



Potential Avenues of Trade & Investment between Bangladesh & Bahrain



Trade and Investment

Bilateral Trade

Bangladesh and Bahrain are continuing to maintain a good trade relationship, but there is a huge potential for expansion, especially if the process to obtain necessary visas is eased considerably for Bangladeshi nationals.

- Bangladesh mainly exports goods such as clothing and other fabrics, frozen food, agricultural products, chemical products, jute goods, ceramics, and melamine to Bahrain.
- Bahrain's exports to Bangladesh include petrochemical products, aluminium, copper wires, metalware, unbleached woven cotton fabrics, scraps of paper and paperboard, bituminous mixtures based on natural asphalt, and asphalt in rolls.

Most notably, two agreements were signed in 2015 to further facilitate bilateral trading and investment between both the countries:

- Agreement on Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
- Agreement on Promotion and Reciprocal Protection of Investments

The two-way trade between the two countries is not up to the expectation, but there is a huge potential for Bangladesh to make a niche in the Bahraini market. The balance of trade has primarily been in favour of Bahrain over the past few years, but it is expected that the size of exchange will reach approximately 60 million US dollars within the next 5-10 years.

The table below represents a modest exchange between the two countries, but there is a clear opportunity for Bangladesh to establish a much stronger foothold in the Bahraini market by identifying market demands and leveraging the trade agreements that were signed in 2015.

Import-Export and Balance of Trade between Bangladesh and Bahrain

FY	Import from Bahrain	Export to Bahrain	Balance of Trade
2017-18	22.5	7.0	-15.5
2018-19	13.9	7.7	-6.2
2019-20	23.8	9.3	-14.5
2020-21	~25.0	~7.0	-18.0
2021-22	~30.0	~7.0	-23.0
2022-23	~30.0	~10.0	-20.0

Source: Bangladesh Bank

(all values are in Million USD)

It was expected that the signing of the two previously mentioned agreements would positively contribute towards enhancing trade and economic relations between the two nations, but alas, not much efforts have been made from either side to utilise these agreements.

Having two-way trade missions, frequent visits of business delegations, and enhancing product competitiveness will also positively contribute towards enhancing trade and economic relations between both countries.

As the Kingdom of Bahrain imports virtually all its needs, there is considerable potential for Bangladesh to expand its export to the Bahraini market. Our growing ICT industry as well as our world-class pharmaceutical and leather products also have the potential to thrive in the Bahraini market.

The Embassy is continuing to promote Bangladesh as a promising trading and investment destination for foreign investors, but its efforts can only be fruitfully achieved with the aid of G2G and B2B collaborations. Re-opening visas for Bangladeshi nationals would certainly also boost the economies of both countries.

Potential Sectors of Bilateral Investments

Manufacturing Sector

- Ready-Made Garments

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) may encourage their members to set up RMG factories in the Kingdom of Bahrain. Moreover, it may be cost-effective to consider importing ready-made garments directly from Bangladesh at a lower mark-up instead of having it imported via UAE or other neighbouring countries.

- Other Industries (to consider)

Bangladeshi entrepreneurs may explore opportunities in packaging industry, logistics supply chain industry, plastic and chemicals industry, solar power plant accessories plant, light engineering industry, cables and bicycles, electronics by Walton, footwear by BMTF and Shena Kalyan Shangstha, glass industry by PHP, BCIC engagement for DFP and urea-based fertilisers, and BSEC for transformers and electrical wires.

- Shipbuilding and Repairing

Since Bahrain is a coastal country, they have a focus on shipbuilding and repairing industry. Therefore, our Bangladeshi counterparts may consider collaborating with their Bahraini counterparts.

Pharmaceuticals Sector

The Embassy is working to promote pharmaceutical sector in the Bahraini market through setting up a state-of-the-art pharmaceutical industry in Bahrain by one of our well-reputed pharmaceutical companies as full ownership by a Bangladeshi company or a joint venture Company with Bahraini firms. In the meantime, our Everest Pharmaceuticals, who are already exporting to over 30 countries worldwide, are interested in investing in the Bahraini market.

ICT Sector

Bangladesh has been recently doing well in ICT, innovation, AI, and robotics. As both the Government of Bahrain and its businesses are also delivering e-services to their residents with new technologies and ideas, Bangladesh may explore opportunities in this sector, notably:

1. e-Government cooperation;
2. Promoting AI, Robotics, and IoTs;
3. Cooperation on ICT between Bangladesh and Bahrain;
4. Collaboration in 'Smart City' concept development.

Health care, medicine, and allied health services

Bangladesh and Bahrain may consider cooperation in health care, manufacturing medicines, allied health services, and nursing. Bangladesh may explore opportunities in other allied health services sector as well as nursing training and medical technologist. With the collaboration of Bahrain, a state-of-the-art nursing institute could be established in Bangladesh with the capacity to train up to 200 BSc nurses at a time.

Energy, Oil & Gas, and Marine resources sector collaboration.

Bahrain being in the Arabian Gulf, with rich oil, gas and other marine resources, Bangladesh may explore opportunities to develop cooperation in these areas. Energy Division and Maritime Affairs Unit of the Ministry of Foreign Affairs may further examine specific areas in this marine resources' cooperation with the Kingdom of Bahrain. PetroBangla and Bangladesh Petroleum Corporation can collaborate for importing oil and petrochemical products with their Bahraini counterparts such as National Oil and gas Authority (NOGA) as well as Bahraini investment in Bangladesh in this sector.

G2G and B2B cooperation in entertainment, art exhibition and sports events.

Bahrain is very vibrant in art and culture, throughout the year many cultural events and art exposition held here. Bangladesh may consider sending cultural troupes to attend any scheduled programme or solo event organised by the Embassy. Since there is already a signed cultural cooperation agreement between two countries, it would be easier to organise cultural activities both here in Bahrain as well as visits of cultural troupes from Bahrain to Bangladesh.