



Bahrain Food Industry

Bahrain Food Industry - Outlook

Contribution to Bahrain's Economy

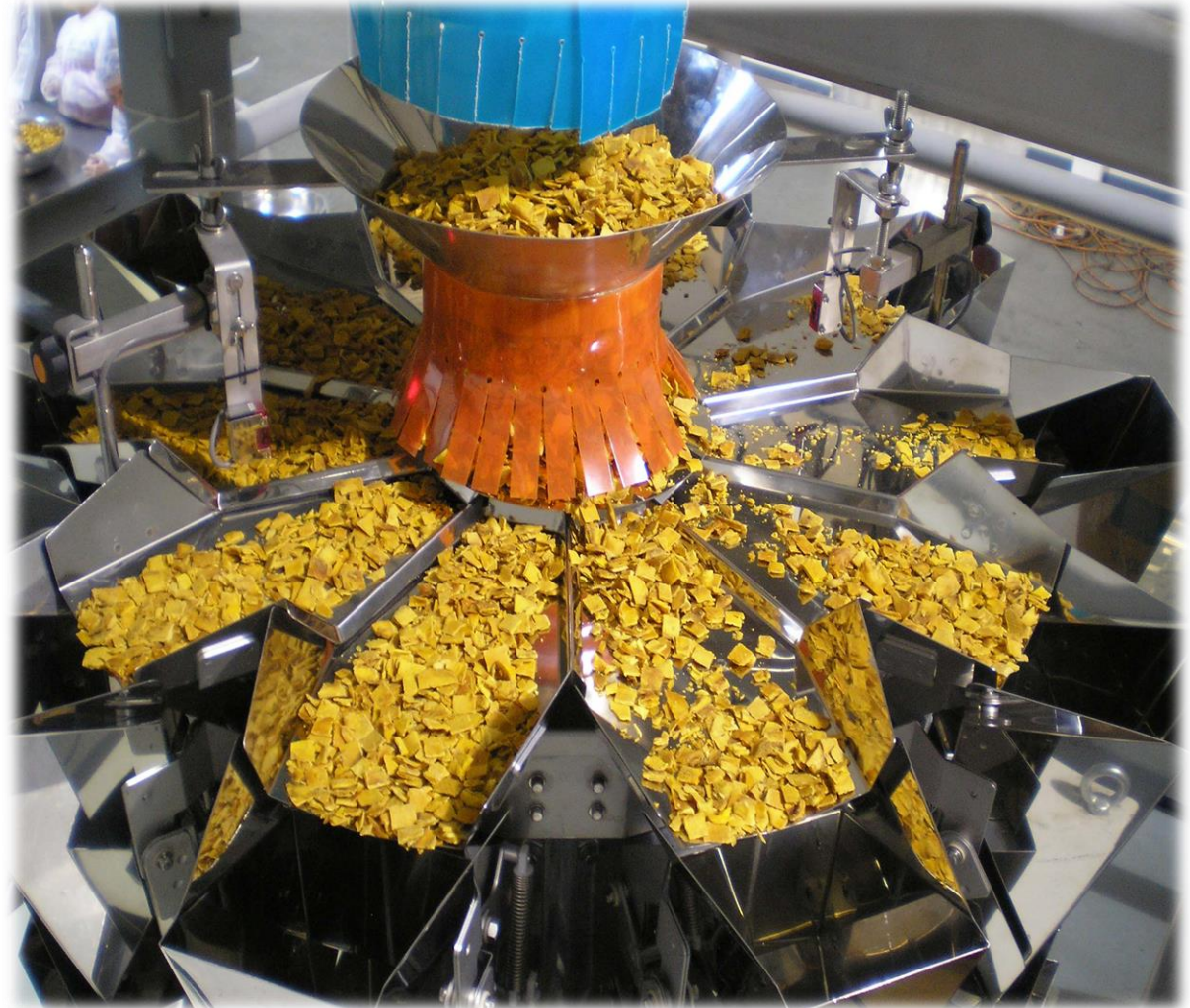
- 150,000 Units Produced in 2015.
- 0.4% of the Bahrain's GDP
- 2,582 People employed (2014).
- \$8.48 million: Total Value of food processing market in Bahrain

Global Position

- Bahrain is ranked 3rd in the global Islamic economy indicator, for food industries and food serving.

Industry Outlook

Bahrain is increasingly being identified as a base for food manufacturing facilities to supply the Gulf and wider Middle East and North Africa region. The food processing sector of Bahrain contributed to 0.4% of the country's GDP in the 2015. The major countries where Bahrain exported its food products in 2015 were Saudi Arabia, Iraq, United Arab Emirates, Qatar, Kuwait, Bangladesh. This sector has been driven by generous subsidies, especially on three products that are considered strategic: red meat, flour and poultry products.



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Trade Data

Exports

USD 185 Million (2015)

Imports

USD 661 Million (2015)

Top Export Destinations

- Saudi Arabia
- Iraq
- United Arab Emirates
- Qatar

Major Companies in Bahrain

1. Trafco
2. Bahrain Flour Mills
3. Arabian Sugar Factory
4. Mondelēz
5. BMMI
6. Awal Dairy
7. Delmon Poultry
8. Ahmadi Dairy
9. Shell Fisheries



Key Growth Drivers of the Industry

Urban lifestyles have raised the standard of living of individuals, shifting the diet preference towards protein enriched as well as packaged and fast foods. Modern retail formats of hypermarkets and supermarkets are gaining popularity among busy consumers in the GCC and cater to diverse tastes and preferences through the wide array of food products and brands. International tourist arrivals in the GCC region are expected to show an annual average growth of 7.8% between 2014 and 2024, adding to the demand for food. Bahrain allows duty-free access for manufactured goods to many world markets via Free Trade Agreements (FTAs).

Bahrain Food Industry - Incentives

Incentives for Manufacturing

The Government of Bahrain has a liberal approach towards foreign investment. As part of its program to diversify the economy, the Government of Bahrain actively encourages foreign private investment, especially in sectors which are export-oriented and do not compete directly with established local enterprises. Bahrain offers a host of incentives for the foreign investors, the principal incentives can be enumerated as follows:

- Zero taxation for private companies, few indirect taxes for private enterprises and individuals, and free repatriation of capital. Bahrain is the only country in the region offering 100% foreign ownership of business assets and real estate in most sectors.
- Numerous food items are entirely exempt from customs duty. This includes: Vegetables, fruits, fresh and frozen fish, meat, etc.
- When exporting goods from Bahrain, no customs duties are levied on exports.
- No VAT or any form of sales tax on goods or service.
- Duty-free access to GCC member states for products manufactured in Bahrain.
- Duty-free import of materials and machinery for manufacturing and duty free merchandise for re-export.



Bahrain Food Industry – Supply Chain

Local Manufacturing

Mondelez: It is the world's second largest food and beverage company and produces 60,000 tonnes of Kraft cheese and Tang products annually in Bahrain of which 60% goes to Saudi Arabia.

Awal Dairy: It is one of Bahrain's leading food and drink manufacturers. The company produces fresh and long-life milk and juices, soft drinks, tomato paste, and ice cream.

Bahrain Flour Mill: The company has a milling capacity of approximately 120,000 tonnes of flour per annum.

Arabian Sugar Company: The company produces European Quality of Sugar with a production capacity of 600,000 tonnes per annum.

TRAFCO: It is one of the largest & biggest FMCG conglomerates in Bahrain with an extensive range of products comprising of canned, frozen & dry food and non-food products, general commodities, fresh fruits and vegetables. The core business of TRAFCO is import & distribution of food & non-food products, and with annual sales turnover of US\$ 109 million.



Region Wise Product Systems

Manama

Chilled and frozen food products, Evaporated Milk, Sweet Condensed Milk, Instant Milk Powder, Ready to Drink Milk.

Hidd

Biscuits, chocolate, Gum & Candy, Beverages, gelatin, pudding and baking powder, cheese, white sugar, molasses.

AL-Gurayfah

All purpose flour, Bread & Roll Mix Flour, Confectionary Flour, Dumpling Mix With Yeast, Bahraini Hab hares.

Salmabad

Cat fish steak, shark steak, cuttle fish fillet, Squid rings, hamour fillet, black pomfret.

Bahrain Food Industry – Investments

Investments Announced in the Food Processing Sector

Bahrain International Investment Park (BIIP) has been developed by the Ministry of Industry and Commerce. The investment made in the park is \$1.82 billion in 2014.

The country spent about \$ 174.4 million in food subsidies for products such as meat, poultry, and flour.

The National Bank of Bahrain and the Future Generation Reserve set up a \$ 265.2 million agriculture investment fund to support food security in Bahrain.

Mondelez International opened its state-of-the-art Kraft Cheese and Tang powdered beverage manufacturing facility in Bahrain. The plant has expanded several times with investments now totalling more than \$75 million.

Mondelez in the first phase and the government spent \$39.5 million on land reclamation for the site & is currently building a large biscuit plant which will cost \$90 million to develop and is expected to be ready by early 2017.

Arabian Sugar Factory invested \$150 million to launch refinery in the Bahrain in 2014.



B3Globe Customized Industry Analysis

B3Globe provides a full spectrum of Business/Market Research services, we also provide custom report solutions to our clients tailored for their business landscape, to help them stay ahead of the competition and stay on top of emerging trends.

Tailored Research

Our team focuses on the product-market mix to suit the geography and demography of the market. We dive in deep to extrapolate primary information from the stake holders throughout the value chain. Our ability to map the competitive landscape helps us extract data with surgical precision.

Custom Market Research

Our market research is lured for its accurate industry data that spans more than 200 industries and global markets. Our collaborations with renowned publishers and most respected data source providers help us acquire the most accurate information on demand.

Collaborative Process

We find value in collaborating with our clients in sharing our findings throughout the process. This approach allows our clients to participate and set the direction of the research that is fully aligned with their intentions. Our collaborative strategy makes our research highly adaptable, customized, on-demand and extremely relevant.

Scope of Our Customized Industry Analysis

- Market Definition.
- Industry Classification
- Current Industry Outlook
 - Industry Size – Global/ National/Regional,
 - Contribution to GDP National/Global.
- Industry growth past 3-5 years
- Growth Forecast for 3-5 years.
- Market Drivers
 - Key drivers
 - Restrains
 - Opportunities
- Key Drivers of historical demand
- Applicability of Key drivers in Demand Forecasting.
- Key drivers of future demand and reasonability of the assumptions
- Industry Structure, Industry Life cycle stage.
- Current Business models In the Industry.
- Business Models likely to do well in future.
- National / Global Factors that affect the Industry (PESTEL-analysis).
- Overall capacity in the market.
 - Production
 - Procurement
- Value Chain Analysis
- Demand supply Gap.
- Import & Export scenarios
- Local Market Operators
 - Product Segment wise Producers & Importers
- Overseas markets
 - Top Product segments for Export
 - Top Export markets for respective product segments.
- Number of companies participating in the industry National/Global.
- Market Segmentation
 - Product Wise.
 - Distribution Channel wise.
 - Consumer Segmentation.
 - Competitor Segmentation.
- Porter's Five Forces Analysis
- Entry Barriers,
- Government policies, incentives & Subsidies for the Industry – National/State Level/Country Level
- Applicable Taxation & legal laws
- Industry Value chain analysis.
- Supply chain, Logistics framework analysis
- Funding avenues for Industry Growth
- M&A activities in the industry – Global/National.

About B3Globe

Business Beyond Boundaries (B3) Globe is the **Management Consulting division** of **KPM ASSET**. We are a global advisory firm, providing Strategic Consulting, Transaction Execution and other value added Business Solutions to Global mid-market Corporate and Institutions.

B3 Globe is formed with an objective to provide seamless Market Access to Clients who aspire to transcend Geographic Boundaries in search of new Frontiers for growth opportunities across the globe. Over the years, we have built an excellent track record of delivering innovative and result-oriented Solutions across various Geographic and Industries Segments.

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