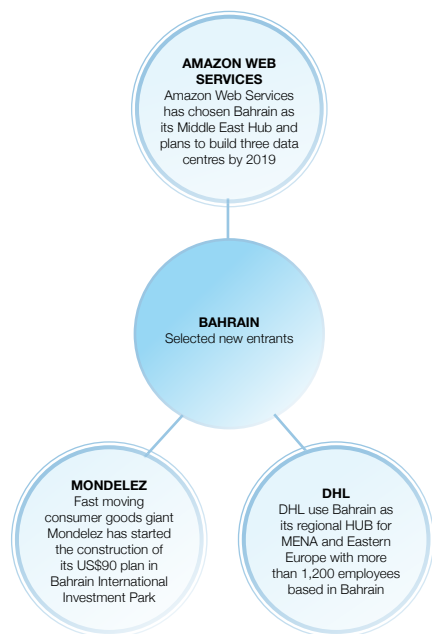


# BAHRAIN OVERVIEW 2017

FIGURE 1  
Bahrain's selected success stories



Source: Knight Frank Research

Bahrain has long attracted global occupiers looking to setup a base in the Northern GCC region (Figure 1), the liberal Island is also a firm favourite with expats, with Expat Insider's 2017 survey ranking it as the best place in the world to live and work.

There are many factors which have resulted in recent corporate decisions to locate in Bahrain, a strategically located hub with direct access to Saudi Arabia – the regions largest economy. Key factors attracting global businesses include Bahrain's favourable business environment, offering effective regulation, a favourable tax regime, lack of free zone restrictions and access to a young and educated workforce.

Indeed, it is then little surprising that Bahrain is ranked as the 63th easiest country in the world for ease of doing business in 2017 out of a total of 190 countries, up from 66 in 2016.

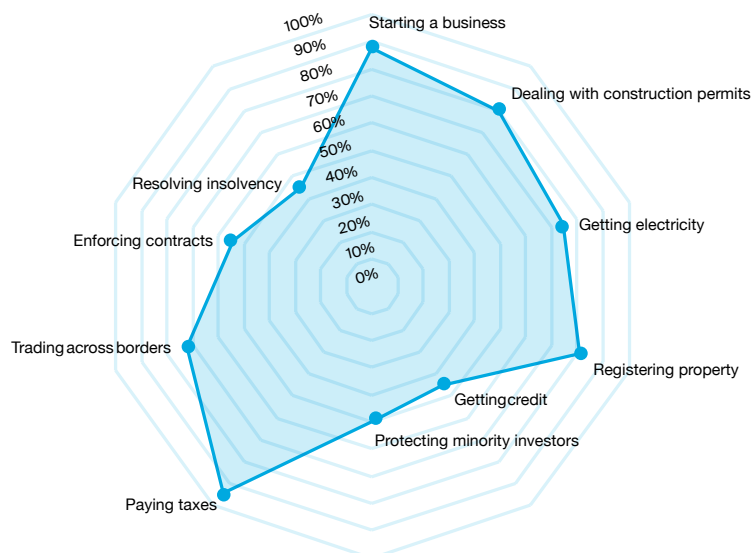
On Figure 2, we highlight the competitiveness of doing business in Bahrain. Starting a business, dealing with construction permits, registering property and getting electricity are all areas in which Bahrain scored well. The main areas where Bahrain must develop in the future are the areas of resolving

insolvency, getting credit, protecting minority investors and enforcing contracts – the World Bank has highlighted that performance in most of these areas have already begun to improve since 2016.

## GCC\* Commercial Market – Manama's prime office rents lowest amongst major GCC cities

In a year where many occupier markets in the GCC recorded negative performance, 2016 saw Manama's office market remain stable with little if any movement reported in headline rents. Key landlords across the main submarkets in Manama had held firm on offering reduced rates, instead staying focused in retaining current tenants. However in 2017 we have seen an emergence of a more occupier friendly market with rents in some submarkets registering at record lows.

FIGURE 2  
Ease of doing business: distance to frontier score 2017



Source: The World Bank

Note: Distance to frontier an economy's distance to frontier is reflected on a scale from 0% to 100%, where 0% represents the lowest performance and 100% represents the frontier



TAIMUR KHAN  
Senior Analyst

“Bahrain is ranked as the 63th easiest country in the world for ease of doing business in 2017 out of a total of 190 countries, up from 66 in 2016.”

Please refer to the important notice at the end of this report.

To analyse the comparative costs of major markets in the GCC cities, Knight Frank has calculated the average annual cost of doing business across key GCC cities. Our data looks at the annual cost of remuneration and office space for 100 employees, with each employee occupying 9 square metres of office space in a prime location. Whilst the results are not likely to surprise many, the extent of the differences may do.

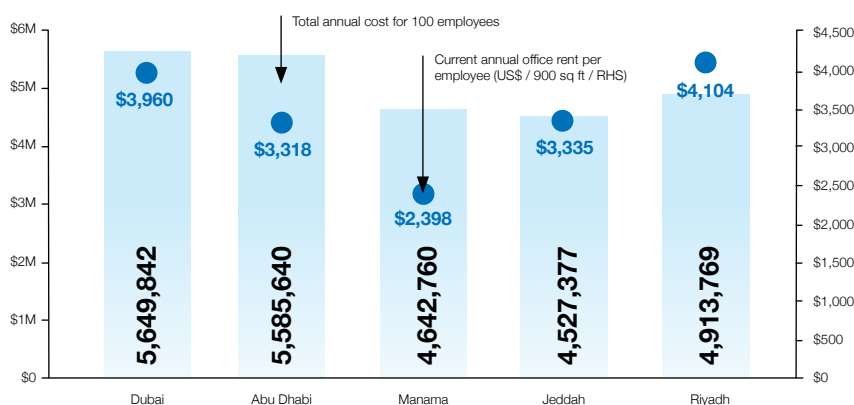
Dubai registers as the most costly location within the GCC\* to hire and accommodate 100 employees which annual costs totalling at US\$5.65m, marginally beating the capital Abu Dhabi which registers in second place with total costs of US\$5.59m.

Jeddah is the cheapest location in our selected set to employ 100 people with annual costs totalling US\$4.52m with lower average salaries driving down the total. This annual cost is 20% lower than Jeddah and 21% lower than Abu Dhabi.

Manama registers as the second market in the region with annual costs for a 100 employees totalling US\$4.64m, which is 17% less than Dubai and 16% less than Abu Dhabi.

Riyadh takes top spot as being the most expensive market in the region for prime rental values with price per square foot registering US\$46 (per annum). Manama offers the lowest cost per square foot of commercial property in the GCC at US\$23.98 (per annum).

FIGURE 3  
GCC\*: The annual cost of doing business in key locations



Source: Knight Frank Research, Oxford Economics

Note: Data is latest available and rents are for prime sectors of each market. Average salary across the UAE used for both UAE cities. \*Selected cities due to data availability. Bahrain's prime sector rents are an average of Al Seef, Bahrain Financial Harbour, Diplomatic Area and Bahrain Bay.

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