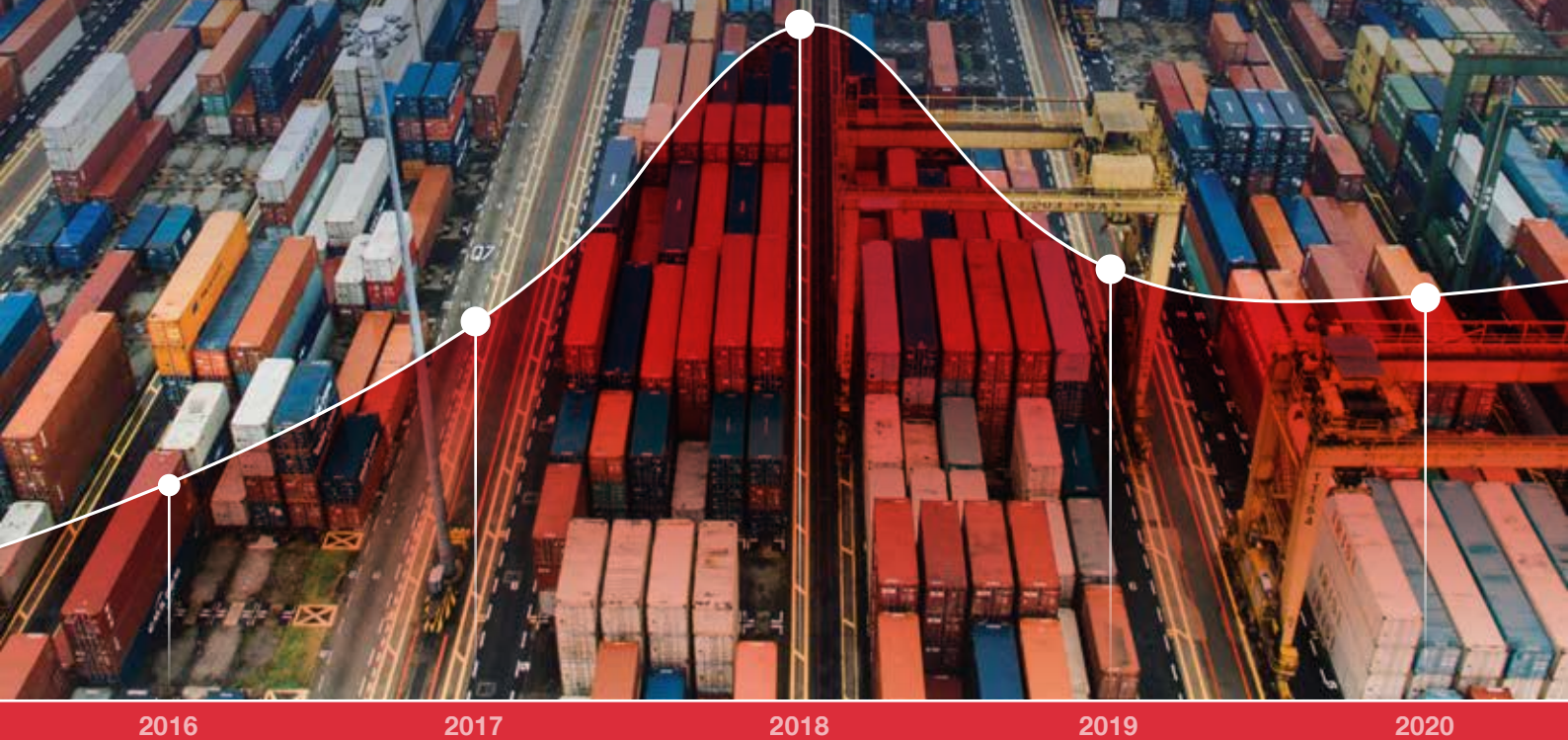


TRADE IN FOCUS



BAHRAIN AND RUSSIA BILATERAL TRADE ACTIVITY

September 2021 | Volume 1 - Issue 1



2020 marked 30 years of diplomatic relations between Bahrain and the Russian Federation. The countries enjoy traditionally friendly ties which include political dialogue at various levels, and trade relations. Under the guidance of its wise leadership, Bahrain has stressed its interest in further strengthening its bilateral relationship and increasing cooperation with the Russian Federation. In September 2016, His Majesty King Hamad bin Isa Al Khalifa, King of Bahrain, made a visit to the Russian Federation, where four agreements were signed in the areas of oil and gas and defence cooperation. Additionally, the Bahraini foreign minister, H.E. Dr. Abdullatif Bin Rashid Al-Zayani has made two trips to Russia since 2020 to address pressing matters and to further bolster ties between the countries. The Bahrain Chamber has also embarked on two trips to Russia since 2019 to enhance business ties between the two countries.

The combined aims of these delegations and endeavours are to utilize the Kingdom of Bahrain as a gateway to access the GCC's \$1.5 trillion dollar market and the wider MENA region. Additionally, the meetings aim to showcase available investment opportunities in both countries, maximise the exchange of business delegations, as well as to build relationships with government officials and sector representatives.

The Russian economy was ranked as the 11th largest economy in the world, reaching around \$1.47 trillion U.S. dollars in 2020¹ (World Bank, 2021). Russia holds the 41st position in terms of trade with Bahrain, and is the world's 14th largest exporter, and the 21st largest importer of goods² (Santander Trade, 2021). Russia also has the largest natural resources in the world. Its main exports are hydrocarbons which account for more than 50% of its total exports, precious metals, iron and steel, solid fuels, precious stones, and wood. Meanwhile, its imports mainly consist of pharmaceuticals, electronics and electrical products, machinery, vehicles, and plastics.

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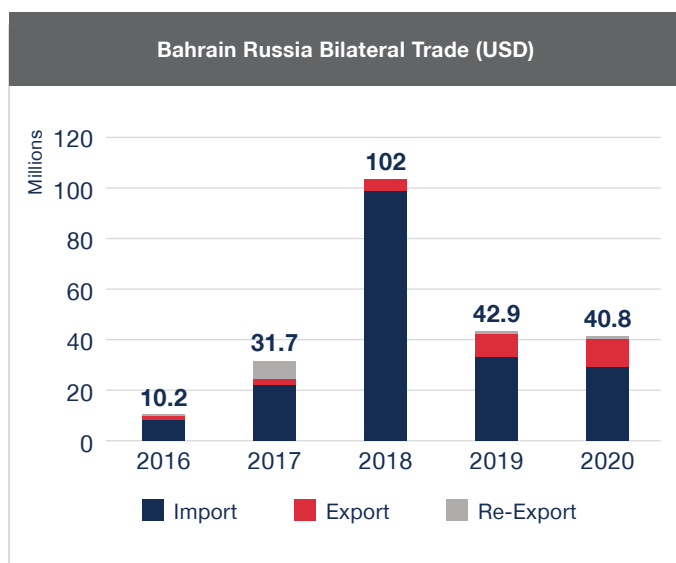


Economic Comparison between Russia and the Kingdom of Bahrain

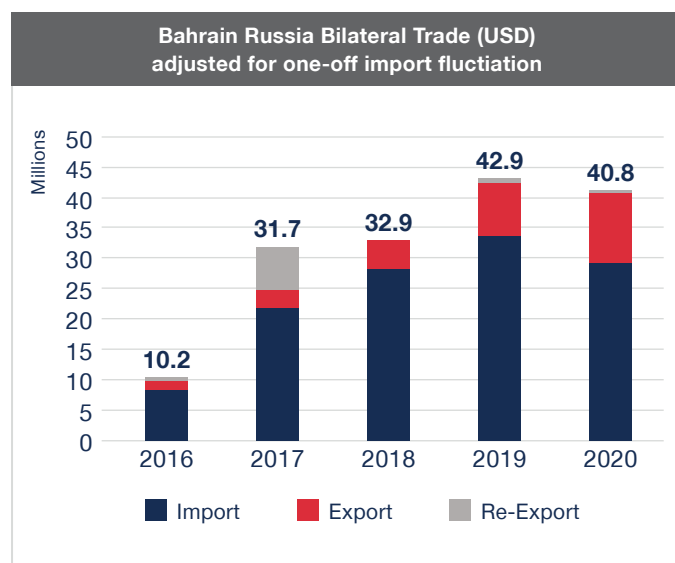
	Bahrain	Russia
General Information		
Population	1,492,584	146,793,744
Area	778.3 square km	17,125,191 square kilometers
Currency exchange Rate (USD)	0.376 BHD	74.46 RUB
GDP and prices		
	(Annual change ratio / USD)	
Real GDP growth	-5.815%	-2.951%
GDP per capita (US\$)	\$24,989	\$ 14,095
The government		
	(Contribution as a proportion of GDP) 2020	
Expenses	36.12%	38.78%
Public Debt	132.88%	19.35%
Import		
	(US\$1 billion)	
Major Import partners	14.3	426.7
Trade Balance	Saudi Arabia, Oman, Malaysia	Germany, France, USA
Import	20.6	247.1
Major Import partners	China, UAE, USA	Germany, Netherlands, China
Trade Balance	-6.2	179.5
Interest		
Interest rate	1%	5.5%
Other economic indicators		
	(USD/1 billion)	
Inflation	-2.3%	3.38%
FDI (US\$1 billion)	\$0.94	\$31.97
Current account	-2.435 (2018)	33.949 (2020)
International rankings		
Credit ratings By Standard & Poor's	B+	BBB-
Economic Freedom Index	40th	92nd
Human Development Index	42nd	52nd



Bahrain-Russia Total Trade Performance:



* Source: Data.gov.bh³



* Source: Data.gov.bh

Trade between Bahrain and Russia grew in 2019 by 30.3% before contracting by -4.8% in 2020

Since 2016, the volume of trade between Bahrain and Russia has steadily been growing and appears to have a sudden growth spike in 2018 followed by a subsequent collapse. The sudden fluctuation in the year of 2018 is related to a single commodity import of roughly 203 million litres of gasoline engine lubricating oil worth around \$70 million dollars. If an adjustment is made to exclude this one-off import, the following chart reflects the steady growth of bilateral trade between Bahrain and Russia more accurately.

Factoring in the one-time commodity import adjustment, trade between Bahrain and Russia grew between 2017 and 2018 by 3.6% and 30.3% respectively before contracting by -4.8% in 2020, most likely due to the impact of the Covid-19 pandemic. The trade volume between Bahrain and Russia in 2020 saw dramatic fall in re-exports by -99.9%, a decline in imports by -4.8%, but a rise of 33.1% in exports⁴ (Data.gov.bh). Overall, both imports and exports between the two countries have shown consistent growth over the past five years apart from imports between the years of 2019 and 2020.

Major Products Traded:

Bahrain Imports from Russia

7 of the top 10 imports from Russia witnessed positive y-o-y growth while 3 contracted

In 2020, Bahrain's major imported products included Anthracite (but not agglomerated), which accounted for 21.2% of the total share of imports for that year, and had an annual growth rate of 4.72% since 2019. The second

prominent import product for the year 2020 was Other Chocolates (in blocks slabs or bars), which accounted for 17.4% of the total share of imports, and had an annual growth rate of 26.5%. The third major import was Other Electrodes, accounting for a 11.4% of the total share, but having a negative annual growth rate of -27.3%.



Bahrain Major Imported Products from Russia			
Commodity	2020 (USD)	% Share	y-o-y growth
Anthracite, but not agglomerated	6,176,021	21.2	4.72%
Other chocolate in blocks, slabs or bars filled	5,076,487	17.4	26.40%
Other Electrodes	3,339,146	11.4	-27.34%
Cathodes and sections of cathodes of refined copper	2,810,881	9.6	-47.87%
Meat of fowls of the species gallus domesticus not cut in pieces, frozen (whole frozen chickens)	1,533,377	5.2	280.22%
Chewing gum, whether or not sugar-coated	1,439,975	4.9	-31.62%
Personal dedorants and antiperspirants	1,037,487	3.5	633.23%
Other Confectionery products (sweetmeats) with cocoa	783,795	2.6	651.92%
Ferro-vanadium	661,913	2.2	29.20%
Safety razor blades	541,489	1.8	45.06%

* Source: Data.gov.bh

Bahrain Exports to Russia:

2 commodities had negative growth while one saw positive growth

In 2020, Bahrain only exported 7 commodity categories to the Russian Federation. The major product exported was Other Anti-Oxidising preparations and other compound stabilisers for rubber or plastics, accounting for 40.2% of the total annual export, and witnessing a -0.8% annual growth rate contraction since 2019. The second major commodity exported was Polyethylene Terephthalate Sheets which accounted for 30% of

the total annual export, and witnessed a 5.1% annual growth rate since 2019. The third major export in the year 2020 was Rectangular Alloyed Aluminium Plates, accounting for 24.8% of the total annual export, and was not exported in 2019. In general, Bahrain has mainly exported Rectangular Alloyed Aluminium Plates and Polyethylene Terephthalate Sheets among other commodities to the Russian Federation across the past 5 years, though the total categories of commodities exported remains comparatively low.

Bahrain Major Exported Products to Russia			
Commodity	2020 (USD)	% Share	y-o-y growth
Other anti-oxidising preparations and other compound stabilisers for rubber or plastics.	4,727,678	40.2	-0.83%
Polyethylene terephthalate sheets, film, etc.	3,878,889	33	5.10%
Rectangular alloyed aluminum plates, over 0.2 mm thick	2,923,454	24.8	N/A
Powders of non-lamellar structure, aluminum	217,020	1.84	-26.79%
Dogs	1,962	0.01	N/A
Other Nonwoven mattresses, etc., of glass fibers	130	0.001	N/A
Other slivers of glass fibres	45	0.0003	N/A

* Source: Data.gov.bh



Potential Opportunities for Trade:

The following tables provide an overview of the top 10 commodities with untapped potential for trade between Bahrain and the Russian Federation according to the International Trade Centre's Export Potential Map which collaborates with Export Bahrain. The ICT trade potential tool calculates the

potential trade gap as “supply × demand (corrected for market access) × bilateral ease of trade. Supply and demand are projected into the future based on GDP and population forecasts, demand elasticities and forward-looking tariffs”⁵ (International Trade Centre, 2021).

Bahrain Untapped Export Potential to the Russian Federation:

Bahrain's top export potential is food preparations and aluminium products

Bahrain Untapped Export Potential to Russia		
Commodity	Actual Export (USD)	Untapped Export Potential (USD)
Food preparations	333.3	702.8K
Wire, of aluminum alloy 7mm	0	660.4K
Aluminium, not alloyed, unwrought	0	433.8K
Organic Surface-active products & preparations, for retail sale	0	393.1K
Sanitary articles	0	389.2K
Depilatories & other toilet/cosmetic preparations	0	324.0K
Jewellery (Gold & Silver)	0	316.2K
Parts & accessories of motor vehicles	13.5k	279.4K
Plates, sheets and film (of Aluminium & Plastic)	0	291.6K
Wire of aluminium non-alloyed	0	275.6K

⁶Source: International Trade Centre, 2021

In terms of untapped export potential to the Russian Federation, the first major commodity with untapped potential are Food Preparations, with an untapped export potential of \$702.8K. The second major commodity with untapped potential is Wire of Aluminium Alloy 7mm with an untapped potential of

\$660.4K. Followed by Unwrought and Non-alloyed Aluminium with an export gap of \$433.8K. Other potential exports are sanitary articles, including paper products such as tissue paper, accessories of motor vehicles such as engine parts or turbines etc.



Bahrain Untapped Import Potential from the Russian Federation:

Bahrain's top import potential from Russia is in wood and metals

Bahrain Untapped Import Potential from Russia		
Commodity	Actual Export (USD)	Untapped Export Potential (USD)
Wood	419.4K	2.3mn
Ferrous metals	623.3K	2.1mn
Metals (except ferrous & precious)	49.7K	2.0mn
Fish & shellfish	0	918.1K
Food products (processed or preserved)	799.4K	723.4K
Motor vehicles & parts	388.9K	404.8K
Wheat	0	725.6K
Aircrafts, spacecrafts & parts	0	657.8K
Paper products	643.2K	391.3K
Chemicals	542.2K	465.7K

⁷Source: International Trade Centre, 2021

In terms of untapped import potential from the Russian Federation, the first major commodity is Wood, with an estimated \$2.3mn gap in terms of import potential. Followed by Ferrous Metals,

with an estimated \$2.1mn gap in terms of import potential. Finally, the third major commodity with an import gap is Metals (Except Ferrous & Precious) with an estimated \$2.0mn gap.



Main Traded Commodities between Bahrain and Russia in 2018

The volume of trade exchange between Bahrain and Russia increased in general, particularly during in the period before pandemic, and recorded the largest increase in 2018, where the volume of trade exchange increased by 224% compared to 2017. This is largely due to Bahrain's import of a large amount of gasoline oils, chocolate and sweets, as well as acids and chemicals.

1. Top Exports



Plastic Products



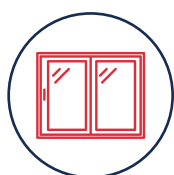
Chemicals



Aluminum Products



Furniture and lighting



Glass



Optical, technical and medical devices



Essential oils and cosmetics



Leather

2. Top Imports



Organic chemicals



Mineral fuels, oils and distillation products



Electrical and electronic equipment



Alcoholic beverages and vinegar



Chocolate



Sweets and sugar



Metal cooking utensils

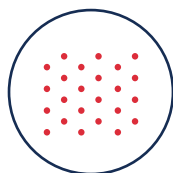


Meat



Main Traded Commodities between Bahrain and Russia in 2019

1. Top Imports



Aluminium powders



Perfumes



Food



Furniture



Measuring,
surveying, and water
sciences tools



Anti-oxidants



Autonomous information
processing machines



Machine parts and
internal devices

2. Top Exports



Chemicals



Sugars, sweets and
frankincense



Paper



Alcoholic
substances



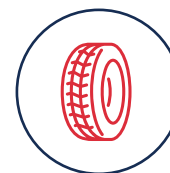
Iron



Glass



Timber



Used tires



Perfumes



Wooden Furniture



Main Traded Commodities between Bahrain and Russia in 2020

1. Top Imports



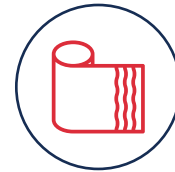
Chemicals



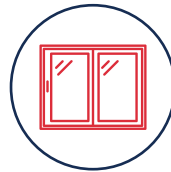
Aluminium



(Pets (dogs



Fabrics



Glass

2. Top Exports



Disinfectants



Sugars and sweets



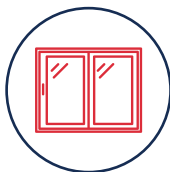
Chemicals



Perfumes



Alcoholic
substances



Glass



Iron pipes and tubes



Paper



Timber



Used tires



Bahrain-Russia Cooperation to Enhance Food Security

Export of Russian Crops 2020:

Russia's top grain exports are wheat, barley and corn

Commodity	thousand tons	USD Million	price (USD) per ton
Grain exports, total	48,863.8	10,155.3	207.8
Wheat	38,627.8	8,226.9	213.0
Barley	6,035.8	1,092.1	180.9
Corn	3,837.9	705.1	183.7
Rice	148.3	69.0	465.0
Buckwheat, millet, other cereals	105.0	41.4	394.2
Oats	79.3	15.1	190.1
Sorghum	18.0	4.0	223.5
Rye	11.8	1.8	151.4

* Source: Federal Customs Service of Russia

Russia is a major grains exporter to Middle Eastern and African countries. In 2020, Russia exported 48 million tons of grains, valued at \$10.2bn US dollars, to countries in the Middle East and Africa. The most exported grain was wheat (38.6mn tons), followed by barley (6mn tons), corn (3.8mn tons) and rice (148K) tons.

Russian Exports to MENA Countries in 2020: Russia's top grain export partners are Turkey, Egypt, and Saudi Arabia

Country / group of countries	thousand tons	USD Million	price (USD) per ton
Grain exports, total	48,863.8	10,155.3	207.8
Countries of the Middle East	25,658.5	5,378.3	209.6
Turkey	9,048.6	1,913.1	211.4
Egypt	8,258.9	1,797.6	217.7
Saudi Arabia	3,058.4	568.3	185.8
Sudan	1,333.4	282.9	212.2
Yemen	796.1	174.3	219.0
UAE	818.9	172.4	210.5
Jordan	722.0	144.6	200.3
Israel	680.2	134.1	197.2
Oman	484.8	99.3	204.9
Lebanon	175.0	37.7	215.7
Kuwait	166.4	29.9	179.9
Qatar	82.0	17.2	209.3
Cyprus	31.5	6.2	196.6
Iraq	2.2	0.5	238.3
Bahrain	0.1	0.0	335.3
African countries	16,822.1	3,598.2	213.9
Egypt	8,258.9	1,797.6	217.7
Sudan	1,333.4	282.9	212.2
Nigeria	998.1	207.2	207.6
Tanzania	700.9	154.9	221.0
Kenya	602.1	125.5	208.4

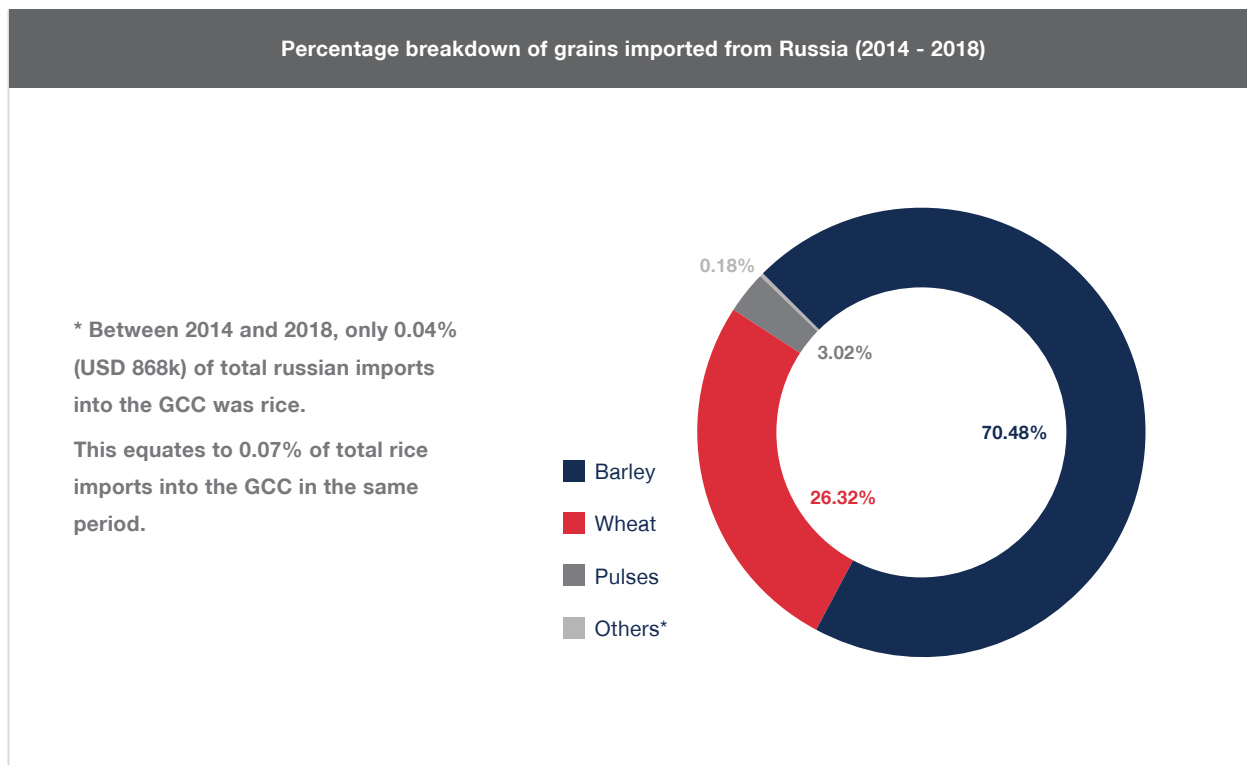
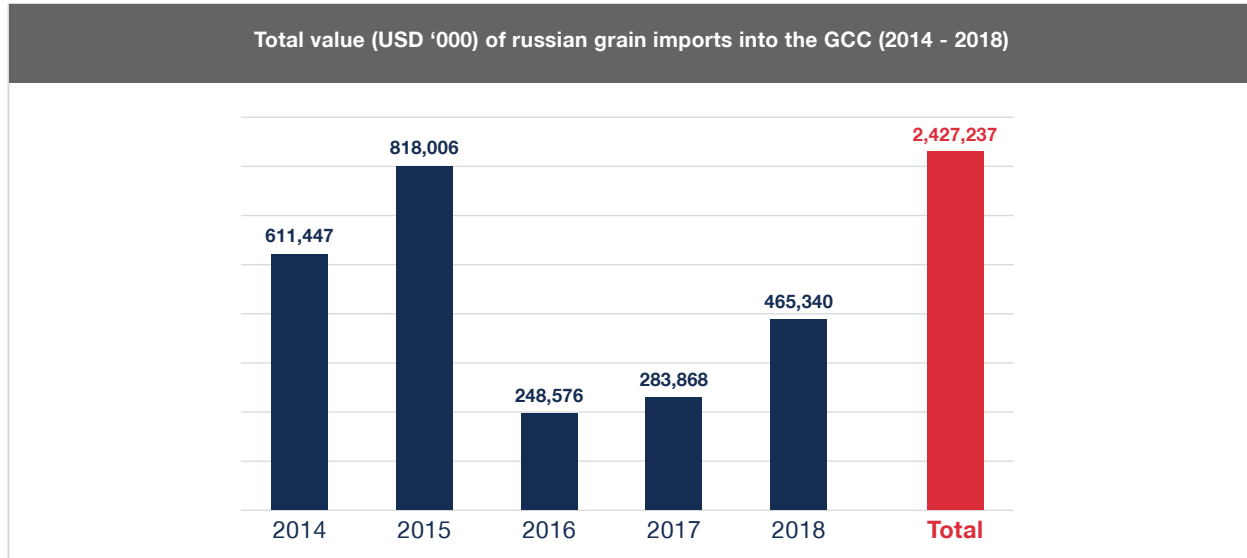
* Source: Federal Customs Service of Russia

Turkey is the largest importer of Russian grains with import value of \$1.9bn dollars, followed by Egypt (\$1.7bn dollars). Saudi Arabia is the third largest importer of Russian grains with an import value of \$568mn dollars. Meanwhile, Bahrain imported around one thousand tons of Russian Grains with an import value of 335.3 thousand dollars.



Breakdown of GCC Grain Imports from Russia (2014 – 2018)

Russia is a reliable grain export partner in the GCC region



Of the USD32 billion imported into the GCC, 7 percent (approximately USD2.4 billion), is imported from Russia. Russia is high value exporter (top 10) to all GCC countries apart from Bahrain. The most imported grain into the GCC between the years of 2014 – 2018 was Barley, accounting for 70.48% of total imports, followed by Wheat, accounting for 26.32%.



Promising Sectors for Investment:

Passenger Vehicles Leasing: Market trends indicate growth in car leasing industry as Rubble fluctuations discourage car ownership

The Russian car market is currently undergoing several developments that would ultimately lead to changes in consumption. Firstly, key players in the Russian car market have made a push for car sales to be moved into the digital realm⁸ (PWC, 2020). This means that the car purchasing process would streamline consumers into finalizing their purchases and cuts out many of the steps that slow down sales. This streamlining process will allow the Russian market to be optimised through data driven analytics to better serve key customer bases and optimise costs. Secondly, despite a decline in passenger car sales in the years of 2019-2020 due to economic circumstances, the Russian car leasing market is currently projected to grow by 20% by 2025⁹ (KPMG, 2021). This is largely due to rising passenger car prices in the Russia due to economic factors and currency fluctuations which make leasing a much more attractive option. These developments combined make the car market an attractive opportunity for investment in Russia.

Chemical Product Manufacturing:

The Russian Government offers the Chemical industry multiple funding opportunities

The chemical product manufacturing sector is another promising investment opportunity. The chemical production sector (excluding pharmaceuticals) grew in volume by over 7% in comparison to the 2019¹⁰ (Statista, 2021). The growth rate recorded was higher than in 2019 which was around 3.4%. The main industry drivers for this sector in Russia

The chemical product manufacturing sector is another promising investment opportunity. The chemical production sector (excluding pharmaceuticals) grew in volume by over 7% in comparison to the 2019¹⁰ (Statista, 2021). The growth rate recorded was higher than in 2019 which was around 3.4%. The main industry drivers for this sector in Russia is transparent and stable regulatory and economic policies, lower administrative barriers, and generally lower geopolitical risks. Meanwhile, the top 3 barriers for the industry are insufficient domestic demand, corruption, and imperfection of government regulation of the industry (Deloitte, 2018). However, the main development strategies for this sector are centred around developing new products, expansion into new markets, reduction of costs within the Russian Federation, and expansion of manufacturing facilities followed by organic growth (Deloitte, 2018). All of these considered, the Russian chemical production industry remains a strong contender for investment due to strong government funding of this industry, followed by tax incentives, infrastructure investment, and higher education investment for research and development (Deloitte, 2018).



Pharmaceuticals, Biotechnology & Medical

Research: Bahrain pursues investment opportunities through Covid-19 vaccine production

The pharmaceutical and biotechnology sector is also a promising sector for investment. In 2019, the Russian pharmaceutical market grew by 3% from 26.7bn USD to 27.6bn USD (Deloitte, 2020). However, despite the 10.6% year-on-year growth in Ruble value between January and September of 2020, the dollar equivalent remained low at 17.8bn USD compared to 2019 (Deloitte, 2020). This largely showcases one of the risks for investors eyeing the Russian market, as currency fluctuations due to geopolitical developments require caution. Despite the risk, the Russian pharmaceutical and biotech industry is expected to continue growing through the next 5 years by 3-6% (Deloitte, 2020)¹¹. The Kingdom of Bahrain through Mumtalakat has recently struck a deal with the Russian Direct Investment Fund and Binnopharm group to produce the Sputnik V Covid-19 vaccine for the Gulf and MENA market. The decision showcases the resolve of the Bahraini Government to increase cooperation with Russia in this industry.

Artificial Intelligence: Increased Investment in AI across all sectors in Russia

Russia has been increased its investment in artificial intelligence in recent years. According the International Data Corporation, the volume of the Russian artificial intelligence market exceeded 290 million US dollars in 2020 (IDC, 2021)¹². Spending on artificial intelligence solutions in commercial and government organizations increased by 22.4% in 2020 compared to 2019 (IDC, 2021). Russia has developed various national policies to enhance

its artificial intelligence industry, including the National Strategy for the Development of Artificial Intelligence. This is part of the government's efforts to develop the advanced robotics field and catch up with pioneering countries such as China and the USA (Nocetti, 2020)¹³. One of the main sectors integrating AI is Russian defense, particularly in modernizing its equipment and the operational art of its armed forces. The financial sector has introduced technologies for analysis and investigation of fraud, as well as automated analysis and threat prevention. Furthermore, the manufacturing sector utilizes AI for automated preventive maintenance and quality management. Due to the increasing integration of AI in various economic sectors, the Russian AI industry provides promising investment opportunities for Bahraini investors.

Halal Food Industry: a growing market with export potential

Russia is home to a 20 million strong Muslim community, with 2 million living in Moscow alone. In 2014, the Halal Food market was valued in excess of 35mn USD¹⁴ (WorldFood.ru, 2021). Halal meats are the primary driver in the Halal Food market, which is projected to grow by 15-20% per year until 2026 (WorldFood.ru, 2021). 1.3mn tons of Halal meat is produced annually in Russia. The Russian Halal Food industry is a promising sector for investment due to the Rubble's weakness, making it cheaper and allowing Russian exporters to capture larger market shares in the Middle East and North Africa. Russia exports of poultry to the Arab Muslim world were expected to reach 20'000 tons per year moving past 2017. One particular producer in Tatarstan had received around 50mn USD in investment funds, showcasing the promise of this sector for investors.



Advantages of Foreign Investment in Russia

Advantages of Foreign Investment in Russia

Many investors believe that there are untapped investment advantages in Russia, including:

- Strong economy with abundant natural resources, such as oil, gas and metals.
- Stable political environment.
- Skilled labor force and average wages that investors can pay, and ability of this labor force to undertake manufacturing activities.
- Low public debt.
- Convenient foreign exchange reserves.

Government Actions to Increase Foreign Investment:

- The Russian Direct Investment Fund was created to facilitate foreign direct investment in Russia.
- The government prefers to improve the public investment climate through tax cuts and economic reforms.
- Foreign ownership is subject to licensing in many sectors, particularly in companies that deal with raw materials, heavy industry and aerospace.

Incentives in the Russian Federation include:

- Regional incentives that are granted at the regional and local levels, such as exemptions from real estate taxes, land and transport taxes, customs duties, import VAT and corporate income tax.
- Special economic zones that have special tax systems (exemption from land and property taxes, exemption from customs duties and VAT and reduced corporate income tax).
- Incentives related to companies that operate in certain sectors, such as information technology and research.



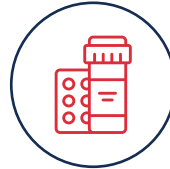
Promising Sectors for Investment in Russia



Cars and car parts



Chemicals



**Pharmaceuticals,
Biotechnology &
medical research**



**Innovations and
technology**



**Transportation
Industry**



**Hotels &
Entertainment
Services**



**Agriculture and food
industry**



Oil and gas industry



Real estate



Infrastructure



Metals and mining



**Wood processing
industry**



Entrepreneurship and investment opportunities in Russia:

1. Tax Incentives:



- Income tax rates and corporate profits are competitive in Russia. There is a 15% tax on income exceeding 5 million rubles and a 20% corporate income tax.

2. Abundance of Natural Resources:



- Russia has a wealth of natural resources, as it is the second largest producer of petroleum in the world. It is also a major producer and exporter of diamond, nickel and platinum.
- Russia also has nearly a third of the world's natural gas reserves, which are mostly concentrated in 20 large fields and contribute to a quarter of the world's natural gas market.
- Russia is a major producer and exporter of metals, gold and all kinds of fuel. It also has the largest timber resources in the world, which represents 25% of the world's total timber resources.
- Despite the existence of abundant natural resources that include large deposits of oil, natural gas, coal and many strategic minerals and wood, there are obstacles that may hinder the full utilization of Russia's natural resources, including climate, terrain and distance.



3. Agriculture:



- Russia is the largest country in the world, with approximately 1,282,500 square kilometers of arable land. Oil and natural gas exports are the main driver of the Russian economy, but the agriculture sector is also important and accounts for about 7.4% of Russia's GDP.
- In 2017, Russia surpassed the United States to become the largest exporter of wheat in the world. Organic agricultural lands in Russia grew by 3.673% from 2009 to 2018.
- The Volga region of Tatarstan is expected to become the largest geographic area for grain cultivation by 2024.

4. Developed Industrial Sector:



- Russia has most of the Soviet Union's industrial bases, and the most developed industrial sectors are chemicals, mining, mechanical construction and defense.
- The industrial sector in Russia largely features production in heavy industries such as energy and metals, machinery and metalworking and chemicals.
- Main industrial sectors: the mining and extractive industry that includes the production of coal, oil and gas, chemicals and metals. The machinery industry, including rolling mills and high-end aircrafts and spacecrafts. The defense industry, including radars, the production of missiles and advanced electronics. Russia is also specialized in shipbuilding and land transportation equipment and railways, communication equipment, agricultural machinery, tractors, and construction equipment, electrical power generation and transmission equipment, medical and scientific equipment, textiles, foodstuffs and handicrafts.



5. Advanced Commercial Infrastructure:

- The Russian banking sector has witnessed a rapid development in recent years. In the past years, major Russian banks have tried to re-establish themselves as international banks. Currently, Russian banks only offer only a limited range of commercial and retail products compared to what is available in the European Union and the United States, but it is expected that new financial products will be introduced to the market.
- The Russian information technology market is one of the fastest growing in the world in terms of equipment, programs and services. Devices are the most prominent part of the Russian market, and software and information technology services constitute 18% of total spending in the information technology sector.



6. Access to the Eurasian Market:

- Russia is a member of the Eurasian Economic Union, which is a free trade region which is made up of Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia.
- **Eurasian Union:** is an economic union that represents the states which are located in central and north Asia, as well as Eastern Europe. The region is considered a joint market which brings together 182 million consumers and domestic producers exceeding \$1.9 trillion dollars. Trade between the member countries reaches around \$750 billion dollars annually.
- Investment opportunities in Russia imply access to the Eurasian market, which also has free trade agreements with Iran, Israel, Serbia, Singapore and Vietnam, in addition to a many more countries in Africa and Asia, as well as India.
- As an example, the amount of investment and trade between Russia and Vietnam has grown from 0 to \$10 Billion dollars as a result of the free trade agreement between the countries and the European Union.



7. High-tech Emerging Economy:

- Russia has invested large sums in emerging technologies and is working to launch a 5G network to significantly increase digital capacity. Russia is a major player in developing major trading technologies such as block-chain and is expected to introduce a digital form of its currency by 2022.
- Russia is a pioneer in the field of driverless electric cars.



Trade between Bahrain and the Russian Federation has witnessed steady growth across the past 5 years, with the exception for the contraction of imports in the year 2020, which could be attributed to the impact of the Covid-19 pandemic. The Bahraini Government has been working to further enhance its cooperation with Russia in various fields including the pharmaceutical sector through the signing of a deal to produce the Sputnik V Covid-19 vaccine for supplying the GCC and MENA region. Further, negotiations are ongoing to increase cooperation in the field of food security through grain imports which Russia has shown itself to be a reliable partner.

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