

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCIS, Kolkata.

India-Bahrain Bilateral relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report depicting the Embassy of Bahrain.
2. India and Bahrain enjoy excellent bilateral relations characterized by cordial political, economic, cultural and people to people contacts. Bahrain has genuine warmth towards India and this comes out in the interactions. Bahrain is keen on seeking greater economic engagement with India as Bahrain recognizes the importance and potential of the growing Indian economy and its Look East Policy in recent times has India as a major pivot. Presence of close to 340,000 Indian nationals who comprise nearly a quarter of the total population of 1.5 million in Bahrain is an important anchor of our bilateral relations.
3. Our bilateral trade and commercial exchanges go back about 5,000 years, tracing their origins to the period of Dilmun Civilization in Bahrain & Indus valley civilization. Ancient Bahraini traders are believed to have carried out flourishing trade of Bahraini pearls with spices from India with many of Bahrain's prominent figures having had close Indian connections. When Bahrain was a British protectorate, Indian Rupee was a legal tender in the country.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

4. There has been growth in economic and commercial relations between India and Bahrain in recent years, these relations received fresh impetus from the oil boom of the early seventies. Oil exports from Bahrain and relative prosperity and higher standard of living in Bahrain boosted its share in global trade of goods and services, including to/from India. Bahrain Government's policy of industrial diversification also played an important role in enhancing economic cooperation between India and Bahrain. Bilateral trade in 2023-24 has reached USD 1.7 billion. India is among the top five trading partners of Bahrain. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

(US Dollar million)

Year	2019-20	2020-21	2021-22	2022-23	2023-24
India's Export	559.09	528.25	899.90	965.25	909.42
India's Import	421.50	547.49	753.29	1014.50	829.44
Total	980.59	1075.74	1653.19	1979.75	1738.86

(Source: Ministry of Commerce & Industry, GoI)

5. **Major items of exports to Bahrain are:** Agri products (Rice, boneless meat, shrimp, sugar, fresh fruits and vegetables), machinery & engineering goods, medicaments (recent addition), jewellery, polymers, private cars, ships, boats and floating structures.

6. **Major items for imports from Bahrain are:** urea, methanol, mineral fuel, mineral oils & products, iron ore, aluminum, copper and bridge sections.

Indian investment in Bahrain

7. Bilateral investments have increased from both directions in the recent time. As per the data of Economic Development Board of Bahrain, India is the 6th largest investor in Bahrain. Cumulative Indian investment in Bahrain has reached approx. \$1.5 billion increasing by more than 35% since 2019. Financial services accounts for the highest investment value. Other important areas of investment are real estate, hospitality, health, IT and education. 38 Indian commercial agencies, 32 branches of prominent Indian companies and more than 7500 Indian owned/India Joint Venture companies registered in Bahrain as on October 2020.

Bahraini investment in India

8. Bahrain's investments into India have also shown increasing trend recently. As per DIPP statistics, total cumulative investment from Bahrain to India from is about USD 185 million (in December 2013, it was only at USD 31.55 million). The main sectors of Bahrain's investment into India are real estate, information technology and engineering.

C. Other Major Areas of Cooperation :

➤ **In addition to the developments mentioned above,** India and Bahrain have signed multiple Agreements/MoUs covering areas such as Education, Environment, Industrial research, Development & Innovation, Cultural exchange programme, Civil Aviation, Space research, Mutual Legal Assistance in Criminal Matters, Cooperation in International Solar Alliance etc.

➤ H.E. Minister of Youth and Sport Affairs of Bahrain held two virtual meetings with H.E. Minister of Youth Affairs and Sports of India on 16 September 2021; and with H.E. Minister of Education and Skill Development and Entrepreneurship of India on 23 December 2021. Both sides agreed to increase cooperation in the field of sports and youth exchanges and cooperation in the field of training/internship, start-ups and up-skilling and re-skilling. A 3-member youth represented Bahrain as a guest country in the Y-20 Summit held in Varanasi from 17-20 August 2023.

➤ **International Solar Alliance (ISA):** Bahrain joined ISA as its 86th Member on March 2022 as it deposited the Instrument of Accession on the sidelines of the 5th Foreign Office of Consultations held in New Delhi on 28 March 2022.

➤ **Combined Maritime Forces (CMF):** India joined CMF as Associate Partner in July 2022 and as a full member in 2023, which was announced in the Joint Statement of fifth Annual India - US 2+2 Ministerial Dialogue on 10 November 2023.

- The Indian community in Bahrain is the largest expat community in Bahrain. The presence of a large Indian expatriate workforce at all levels from unskilled to professionals continues to remain an important anchor of India-Bahrain bilateral relations.
- A number of prominent Bahrainis had studied in India in the past. Bahrain also has eight Indian schools with around twenty-two thousand students. Both sides are now working to further intensify cooperation in the field of Education.
- PM held a telephonic conversation with His Majesty King Hamad bin Isa Al Khalifa on 6 April 2020. PM also spoke to His Royal Highness Prince Salman bin Hamad bin Isa Al Khalifa, Crown Prince and Prime Minister of Bahrain on 1 February 2022.
- PM met Minister of Foreign Affairs of Bahrain, H.E. Dr. Abdullatif bin Rashid Al Zayani on sidelines of the 15th BRICS Summit in Johannesburg on 23 August 2023 and conveyed the greetings of His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad bin Isa Al Khalifa, Crown Prince and Prime Minister of Bahrain on the successful landing of Chandrayaan-3.

Source: www.mea.gov.in