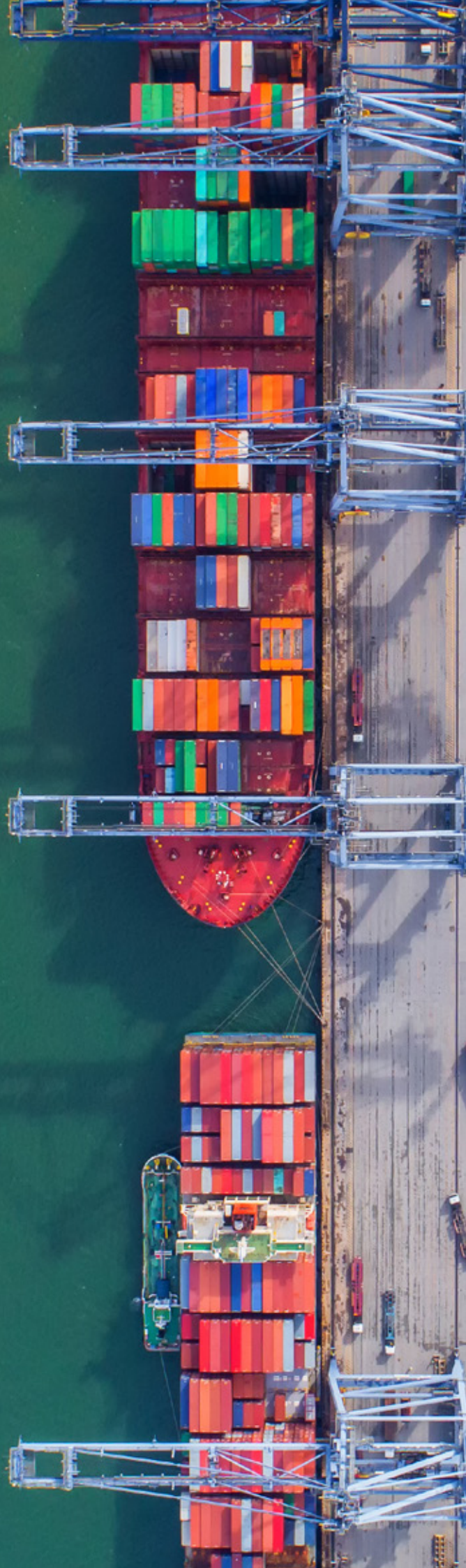




# Cost of Doing Business: Logistics

May 2018

[kpmg.com/bh](http://kpmg.com/bh)



**Note to the reader**

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. KPMG does not guarantee that the use of the guidance in the report will lead to any particular outcome or result. KPMG shall not be liable to anyone in respect of any business losses including, without limitation, loss of or damage to profits, income, revenue, use, production, anticipated savings, business, contracts, commercial opportunities or goodwill.



## Glossary of frequently used terms

---

<b>BLZ</b>	Bahrain Logistics Zone
<b>DAFZA</b>	Dubai Airport Free Zone
<b>DEWA</b>	Dubai Electricity and Water Authority
<b>DIP</b>	Dubai Investments Park
<b>GCC</b>	Gulf Cooperation Council
<b>LMRA</b>	Labor Market Regulatory Authority
<b>JAFZA</b>	Jebel Ali Free Zone
<b>KAEC</b>	King Abdullah Economic City
<b>KIZAD</b>	Khalifa Industrial Zone
<b>SPFZ</b>	Sohar Port and Freezone
<b>USD</b>	United States Dollar
<b>UAE</b>	United Arab Emirates
<b>VAT</b>	Value-Added Tax

---





# Contents

<b>I. Executive Summary</b>	06
<b>II. Direct Cost Components</b>	
2.1 Business Registration and Licensing	09
2.2 Land Rental and Construction	10
2.3 Infrastructure Levy	12
2.4 Industrial Utilities	14
2.5 Office Rental	17
2.6 Manpower Cost	19
2.7 Visa, Permits and Localization Requirements	22
2.8 Taxes, Fees and Incentives	27
2.9 Transport and Logistics	35
2.10 Overall Cost of Doing Business	46
<b>III. Indirect Cost Components</b>	
3.1 Accommodation Cost	49
3.2 Residential Utility Cost	49
3.3 Vehicle and Fuel Cost	51
3.4 Education Cost	52
3.5 Domestic Help Cost	52
<b>IV. Appendix</b>	53





# I. Executive Summary

“

Bahrain enjoys cost advantage of 33% to 43%, in terms of annual operating cost for a logistics business when compared with select GCC countries”



This report looks at the typical costs associated with operating a manufacturing business in the following GCC jurisdictions:

- **Bahrain:** Bahrain Logistics Zone (BLZ)
- **Saudi Arabia:** King Abdullah Economic City (KAEC), Jeddah
- **UAE:** Dubai Investments Park (DIP), Dubai; Jebel Ali Free Zone (JAFZA), Dubai; Dubai South, Dubai; Dubai Airport Freezone (DAFZA), Dubai; and Khalifa Industrial Zone (KIZAD), Abu Dhabi
- **Oman:** Sohar Port and Free Zone (SPFZ), Sohar

The report analyzes the cost of business registration and licensing; land rentals; construction cost for warehouse units; renting cost for office and pre-built warehouse facilities; infrastructure levy cost; utility charges; manpower and labor accommodation cost; employment visa cost; transport and logistics-related costs. Overall, the total cost of doing business in Bahrain is significantly lower (49 to 75 percent) than that of its select GCC peers.

In addition to analyzing the costs of operating a logistics firm in these jurisdictions, the study also presents an overview of the cost of living, focusing on education, utility, vehicle, rental of residential property and domestic helper costs.

Bahrain is the most competitive in transport and logistics costs, as the cost in Bahrain is lower by 30 to 50 percent when compared to the GCC markets studied.

Bahrain has the lowest manpower costs in the GCC, with the average salary there being approximately 32 percent lower than the GCC average.

Additionally, visa and permit costs in Bahrain remain considerably lower than Saudi Arabia and Oman. Visa and permit costs are the highest in Saudi Arabia (300 percent higher than its GCC peers).

Blue-collar accommodation cost in Bahrain is 20 to 70 percent lower than the other benchmarked jurisdictions. Based on the average monthly consumption for a typical light warehouse unit, the electricity costs incurred in Oman are the lowest, followed by Saudi Arabia and Bahrain.

From a cost of living perspective, telecommunication expenses in Bahrain are almost 55 percent lower when compared to the benchmarked jurisdictions. The cost of education in Bahrain is one of the lowest in the GCC. For instance, the education costs in Bahrain are lower than Dubai and Abu Dhabi by up to 50 percent.

While value-added tax (VAT) was introduced in Saudi Arabia and the UAE in January 2018, Bahrain and Oman have yet to implement the new tax regime (expected end of 2018 or early 2019).



### Cost of Setup of a Logistics Business

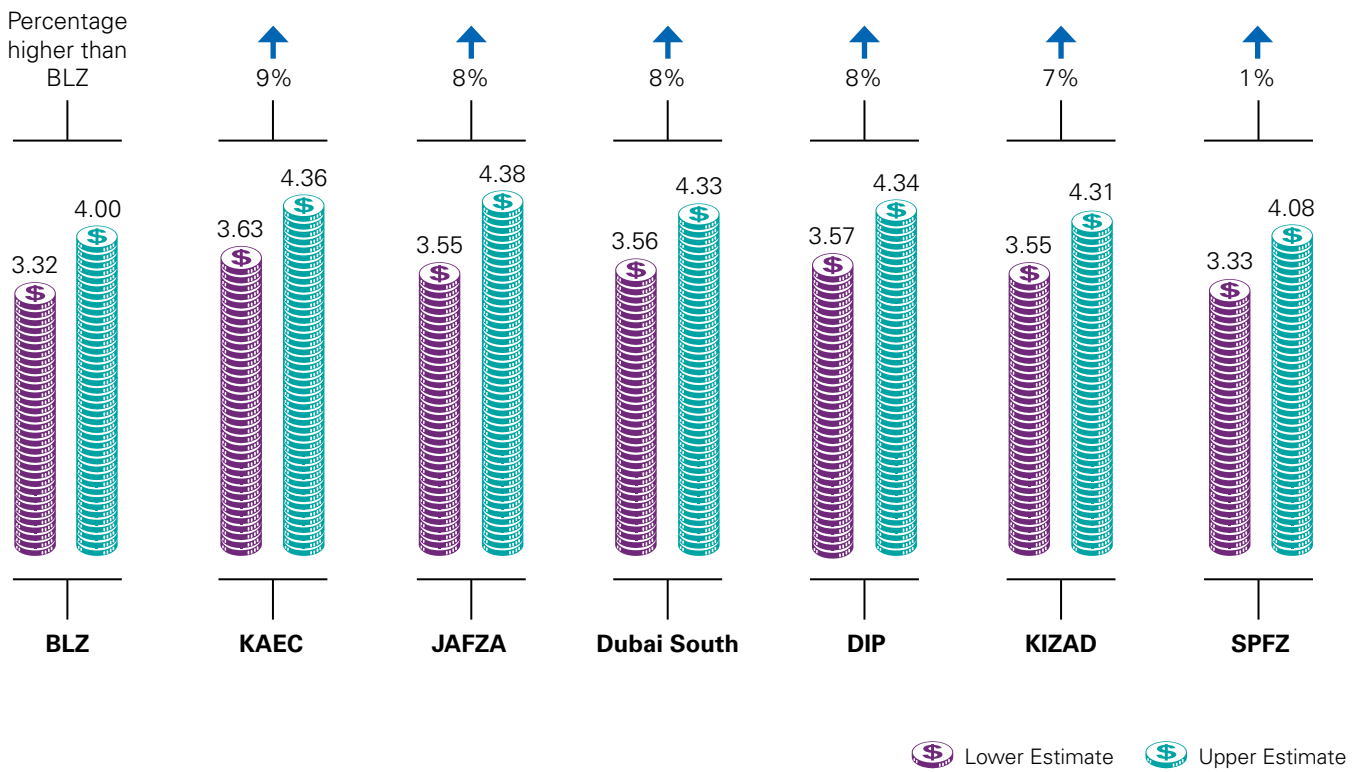
Figure A below outlines the estimated overall cost of setting-up a logistics business across the benchmarked logistics parks. To estimate the cost of setup an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60% of the land size)
- Number of Employees in the Setup Phase: 8

Based on the parameters taken to arrive at the estimated business setup cost, BLZ emerges as the most competitive destination. The setup cost in Saudi Arabia and the UAE is around 7% to 9% higher than in Bahrain (refer to Chapter 2.10).

**Figure A: Cost of Setup of a Logistics Business (2018)**

Figures in Million USD



## Annual Cost of Operations for a Logistics Business

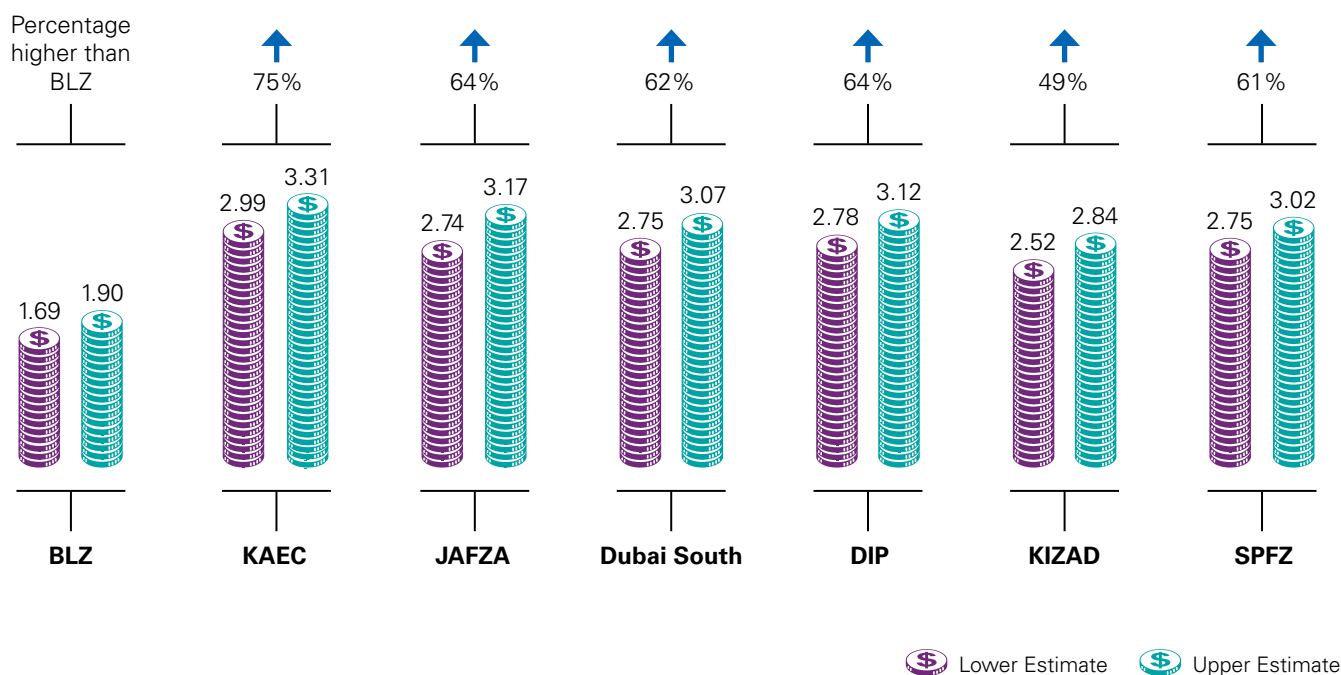
Figure B below outlines the estimated overall annual cost of operating a logistics business across the benchmarked logistics parks. To estimate the annual cost an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60% of the land size)
- Number of Employees in the Operating Phase: 51
- Annual cost of dependents visa, national ID and health insurance for a spouse and two children for eight management level staff
- Corporate tax\* on 49% foreign shareholding for a logistics company with a net profit of USD 410,000
- Transport and Logistics cost: by sea, import of fifty 40' FCL (full container load) per month; by air, import of twenty shipments per month each weighing 300 kgs; and by road, movement of fifty 40' FCL per month. The estimated logistics costs were arrived at by incorporating sea, air and road freight cost, customs clearance charges and terminal handling charges as applicable. Transport and Logistics cost assume a scenario wherein goods from respective logistics parks are exported to Riyadh while goods from Saudi Arabia are exported to Dubai.

Based on the parameters taken to arrive at the estimated annual operating cost, BLZ emerges as the most competitive destination followed by KIZAD. Compared to BLZ, the annual operating cost at other logistics parks is around 61% to 75% higher. DAFZA has been excluded from the annual operating cost analysis as it does not offer land for lease (refer to Chapter 2.10).

**Figure B: Annual Cost of Operations for a Logistics Business (2018)**

Figures in Million USD



\*It is to be noted that there is no corporate tax in Bahrain





# II. Direct Cost Components

## 2.1 Business Registration and Licensing

### Business Registration

A business registration cost is the estimated cost incurred in fees paid towards legally registering a free zone company in the respective logistics parks. With the exception of BLZ and DIP, where an investor needs to register the business with the respective mainland government agency<sup>1</sup>, the remaining logistics parks have the authority to register the business.

The minimum capital requirement represents the mandatory paid-up capital for starting the business. Some jurisdictions do not impose a minimum capital requirement, some have specific requirements, while others allow businesses to be setup with capital sufficient for the activities applied for.

**Figure 1: Business Registration Fee**  
Cost of Registering a Business (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>Application Fee</b> (one-time)	Nil	Nil	Nil	Nil	60	Nil	1,360	Nil
<b>Registration Fee</b> (one-time)	133	6,650	4,080	Nil	1,009 - 1,360	5,440	2,040	4,030
<b>Minimum Capital Requirement</b>	Nil	Nil	Nil	81,600	Nil	272	40,800	Nil

Source: Respective logistics park jurisdictions, government agencies, primary and secondary research, KPMG analysis

### Licensing

BLZ has the most competitive license renewal cost. Similar to business registration, the annual license renewal for businesses operating at BLZ and DIP, needs to be done through the respective government agencies. Despite minimum capital being nil in select jurisdictions, the businesses need to show working capital requirements.

Other annual fees include general administrative charges.

**Figure 2: Licensing Fee**  
Cost of Annual License Renewal (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>License Renewal Fee</b> (USD/Year)	133	1,330	8,160	2,720	1,523 - 2,067	4,080	1,360	1,001
<b>Other Fee</b> (USD/Year)	Nil	Nil	Nil	571	680	Nil	Nil	Nil

Source: Respective logistics park jurisdictions, government agencies, primary and secondary research, KPMG analysis

<sup>1</sup> To setup business at BLZ the registration is made with the Ministry of Industry, Commerce and Tourism in Bahrain and for DIP with Department of Economic Development in Dubai



## 2.2 Land Rental and Construction

### Land Rental

All logistics parks except DAFZA provide land plots to build warehouse on a mid to long-term renewal lease. The significant variation in land rental within a jurisdiction can be attributed to the supply and demand characteristics in the country, the maturity level of the particular logistics park, as well as the location of the land plot within the logistics park. DAFZA offers only pre-built warehouses.

**Figure 3: Land Rental**

Cost of Leasing a Plot of Land (USD)

Cost Type	BLZ	KAEC <sup>2</sup>	JAFZA <sup>2</sup>	Dubai South <sup>2</sup>	DIP <sup>2</sup>	KIZAD <sup>2</sup>	SPFZ
<b>Land Rental</b> (USD/Sqm/Year)	9.6	4.6 - 5.6	8.2 - 21.8	10.9 - 12.6	13.7 - 14.9	8.2	8
<b>Service Charge</b> (USD)	1.4 per sqm/year	1.3 per sqm/year	2% of annual rent <sup>3</sup>	0.7 per sqm/year	0.9 per sqm/year	0.9 per sqm/year	Nil

*Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis*

### Construction

Based on the estimated construction cost for a warehouse, Bahrain, followed by Oman emerge as the most competitive destinations.

**Figure 4: Warehouse Construction Cost**

Cost of Constructing Light Duty Warehouse<sup>4</sup> (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
<b>Light Duty Warehouse</b> (USD/Sqm)	540 - 650	600 - 715	580 - 705	580 - 705	580 - 705	580 - 705	540 - 660

*Source: Linesight*

<sup>2</sup> Land Rental rate and service charge is inclusive of 5% VAT where applicable. Some jurisdictions in Saudi Arabia and the UAE apply VAT on both land rental and service charge while some only levy it on service charge alone. VAT has not yet been implemented in Bahrain and Oman

<sup>3</sup> Service charge is levied as Public Health Levy and capped at USD2,720 per year. Additional 5% VAT is levied on service charge

<sup>4</sup> Warehouse construction cost is inclusive of 5% VAT for Saudi Arabia and UAE



### Pre-built Warehouse Unit Rental

Pre-built warehouse facilities are available across all the benchmarked logistics parks. KAEC, followed by BLZ and SPFZ, offer pre-built warehouse units at the most competitive rates. Pre-built units are most expensive at DAFZA and Dubai South.

**Figure 5: Pre-built Warehouse Rental**

Cost of Leasing Pre-built Warehouse (USD)

Cost Type	BLZ	KAEC <sup>5</sup>	JAFZA <sup>5</sup>	Dubai South <sup>5</sup>	DIP <sup>5</sup>	DAFZA	KIZAD	SPFZ
<b>Pre-built Warehouse Rental</b> (USD/Sqm/ Year)	83 - 112	70	95 - 163	200	123 - 139	300	117	86 - 94
<b>Service Charge</b> (USD)	Nil	20% of annual rent <sup>6</sup>	2% of annual rent <sup>6</sup>	Nil	Nil	10% of annual rent	Nil	Nil

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

### Construction Permit

A construction permit is required to construct a warehouse on a leased plot of land. Figure 6 below highlights the cost of obtaining a construction permit across the benchmarked logistics parks.

**Figure 6: Construction Permit Cost**

Cost of obtaining Construction Permit (USD)

Cost Type	BLZ <sup>7</sup>	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
<b>Construction Permit Fee</b> (USD)	Nil	280 + 0.4 per sqm of built-up area	0.9 per sqm of built-up area	0.3 per sqm of built-up area	0.9 per sqm of built-up area	1.1 per sqm of built-up area	1,300-2,600

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>5</sup> Pre-built warehouse rental and service charge is inclusive of 5% VAT. Some jurisdictions in Saudi Arabia and the UAE apply VAT on both land rental and service charge while some only levy it on service charge alone

<sup>6</sup> Additional 5% VAT is levied on service charge

<sup>7</sup> BLZ management has obtained special permission from the government authorities to nullify the construction permit cost







## 2.3 Infrastructure Levy

An infrastructure levy is incurred in order to obtain electricity, water and sewage connection for a warehouse based at logistics parks. At some logistics parks no additional cost is incurred as the plot of land comes ready with the infrastructure. The cost of providing this ready infrastructure, however, is generally covered through the higher land rental and the service charge paid for land rental. All logistics parks also come with the necessary road infrastructure. Figure 7 below indicates the tariff slab for obtaining the electricity, water and sewage connection at the benchmarked logistics parks, as levied by the relevant local service provider. In order to obtain electricity connection above a certain load capacity threshold businesses may incur additional costs related to building the necessary network infrastructure.





**Figure 7: Infrastructure Levy**

	<b>Electricity Connection</b> (Load Capacity in kVA)	<b>Tariff</b> (USD/kVA)	<b>Water Connection</b> (Connection Size in mm)	<b>Tariff</b> (USD)	<b>Sewage Connection</b>	<b>Tariff</b> (USD/Sqm of land size)
<b>BLZ</b>	1 – 3,500	98	15	133	Sewage connection	Nil
	3,501 – 12,000	42	25	798		
	> 12,000	Infrastructure cost to connect to network	50	2,393		
<b>KAEC</b>	1 – 30	16.8	Standard	837.9 + 14 per m <sup>3</sup>	Sewage connection	Nil
	31 – 60	26.5				
	61 – 90	41.9				
	91 – 120	46.1				
	121 – 152	48.9				
	> 152	7,429 + 69.8 per kVA				
<b>JAFZA and DIP</b>	1 – 150	Nil	Standard	No standard rate. Cost is estimated based on site inspection and specific requirement of the business	Sewage connection	1.5
	151 – 170	71.4				
	171 – 400	82.8				
	401 – 1,000	85.7				
	1,001 – 2,000	88.5				
	2,001 – 3,000	90.5				
	3,001 – 4,000	137.4				
	4,001 – 5,000	300.7				
	5,001 – 6,000	532.1				
	6,001 – 7,000	614.6				
	7,001 – 8,000	697.4				
	8,001 – 9,000	766.3				
	9,001 – 10,000	864.2				
10,001 – 11,000	961.9					
> 11,000	473.0					
<b>Dubai South</b>	All capacity	Nil	Standard	Nil	Sewage connection	Nil
<b>KIZAD</b>	1 – 100	14.3	Standard	No standard rate. Cost is estimated based on site inspection and specific requirement of the business	Sewage connection	Nil
	101 – 500	42.8				
	501 – 1,000	57.1				
	1,001 – 5,000	71.4				
	> 5,000	14.3 + infrastructure cost to connect to network				
<b>SPFZ</b>	All capacity	Nil	Standard	42 per sqm of built-up area	Sewage connection	Nil



Source: Respective electricity and water authorities, respective logistics park jurisdictions, primary and secondary research, KPMG analysis



## 2.4 Industrial Utilities

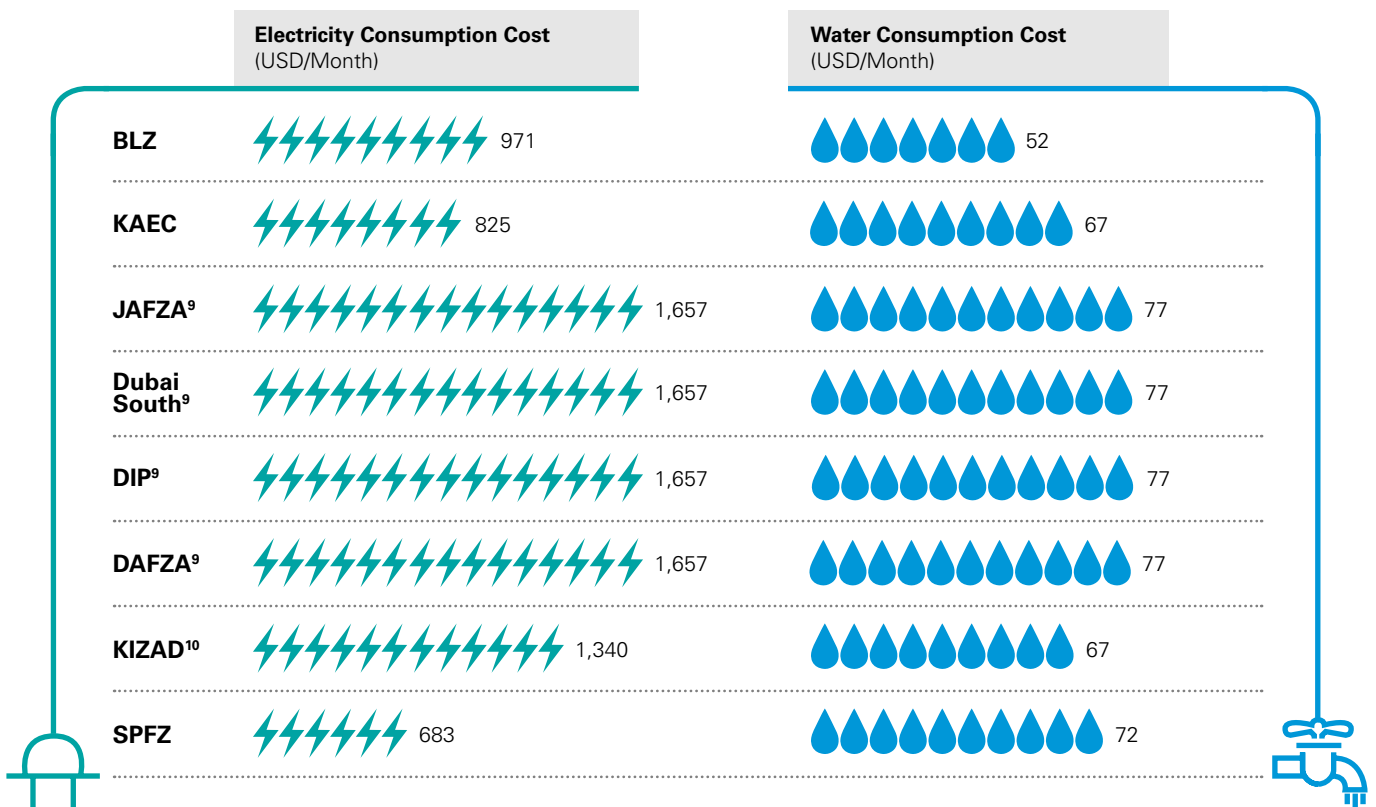
### Electricity and Water Cost

Electricity and water are key utilities in the logistics sector. Electricity and water tariffs vary based on multiple factors, including total number of units consumed, as well as peak, off-peak and seasonal rates.

Based on average monthly consumption for a typical light duty warehouse unit, the electricity cost incurred in Oman is the lowest, followed by Saudi Arabia and Bahrain. For water consumption, BLZ emerges as the most competitive. At an overall level, logistics parks in Dubai have the highest electricity and water tariff, followed by KIZAD in Abu Dhabi.

**Scenario:** For a typical light duty warehouse unit of 3,000 sqm built-up area consuming on average 5.47 kWh of electricity per sqm per month and 30 m<sup>3</sup> water per month.

**Figure 8: Estimated Monthly Electricity and Water Consumption Cost<sup>8</sup>**



Source: Respective electricity and water authorities, respective logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>8</sup>The electricity and water tariffs are inclusive of 5% VAT for logistics parks in Saudi Arabia and the UAE

<sup>9</sup> Electricity and water tariffs for logistics parks based in Dubai include surcharge as per DEWA (Dubai Electricity and Water Authority) as well as 5% VAT

<sup>10</sup>The electricity and water tariffs for KIZAD are inclusive of 5% VAT





## Electricity and Water Tariff

The cost of utilities across the GCC has seen a steady rise in the last couple of years as governments look to reduce strain on fiscal budgets due to the low oil prices by gradually reducing subsidies on utilities.

Oman and Bahrain offer the most competitive rates for electricity and water, while BLZ offers the lowest rates for water. Businesses based in logistics parks across the UAE, face the highest electricity and water tariffs.

**Figure 9: Electricity and Water Tariff**

Cost of Electricity and Water (USD)

Utility	BLZ	KAEC <sup>11</sup>	JAFZA <sup>12</sup>	Dubai South <sup>12</sup>	DIP <sup>12</sup>	DAFZA <sup>12</sup>	KIZAD <sup>13</sup>	SPFZ
<b>Electricity</b> (USD/kWh)	0.04 - 0.08	0.04 - 0.08	0.08 - 0.13	0.08 - 0.13	0.08 - 0.13	0.08 - 0.13	0.08	0.04
<b>Water</b> (USD/m <sup>3</sup> )	1.81 - 2.09	2.23	2.58 - 3.27	2.58 - 3.27	2.58 - 3.27	2.58 - 3.27	2.24	2.53

Source: Respective electricity and water authorities, respective logistics park jurisdictions, primary and secondary research, KPMG analysis

## Electricity and Water Tariff Structure

Figure 10 below shows the electricity and water consumption tariff slab across select locations in the GCC.

**Figure 10: Electricity and Water Tariff Structure**

	Electricity Consumption (kWh)	Tariff (USD/kWh)	Water (m <sup>3</sup> )	Tariff (USD/m <sup>3</sup> )
<b>Bahrain</b>	0 – 5,000	0.04	0 – 450	1.73
	5,000 – 250,000	0.07	451 – 1000	1.86
	250,001 – 500,000	0.07	> 1000	1.99
	> 500,000	0.08		
<b>Saudi Arabia<sup>11</sup></b>	Depends on consumption (Tariff by slab is not available)	0.04 – 0.08	Any consumption	2.23

<sup>11</sup> The electricity and water tariffs are inclusive of 5% VAT. In case of Saudi Arabia, tariff as applicable to KAEC

<sup>12</sup> Electricity and water tariffs for logistics parks based in Dubai include surcharge as per DEWA (Dubai Electricity and Water Authority) as well as 5% VAT

<sup>13</sup> The electricity and water tariffs for KIZAD are inclusive of 5% VAT



	Electricity Consumption (kWh)	Tariff (USD/kWh)	Water (m <sup>3</sup> )	Tariff (USD/m <sup>3</sup> )
<b>Dubai<sup>14</sup></b>	0 – 10,000	0.08	0 – 45.46 (0 – 10,000 Imperial Gallon)	2.58
	>10,000	0.13	45.47 – 90.92 (10,001 – 20,000 Imperial Gallon)	2.89
			> 90.92 (> 20,000 Imperial Gallon)	3.27
<b>Abu Dhabi<sup>15</sup></b>	Any consumption	0.08	Any consumption	2.24
<b>Oman<sup>16</sup></b>	Any consumption	0.04	Any consumption	2.41

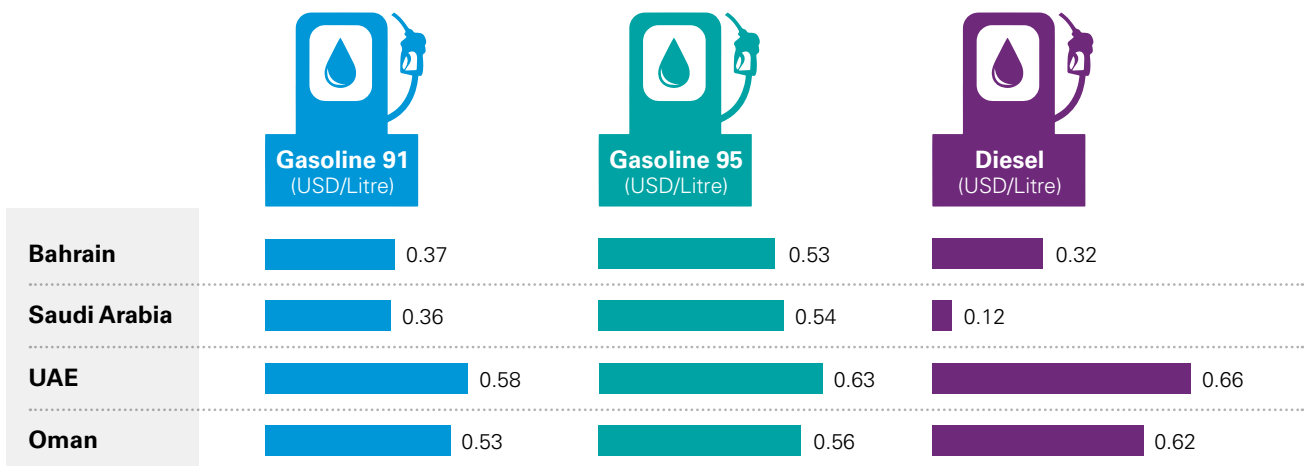
Source: Respective electricity and water authorities

### Gasoline and Diesel

Bahrain and Saudi Arabia offer the most competitive cost for Gasoline 91 and Gasoline 95. The cost of diesel in Saudi Arabia is the lowest among the benchmarked countries. The cost of diesel in Bahrain is around 50% lower than in the UAE and Oman.

**Figure 11: Gasoline and Diesel Prices<sup>17</sup>**

Prices as of March 2018



Source: Secondary research, KPMG analysis

<sup>14</sup> Electricity and water tariffs for logistics parks based in Dubai include surcharge as per DEWA (Dubai Electricity and Water Authority) as well as 5% VAT

<sup>15</sup> The electricity and water tariffs for KIZAD are inclusive of 5% VAT

<sup>16</sup> The electricity tariff has been calculated as a weighted average of seasonal tariffs and is inclusive of 5% VAT

<sup>17</sup> The gasoline and diesel prices are inclusive of 5% VAT



## 2.5 Office Rental

### Office Rental at Logistics Parks

All logistics parks, offer standard office space for lease to businesses. The office space is available at specific office buildings located within the logistics parks.

Overall, the office space available within BLZ offers the most competitive rental rate followed by KAEC. Office rental in JAFZA on the other hand is the most expensive.

**Figure 12: Office Rental<sup>18</sup>**

Cost of Leasing Office Space at Benchmarked Logistics Parks (USD)

Cost Type	BLZ	KAEC <sup>19</sup>	JAFZA	Dubai South <sup>19</sup>	DIP <sup>19</sup>	DAFZA	KIZAD	SPFZ
<b>Office Rental</b> (USD/Sqm/Year)	192	223	544 - 707	371	277	530	490	364
<b>Service Charge</b>	10% of rent	56 per sqm/year	Nil	86 per sqm/year	Nil	13% of rent	Nil	Nil
<b>Municipal Tax</b>	10% of rent	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Rent Deposit</b>	Nil	15% of first year rent	10% of first year rent	10% of first year rent	5% of first year rent	10% of first year rent	1,428	Nil

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

### Office Rental at Select Locations

Figure 13 shows the approximate office rental rates across select cities.

**Figure 13: Office Rental<sup>19</sup>**

Cost of Leasing Office Space at Select Locations (USD)

Location	Manama, Bahrain	Manama, Bahrain	Seef, Bahrain	Al Khobar, KSA	Riyadh, KSA	Jeddah, KSA	Dubai, UAE	Dubai, UAE	Dubai, UAE	Dubai, UAE	Dubai, UAE	Muscat, Oman
Cost Type	Bahrain Financial Harbor	World Trade Center	Seef	Al Khobar	Riyadh	Jeddah	Dubai Science Park	Dubai Internet City	Dubai Silicon Oasis	JLT	DIFC	Muscat
<b>Office Rental</b> (USD/Sqm/Year)	239-255	191-271	191-207	206-264	337-396	278-308	258-322	355-420	193-322	226-291	710-807	172-234
<b>Service Charge</b>	48 per sqm/year	128 per sqm/year	10% of rent	10% of rent	10% of rent	10% of rent	77 per sqm/year	77 per sqm/year	71 per sqm/year	61 per sqm/year	86 per sqm/year	Nil
<b>Municipal Tax</b>	10% of rent	10% of rent	10% of rent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5% of rent
<b>Rent Deposit</b>	3 months rent	3 months rent	3 months rent	10% of rent	10% of rent	10% of rent	5-10% of rent	5-10% of rent	5-10% of rent	5-10% of rent	5-10% of rent	1 month rent
<b>Agency Fee</b>	Nil	Nil	1 month rent	5% of first year rent	5% of first year rent	5% of first year rent	5-7.5% of first year rent	5-7.5% of first year rent	5-7.5% of first year rent	5-7.5% of first year rent	5-7.5% of first year rent	1 month rent

Source: Primary and secondary research, KPMG analysis

<sup>18</sup> For a standard office space available at logistics parks. Typical office size starting from 20 sqm

<sup>19</sup> Office rental and service charge is inclusive of 5% VAT where applicable. Some jurisdictions in Saudi Arabia and the UAE apply VAT on both office rental and service charge while some only levy it on service charge alone



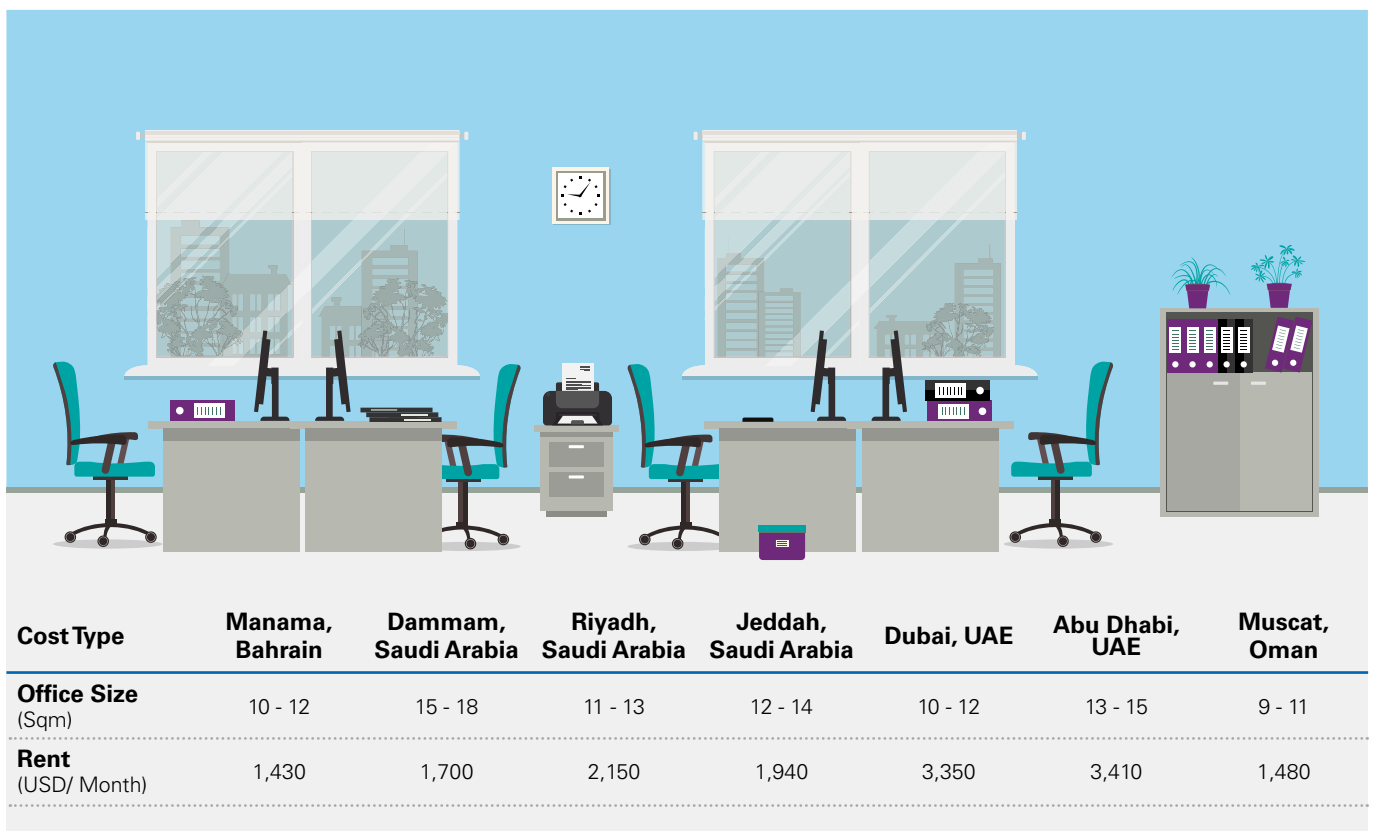


### Serviced Office Rental

The cost for serviced offices has been assessed considering the cost for renting an area suitable to accommodate two individuals (the most prevalent practice in renting similar properties). Rental rates for serviced offices vary significantly across the benchmarked cities. Bahrain is the most competitive serviced office market in the GCC costing around USD1,430 per month. Muscat and Dammam are the next most competitive cities with serviced offices typically costing USD1,480 and USD1,700 per month respectively. Serviced offices are most expensive in Abu Dhabi costing USD3,410 per month.

**Figure 14: Serviced Office Rental<sup>20 21</sup>**

Cost of Leasing Serviced Office at Select Locations (USD)



Source: Regional serviced office leasing companies, KPMG analysis

Serviced offices are typically managed by professional serviced office management companies which lease office spaces to businesses or individuals. A serviced office is equipped with furniture, shared meeting rooms, shared receptionists and pantry, and provides access to internet, shared printer, scanner and photocopier. Charges for using meeting rooms, kitchen consumables, telephone and photocopier are often billed separately based on usage.

<sup>20</sup> Serviced office suitable to accommodate two individuals

<sup>21</sup> Serviced office rental is inclusive of 5% VAT where applicable



## 2.6 Manpower Cost


### Manpower Salary

For a comparison of the manpower costs, employees across different categories have been considered, ranging from senior management to blue collared staff. When comparing the average salary earned by employees working in the logistics sector, Bahrain exhibits the lowest manpower cost for staff across a number of designations.

Figure 15 below provides estimated gross annual salaries including basic salary, housing allowance, transport allowance and other allowances. The allowances account for 25% to 40% of the total salary.

**Figure 15: Annual Manpower Cost**

Annual Manpower Salary Cost (USD '000)

Designation	Bahrain	Saudi Arabia	UAE	Oman
 CEO/GM	100-129	148-192	134-175	97-126
Personal Assistant/Secretary	13-17	14-19	14-19	14-19 <sup>22</sup>
Operations Manager	38-50	68-89	56-73	43-56
Operations Coordinator	16-21	20-27	20-27	16-21
Logistics Manager	60-78	70-90	66-86	59-77
Logistics Officer	15-20	19-25	23-30	18-24
Machine Operator	9-11	11-14	12-16	10-12
Warehouse Incharge	32-41	35-45	34-44	30-39
Driver	5-7	11-14	13-17	9-12
Forklift Operator	10-13	14-18	11-14	10-13
Customs Clearance Manager	55-71	79-102	71-92	57-73
Customs Clearance agent	33-43	47-61	42-55	34-44
Maintenance Coordinator <sup>23</sup>	17-22	22-28	25-33	20-26
Sales Manager	43-56	54-70	47-61	47-61
Sales Executive	14-19	20-27	19-25	16-20
Finance Manager	48-63	73-95	71-92	68-89
Accountant	14-19	20-27	17-22	14-19
Blue Collar Labor (Unskilled Labor)	4-5	5-6	4-6	4-5

Source: Survey of leading manpower consulting firms, KPMG analysis

<sup>22</sup> Benchmarked for Executive Secretary

<sup>23</sup> Benchmarked for Maintenance Supervisor

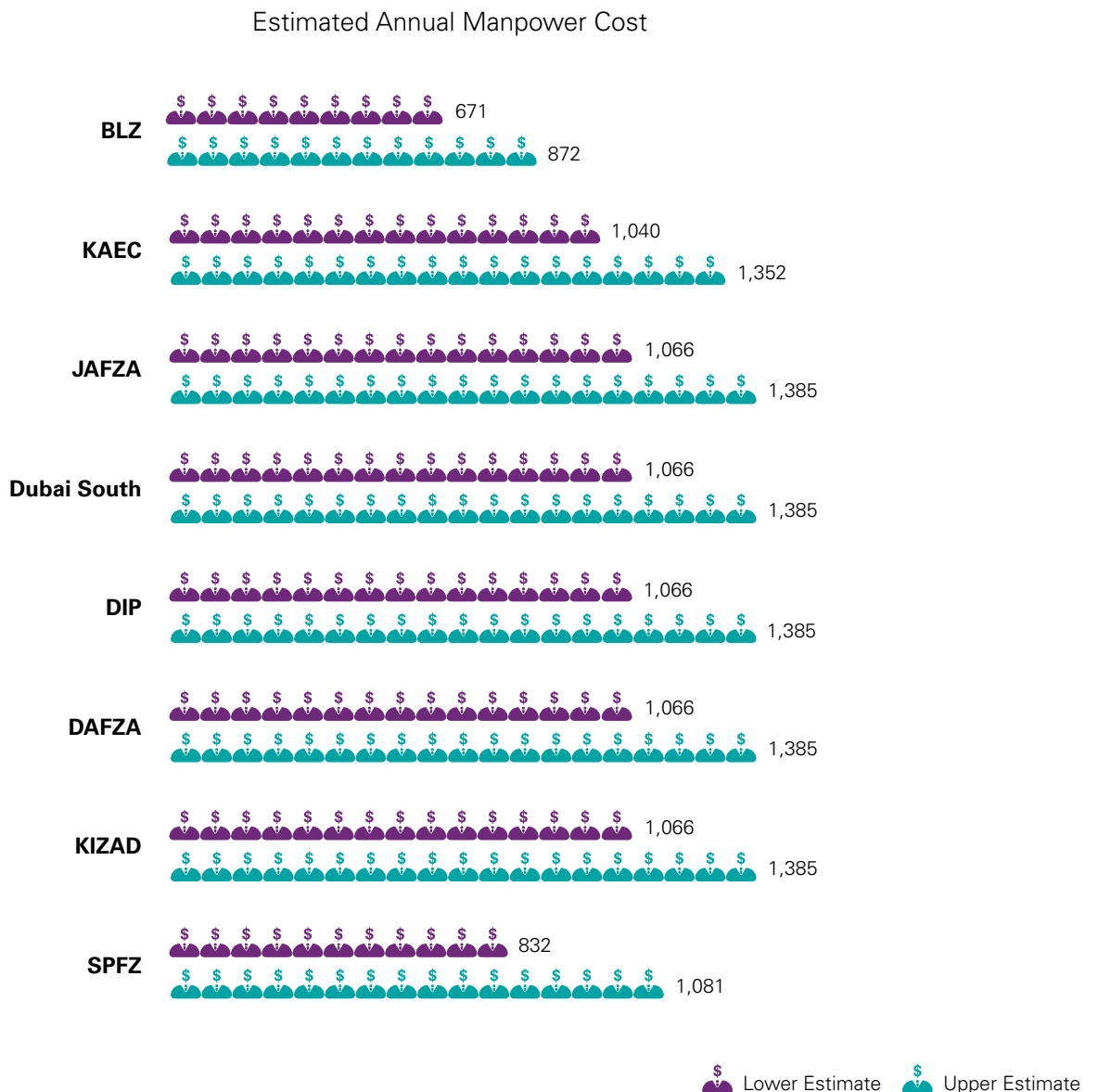


Estimates of annual manpower cost reveal Bahrain as the most competitive destination followed by Oman. As compared to Bahrain, the manpower cost is 20% to 25% higher in Oman and 50% to 60% higher in the UAE.

Figure 16 below provides an estimated range of the annual manpower cost.

**Scenario:** For a logistics company employing 51 staff consisting of 10 management and administrative staff and 41 semi-skilled workers.

**Figure 16: Total Annual Manpower Cost for a Logistics Company (USD '000)**



Source: Survey of leading manpower consulting firms, KPMG analysis




## Labor Accommodation

Figure 17 below provides estimate of annual cost of accommodation per labor across the benchmarked logistics parks or in mainland city.

BLZ offers the most competitive rates for labor accommodation, at USD1,000 per labor per year, followed by the KIZAD in Abu Dhabi. JAFZA in Dubai is the most expensive for labor accommodation, costing around USD2,285 to USD3,346 per labor per year.

For companies operating at the BLZ, labor accommodation is available at Bahrain Investment Wharf (BIW), located adjacent to BLZ. KAEC, JAFZA, Dubai South and DIP offer labor accommodation facilities within the logistics park. For logistics parks that do not offer labor accommodation, relevant city benchmark rates have been taken.

**Figure 17: Annual Cost of Labor Accommodation<sup>24</sup>**



Labor Accommodation (USD)	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Is accommodation offered?	✗	✓	✓	✓	✓	✗	✗	✗
Is it mandatory to use zone accommodation?	N/A	✗	✓	✗	✗	N/A	N/A	N/A
Cost of accommodation (USD/Labor/Year)	1,000	2,379	2,285-3,354	2,228	2,913-3,256	2,913-3,256	1,306	2,555-3,066

Source: Respective logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>24</sup> Includes cost of room rent and utilities only and excludes other costs such as food and laundry





## 2.7 Visa, Permits and Localization Requirements

### Employment Visa

Visa-related cost is a significant factor in operating a business in the region. For businesses based at JAFZA, Dubai South, DAFZA and KIZAD all employment visa related requests have to be made through the dedicated 'One-Stop-Shop' service available in-house. The one-stop-shop acts as a single window for obtaining, among other services, all visa-related services through the respective government agencies. For businesses based at other logistics parks all visa-related procedures have to be carried out directly through the respective government agencies.

The cost of obtaining an employment visa is the highest in Saudi Arabia. In order to obtain an employment visa in Saudi Arabia an employer needs to pay an Expat Employment Levy in addition to the visa cost.

For the year 2018, employers are required to pay a levy of USD960 per year (USD80 per month) for each foreign employee when the total count of foreign employees in the organization is equal to or less than the count of Saudi employees. The levy is USD1,272 per year (USD106 per month) when the count of foreign employees is more than the Saudi employees. This amount is required to be paid at the time of the visa application for the duration of the validity of the employment visa. For the year 2019 the levy shall increase to USD1,632 and USD1,960 per year, followed by an increase to USD2,285 and USD2,610 per year respectively in 2020. Bahrain expat levy is USD320 per year per expatriate staff.

**Figure 18: Annual Visa Costs**

Cost of obtaining Employment Visa (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>Residency permit/ Work permit</b> (USD/Year) <sup>25</sup>	585	1,955 - 2,275	267	234	102	268	179	441
<b>Work permit renewal</b> (USD/Year)	585	1,955 - 2,275	223	159	59	268	131	441
<b>National ID</b> (USD/Year)	5	200	46	46	46	46	46	39
<b>National ID renewal</b> (USD/Year)	5	200	46	46	46	46	46	39
<b>Health Check</b> (USD)	53	53 - 80	150	150	150	150	68	52
<b>Medical Insurance</b> (USD/Year) <sup>26</sup>	191	1,064	177	177	177	177	163	910
<b>Work permit validity – renewal term</b>	1 to 2 Years	1 to 2 Years	3 Years	3 Years	3 Years	3 Years	3 Years	2 Years
<b>Estimated Annualized Visa, ID and Health Insurance cost</b> (USD/Year/Staff)	782	3,541	490	457	325	491	388	1,358
<b>Deposit for immigration</b> (USD/Employee)	Nil	Nil	Nil	Nil	816	Nil	1,360	Nil

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>25</sup> Residence permit and work permit figures are annual and are calculated by dividing the total visa fee by the duration of visa in years. For Bahrain and Saudi Arabia the figures are inclusive of the expat levy. For Bahrain, this fee is applicable in case the business has six employees or more

<sup>26</sup> Cost of annual medical insurance to access government hospitals and health centres. In Oman and Saudi Arabia, government hospitals cannot be accessed by expatriates. Hence, cost of private health insurance has been taken



## Dependent Visa

The cost of obtaining visas for dependents (spouse and child) is the highest in Saudi Arabia. In order to obtain a dependent visa in Saudi Arabia one needs to pay an Expat Dependent Levy in addition to the visa cost.

For the year 2018, one has to pay a levy of USD640 per year for each dependent visa. This levy is slated to increase progressively to USD960 per year and USD1,280 per year in the years 2019 and 2020. This amount is required to be paid at the time of the visa application for the duration of the validity of the dependent visa. This levy is in addition to the visa cost itself.

**Figure 19: Annual Dependent Visa Costs**

Cost of obtaining Dependent Visa (USD)

Cost Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>Dependent (spouse) visa cost</b>	239	1,170	92	91	92	92	113	53
<b>Dependents (child) visa cost</b>	239	1,170	92	91	92	92	89	53
<b>Dependents visa renewal cost</b>	239	1,170	49	77	49	49	89 to 113	53
<b>Estimated Annualized Visa, ID and Health Insurance cost (USD/Year/Dependent)</b>	435	2,434	315	314	315	315	322	971

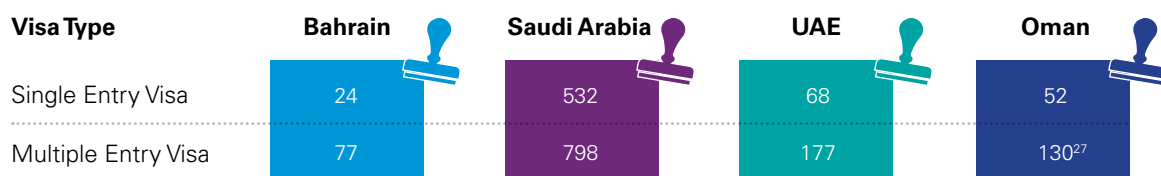
Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

## Visit Visa

Cost of a visit visa for Bahrain is the lowest across the single and multiple entry categories. Cost of a visit visa for Saudi Arabia on the other hand is exponentially higher.

**Figure 20: Cost of Entry Visa**

Cost of obtaining Entry Visa (USD)



Source: Respective government agencies, primary and secondary research, KPMG analysis

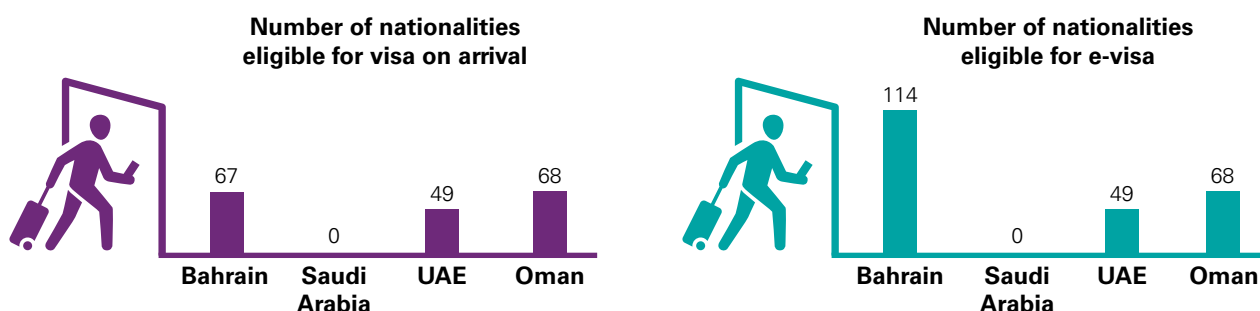
For Bahrain, the single entry visit visa cost consists of an application fee (USD11) and visa fee (USD13). Note that the application fee is applicable for e-visa only.

<sup>27</sup> Cost for multiple entry visa for nationalities eligible for e-visa. Cost is USD26 for nationals of other countries



## Visa on Arrival and e-Visa

Oman and Bahrain offer visa on arrival to the largest number of nationalities. Moreover, Bahrain also offers e-visa to the largest number of nationalities. Saudi Arabia, on the other hand, does not offer visit visas or e-visas to nationals of non-GCC countries – business, religious and family visas, however, are offered on specific needs basis. For a complete list of nationalities offered visa on arrival and e-visa refer Appendix 1.



## Localization Requirement

	<b>BLZ</b>	<ul style="list-style-type: none"> <li>Logistics and warehousing businesses based at BLZ are subjected to the localization requirement as prescribed by the Labor Market Regulatory Authority (LMRA). The Bahrainization rate depends on the logistics activity. For instance, 25% is for the Storage and Warehousing activity. These businesses are required to have 25% of their workforce as Bahrainis.</li> </ul>
	<b>KAEC</b>	<ul style="list-style-type: none"> <li>Businesses in Saudi Arabia are categorized based on their size (number of employees) and bands of Saudization level. Based on the band in which a business falls based on its Saudization level, the business is subjected to corresponding penalties or offered certain incentives as applicable (refer Figure 24, 25 and 26 for details).</li> </ul>
	<b>JAFZA, Dubai South, DAFZA and KIZAD</b>	<ul style="list-style-type: none"> <li>Businesses based in designated free zones in the UAE are exempted from localization requirements.</li> </ul>
	<b>DIP</b>	<p>Logistics and warehousing businesses based in mainland UAE are subjected to the following localization requirement:</p> <ul style="list-style-type: none"> <li>A company with a minimum 100 employees, must appoint an Emirati as a Public Relations officer</li> <li>A company employing 500 or more employees, in addition to the above, must employ a UAE national in the position of Occupational Health and Safety Officer</li> <li>A company employing 1,000 or more employees, in addition to the above, must employ two UAE nationals in data entry positions</li> </ul>
	<b>SPFZ</b>	<p>Businesses based at SPFZ are subjected to the following:</p> <ul style="list-style-type: none"> <li>15% for years 1 to 10;</li> <li>25% for years 11 to 15;</li> <li>35% for years 16 to 20; and</li> <li>50% for year 21 and onwards</li> </ul>

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis



Over the last few years regional governments have brought in measures to boost the share of local population (nationals) in the private sector workforce. Businesses operating in the region are therefore subjected to localization requirements whereby nationals need to comprise a specified percentage of the total workforce of the company.

Businesses in the private sector that meet the prescribed localization requirement may receive incentives while those that fail to meet the requirement face a number of penalties. However, businesses based at some logistics parks are exempted from localization requirements.

**Figure 21: Localization Requirement**

BLZ <sup>28</sup>	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ <sup>29</sup>
25%	Refer Figure 24 and 25	Nil	Nil	Yes (refer below)	Nil	Nil	15% to 50%

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

**Localization Requirement at DIP (as per Dubai mainland requirement)**

- A company with a minimum 100 employees, must appoint an Emirati as a Public Relations officer
- A company employing 500 or more employees, in addition to the above, must employ a UAE national in the position of Occupational Health and Safety Officer
- A company employing 1,000 or more employees, in addition to the above, must employ two UAE nationals in data entry positions

**Figure 22: Incentives for meeting Localization Requirement**

BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Grant <sup>30</sup> (Refer Appendix 2)	Refer Figure 26	Nil	Nil	<ul style="list-style-type: none"> <li>• Lower visa fee</li> <li>• No deposit required for employment visa</li> <li>• Ease in obtaining visas</li> </ul>	Nil	Nil	Corporate tax exemption for upto 25 years

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

**Figure 23: Penalties for not meeting Localization Requirement**

BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
Higher visa cost for additional foreign staff	Refer Appendix 2	Nil	Nil	Not eligible for additional work permits	Nil	Nil	<ul style="list-style-type: none"> <li>• Subject to corporate tax</li> <li>• Not eligible for additional visas until Omanization criteria is met</li> </ul>

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>28</sup> Labor Market Regulatory Authority (LMRA) has prescribed 25% localization for “Warehousing and Storage” type of business

<sup>29</sup> 15% for first 10 years; 25% for following 5 years, 35% for following 5 years and 50% thereafter

<sup>30</sup> A grant is awarded by Labor Fund (Tamkeen) based on certain calculations. This grant can be used to pay charges for select government services in Bahrain





## Saudization Levels, Incentives and Penalties by Band for Warehousing and Storage Business

**Figure 24: Saudization Requirement for Small and Medium-sized Enterprises (SMEs)<sup>31</sup>**

Size	No. of Employees	Red Band	Yellow Band	Low Green Band	Medium Green Band	High Green Band	Platinum Band
<b>Small B</b>	6 to 49	0% to 3%	4% to 8%	10% to 15%	16% to 22%	23% to 32%	33% to 100%
<b>Medium A</b>	50 to 99	0% to 4%	5% to 19%	20% to 28%	29% to 36%	37% to 43%	44% to 100%
<b>Medium B</b>	100 to 199	0% to 4%	5% to 19%	20% to 28%	29% to 36%	37% to 43%	44% to 100%
<b>Medium C</b>	200 to 499	0% to 4%	5% to 19%	20% to 28%	29% to 36%	37% to 43%	44% to 100%

**Figure 25: Saudization Requirement for Large Companies<sup>31</sup>**

Size	No. of Employees	Red Band	Yellow Band	Low Green Band	Medium Green Band	High Green Band	Platinum Band
<b>Big</b>	500 to 2,999	0% to 4%	5% to 27%	28% to 38%	39% to 44%	45% to 50%	51% to 100%
<b>Giant</b>	3,000 and above	0% to 4%	5% to 27%	28% to 38%	39% to 44%	45% to 50%	51% to 100%

**Figure 26: Incentives by Band in Saudi Arabia**

Red Band	Yellow Band	Low Green Band, Medium Green Band and High Green Band	Platinum Band
<b>None</b>	<ul style="list-style-type: none"> <li>Can renew work visas of their foreign employees who have been in the Kingdom for less than six years</li> <li>Entitled to one new visa for every two of its foreign workers leaving the country on a final exit visa</li> </ul>	<ul style="list-style-type: none"> <li>Can renew existing work visas</li> <li>Can apply for new work visas every two months</li> <li>Entitled to one new visa for every two foreign workers</li> <li>Entitled to 'open profession visas,'</li> <li>Can hire foreign workers from Red and Yellow firms without the consent of their current employers</li> <li>Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax</li> <li>Entitled to a six-month grace period in the renewal of their expired professional license, commercial registration, and all Ministry of Labor and Social Development (MLSD) documents</li> </ul>	<ul style="list-style-type: none"> <li>Entitled to unrestricted approval of new visas</li> <li>Entitled to one new visa for every two foreign employees</li> <li>Able to renew existing visas for any employee within three months of their expiration</li> <li>Entitled to open profession visas</li> <li>Can hire foreign workers from Red and Yellow firms without the consent of their current employers</li> <li>Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax</li> <li>Entitled to a one year grace period in the renewal of their expired professional license, commercial registration, and all MLSD documents</li> </ul>

Please refer Appendix 2 for the detailed "Incentives and Penalties by Band in Saudi Arabia" and "Grants and Benefits offered by Tamkeen in Bahrain"

<sup>31</sup> The percentage of Saudization requirement varies based on the size of the organization as defined by the total number of employees



## 2.8 Taxes, Fees and Incentives

### Taxes and Fees across Logistics Parks

Figure 27 below highlights some select taxes and fees applicable at the benchmarked logistics parks. Corporate tax for businesses based at SPFZ is nil for the first 25 years provided the prescribed Omanization level is met<sup>32</sup>. If however the Omanization level is not met, businesses are subjected to 15% corporate tax. Also, corporate tax shall be payable after 25 years of (conditional) exemption irrespective of the Omanization level of the business. In Bahrain, goods arriving at customs and delivered to a business based in BLZ shall incur VAT which can later be reclaimed from the tax authorities. Also across the GCC sale of goods between businesses based in VAT-exempted zones shall not be subject to VAT.

Some logistics parks levy entry pass fee which is required to be paid for each goods vehicle used by the business. Additionally JAFZA levies USD2 per truck per entry into the zone on vehicles destined for the business (example – receipt of goods from a supplier).

**Figure 27: Taxes and Fees across Logistics Parks**

Select Taxes and Fees across Logistics Parks

Taxes and Fee Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>Corporate Tax</b>	Nil	No tax on companies owned by GCC nationals. 20% tax on profits under foreign shareholding	Nil	Nil	Nil	Nil	Nil	0% or 15% (subject to conditions)
<b>VAT</b>	Nil	5%	Nil	5%	5%	Nil	Nil	Nil
<b>Logistics Park entry pass fee (USD/Vehicle/Year)</b>	40	Nil	38	98	Nil	8-11	30	Nil
<b>Deposit for moving goods between free zones/ custom bonded areas</b>	Nil	5% to 20% of the value of goods	5% of the value of goods	Nil	Nil	Nil	5% of the value of goods	5% of the value of goods
<b>Is it mandatory for private sector employers to obtain health insurance for their staff to access private hospitals?</b>	✗	✓	✓	✓	✓	✓	✓	✗

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>32</sup> Prescribed Omanization level is: 15% for first 10 years, 25% for following five years, 35% for following five years and 50% for following five years



## Taxes across Benchmarked GCC Countries

Figure 28 below provides an overview of taxes levied on businesses operating in the mainland in Bahrain, Saudi Arabia, the UAE and Oman. Overall Bahrain and the UAE offer the most attractive tax regime with no corporate tax. In the last year Oman has done away with corporate tax exemption for businesses reporting annual profit of USD78,000 (OMR30,000), levying a flat 15% corporate tax rate across businesses.

In Saudi Arabia, Zakat is levied on companies that are wholly owned by Saudi or GCC nationals. Where a business is owned by both Saudi and non-Saudi nationals, Zakat is levied on the Saudi and GCC national's share and the non-Saudi share is subjected to income tax. Zakat is levied at a fixed rate of 2.5% on the higher of the adjusted taxable profits or the Zakat base.

**Figure 28: Taxes across Benchmarked GCC Countries**

### Key Tax Rates

Tax Type	Bahrain	Saudi Arabia	UAE	Oman
<b>Corporate Income Tax</b>	Nil	No tax on companies owned by GCC nationals. 20% tax on profits under foreign shareholding.	Nil	15%
<b>Municipal Tax</b>	10% of commercial and residential rent for expatriates	Nil	5% of the specified rental index	3% on property rents
<b>Withholding Tax</b>	Nil	5% to 20% on the foreign shareholding component	Nil	10% for foreign companies that do not have a permanent establishment in Oman for tax purposes and that derive income from Oman
<b>VAT</b>	Nil (to be introduced later in 2018 or early 2019)	5%	5%	Nil (to be introduced later in 2018 or early 2019)
<b>Other Taxes and Fees</b>	Nil	Zakat is charged on companies owned by GCC nationals. 2.5% Zakat is charged on a company's Zakat base which is the net worth of the entity as calculated for Zakat purposes.	In Dubai every government transaction incurs the following cost: <ul style="list-style-type: none"> <li>Knowledge Fee: USD 2.72</li> <li>Innovation Fee: USD 2.72 per transaction above USD 13.6</li> </ul>	Nil
<b>Employer's Social Security Contribution for National staff</b>	By employee: 7% By employer: 12%  Total: 19%	By employee: 10% By employer: 12%  Total: 22%	By employee: 5% By employer: 12.5%  Total: 17.5%	By employee: 7% By employer: 11.5%  Total: 18.5%
<b>Employer's Social Security Contribution for Expatriate staff</b>	By employee: 1% By employer: 3%  Total: 4%	By employer: 2%	Nil	Nil

Source: Respective government agencies, primary and secondary research, KPMG analysis



## List of Incentives at Logistics Parks

Figure 29 below provides an overview of the key incentives offered by the benchmarked logistics parks.

**Figure 29: List of Key Incentives**

List of Key Incentives



Incentive Type	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ <sup>33</sup>
Exemption from Corporate Tax	✓	✗	✓	✓	✓	✓	✓	✓
100% Foreign Ownership	✓	✓	✓	✓	✗	✓	✓	✓
100% Repatriation of Capital/ Profits	✓	✓	✓	✓	✓	✓	✓	✓

Source: Respective government agencies, logistics park jurisdictions, primary and secondary research, KPMG analysis

<sup>33</sup> SPFZ offers corporate tax exemption for the first 25 years provided the prescribed Omanization level is met





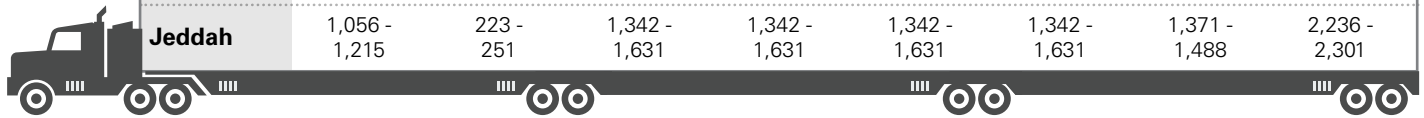
## Road Transport

**Road Freight:** Figure 30 shows the approximate road freight charges for transporting 40 foot (40') container (full container load of dry items) from respective logistics jurisdictions to Dammam, Riyadh and Jeddah in Saudi Arabia. The road freight cost includes the estimated road transport, customs clearance, documentation and other related charges per 40 foot container. The cost of road freight by curtain-side trailer is approximately 10% to 20% higher.

The road freight cost from SPFZ to respective cities in Saudi Arabia is significantly higher, among other reasons, due to transit through UAE leading to additional customs related costs.

**Figure 30: Road Freight Charges<sup>34</sup>**

Cost of Door-to-Door Road Freight (USD per 40' Container)



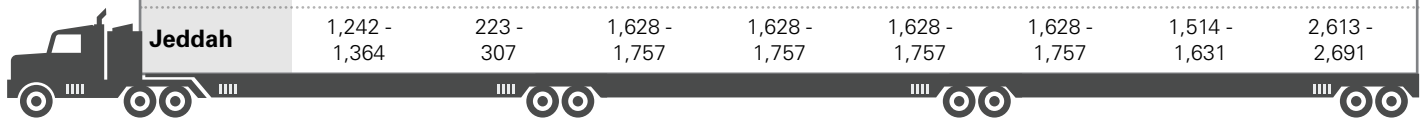
To / From	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>Dammam</b>	577 - 630	670 - 698	1,057 - 1,317	1,057 - 1,317	1,057 - 1,317	1,057 - 1,317	1,028 - 1,145	1,846 - 1,911
<b>Riyadh</b>	737 - 883	475 - 531	1,085 - 1,345	1,085 - 1,345	1,085 - 1,345	1,085 - 1,345	1,058 - 1,174	1,885 - 1,963
<b>Jeddah</b>	1,056 - 1,215	223 - 251	1,342 - 1,631	1,342 - 1,631	1,342 - 1,631	1,342 - 1,631	1,371 - 1,488	2,236 - 2,301

Source: Survey of regional/international road transport companies, KPMG analysis

Figure 31 shows the approximate road freight charges for transporting 40 foot container (full container load of dry items) in a curtain-side trailer from respective logistics jurisdictions to Dammam, Riyadh and Jeddah in Saudi Arabia.

**Figure 31: Road Freight Charges<sup>34</sup>**

Cost of Door-to-Door Road Freight for Curtain-Side Trailer (USD per 40' Container)



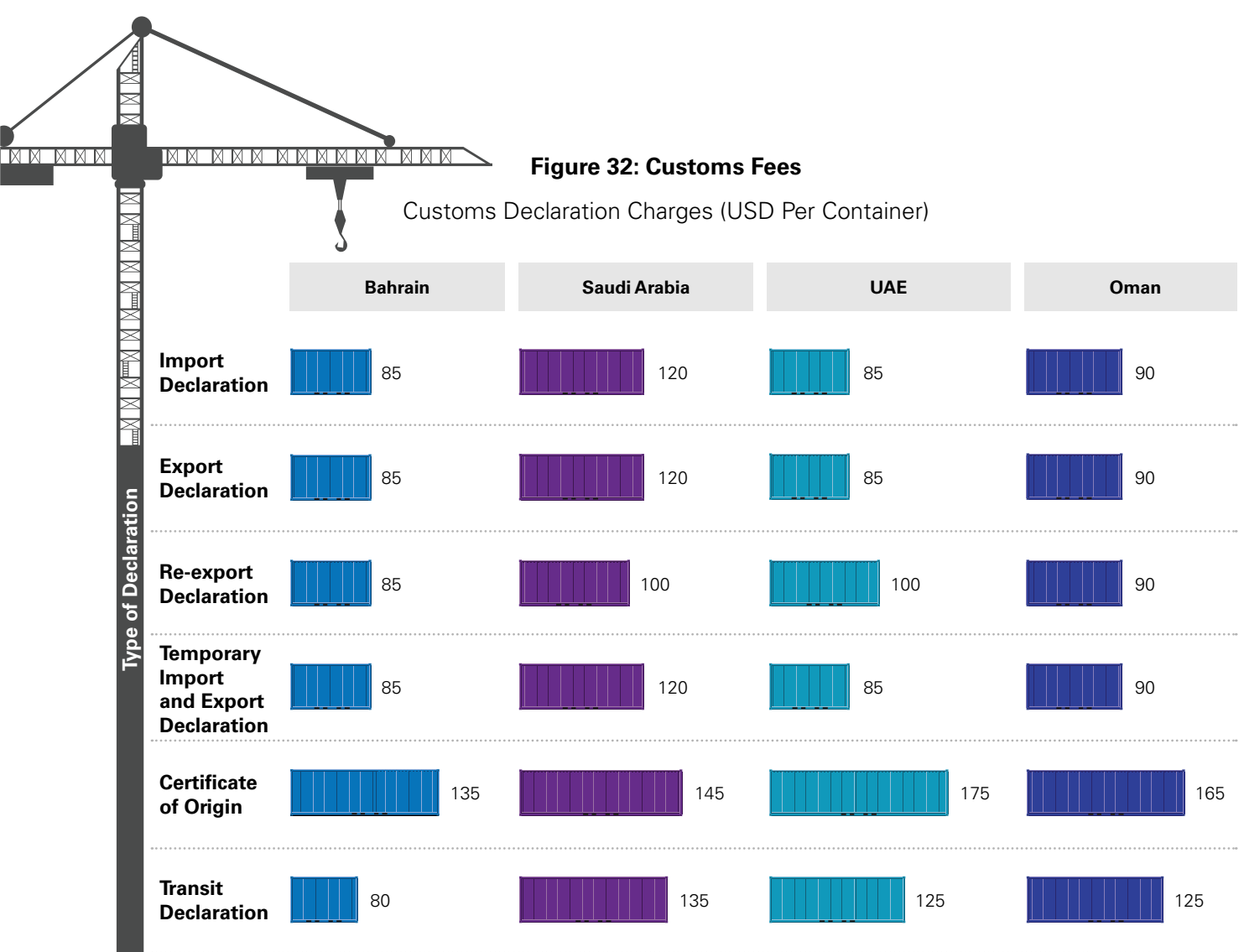
To / From	BLZ	KAEC	JAFZA	Dubai South	DIP	DAFZA	KIZAD	SPFZ
<b>Dammam</b>	657 - 689	698 - 782	1,314 - 1,485	1,314 - 1,485	1,314 - 1,485	1,314 - 1,485	1,228 - 1,345	2,184 - 2,223
<b>Riyadh</b>	910 - 971	503 - 531	1,343 - 1,514	1,343 - 1,514	1,343 - 1,514	1,343 - 1,514	1,257 - 1,374	2,301 - 2,327
<b>Jeddah</b>	1,242 - 1,364	223 - 307	1,628 - 1,757	1,628 - 1,757	1,628 - 1,757	1,628 - 1,757	1,514 - 1,631	2,613 - 2,691

Source: Survey of regional/international road transport companies, KPMG analysis

<sup>34</sup>The door-to-door charges include road transport charges, customs clearance cost, border charges, transit clearance and other related costs.



**Customs Fees:** While the customs fees vary across the region at an aggregate level, Bahrain offers the most competitive rates, with UAE and Oman marginally behind. Saudi Arabia has the highest overall customs-related fees.



Source: Survey of regional/international road transport companies, KPMG analysis



## Sea Transport

**Seaport Container Storage Charges:** Container storage charge is the cost associated with storing containers at container terminals in respective seaports. The tariff structure for container storage at the ports includes a 'free time allowance' during which no charge is levied. Following the expiry of the free time allowance, storage charges are levied on a per container per day basis, with a progressive increase in tariff as per the applicable slab. Typically, importers limit storage at ports to the free time period to avoid the tariff.

The Khalifa Port in Abu Dhabi offers the highest free time of 14 days for storage of import containers at the port, with Jebel Ali Port in Dubai and Port Khalid in Sharjah being the next most attractive, offering 10 days of free time. Saqr Port in Ras Al Khaimah, UAE offers the least free time of only five days.

The Sohar Port in Oman offers the most competitive port storage charges followed by Bahrain's Khalifa Bin Salman Port. Port storage charges are the highest for ports in Saudi Arabia.

Figure 33 below provides an overview of the storage charges for container imports applicable to the relevant sea ports.

**Figure 33: Port Storage Charges**

Port Storage Charges for Container Imports (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Sohar, Oman
Seaport	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Saqr Port	Khalifa Port	Sohar Port
<b>Free Time</b> (Days)	9 days	7 days	7 days	10 days	10 days	5 days	14 days	7 days
<b>20-foot Container</b> (USD/ Container/Day)	4.4 (Day 10 to 21)	79.8 (Day 8 onwards)	79.8 (Day 8 onwards)	22.3 (Day 11 to 15)	20.4 (Day 11 to 15)	2.0 (Day 6 to 10)	21.8 (Day 15 to 19)	3.3 (Day 8 to 14)
	5.8 (Day 22 to 31)				38.1 (Day 16 onwards)	3.1 (Day 11 to 20)	40.8 (Day 20 onwards)	4.6 (Day 15 to 21)
	8.8 (Day 32 to 41)			41.6 (Day 16 onwards)		4.1 (Day 21 to 30)		6.5 (Day 22 onwards)
	14.6 (Day 42 onwards)				8.2 (Day 31 to 45)	12.2 (Day 46 to 60)		
<b>Free Time</b> (Days)	9 days	7 days	7 days	10 days	10 days	5 days	14 days	7 days
<b>40-foot Container</b> (USD/ Container/Day)	8.8 (Day 10 to 21)	79.8 (Day 8 onwards)	79.8 (Day 8 onwards)	44.6 (Day 11 to 15)	40.8 (Day 11 to 15)	2.0 (Day 6 to 10)	43.5 (Day 15 to 19)	6.5 (Day 8 to 14)
	11.7 (Day 22 to 31)				76.2 (Day 16 onwards)	3.1 (Day 11 to 20)	81.6 (Day 20 onwards)	9.1 (Day 15 to 21)
	17.5 (Day 32 to 41)			83.2 (Day 16 onwards)		4.1 (Day 21 to 30)		13.0 (Day 22 onwards)
	29.2 (Day 42 onwards)				8.2 (Day 31 to 45)	12.2 (Day 46 to 60)		

Source: Respective port authorities, primary and secondary research, KPMG analysis



**Seaport container storage charges:** The Khalifa bin Salman Port in Bahrain offers the highest free time of 11 days for storage of export containers at the port, with Jebel Ali Port in Dubai, Port Khalid in Sharjah and Khalifa Port in Abu Dhabi being the next most attractive, offering 10 days of free time. Saqr Port in Ras Al Khaimah, UAE offers the least free time of only five days.

Figure 34 below provides an overview of the storage charges for container exports applicable to the relevant sea ports.

**Figure 34: Port Storage Charges**

Port Storage Charges for Container Exports (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Sohar, Oman
Seaport	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Saqr Port	Khalifa Port	Sohar Port
<b>Free Time (Days)</b>	11 days	7 days	7 days	10 days	10 days	5 days	10 days	7 days
<b>20-foot Container (USD/Container/Day)</b>	4.4 (Day 12 to 21)	79.8 (Day 8 onwards)	79.8 (Day 8 onwards)	8.4 (Day 11 to 30)	Nil (Day 11 to 30)	2.0 (Day 6 to 10)	8.2 (Day 11 to 30)	3.3 (Day 8 to 14)
	5.8 (Day 22 to 31)							
	8.8 (Day 32 to 41)			5.4 (Day 31 onwards)	4.1 (Day 21 to 30)	21.8 (Day 61 onwards)	6.5 (Day 22 onwards)	
	14.6 (Day 42 onwards)							8.2 (Day 31 to 45)
<b>Free Time (Days)</b>	11 days	7 days	7 days	10 days	10 days	5 days	10 days	7 days
<b>40-foot Container (USD/Container/Day)</b>	8.8 (Day 12 to 21)	79.8 (Day 8 onwards)	79.8 (Day 8 onwards)	16.9 (Day 11 to 30)	Nil (Day 11 to 30)	2.0 (Day 6 to 10)	16.3 (Day 11 to 30)	6.5 (Day 8 to 14)
	11.7 (Day 22 to 31)							
	17.5 (Day 32 to 41)			10.9 (Day 31 onwards)	4.1 (Day 21 to 30)	43.5 (Day 61 onwards)	13.0 (Day 22 onwards)	
	29.2 (Day 42 onwards)							8.2 (Day 31 to 45)

Source: Respective port authorities, primary and secondary research, KPMG analysis



**Demurrage and Detention Charges:** Demurrage and detention charges are levied by the shipping company when customers exceed the standard free time allowance. Demurrage charges are applicable when the customer holds the container inside the seaport terminal for longer than the agreed free time allowance whereas detention charges are applicable when the container is held outside the seaport terminal beyond the free time allowance.

Figure 35 below provides the estimated demurrage and detention charges applicable per container per day across the relevant sea ports.

**Figure 35: Demurrage and Detention Charges**

Demurrage and Detention Charges for Container Imports (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Sohar, Oman
Seaport	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Saqr Port	Khalifa Port	Sohar Port
<b>Free Time (Days)</b>	5 days	15 days	15 days	5 days	5 days	5 days	5 days	7 days
<b>20-foot Container (USD/Container/Day)</b>	11 (Day 6 to 11)	13 (Day 16 to 30)	13 (Day 16 to 30)	19 (Day 6 to 12)	19 (Day 6 to 12)	19 (Day 6 to 12)	16 (Day 6 to 10)	16 (Day 8 to 15)
	16 (Day 12 to 15)	21 (Day 31 to 60)	21 (Day 31 to 60)	35 (Day 13 to 18)	35 (Day 13 to 18)	35 (Day 13 to 18)	33 (Day 11 to 18)	29 (Day 16 to 19)
	21 (Day 16 onwards)	36 (Day 61 onwards)	36 (Day 61 onwards)	65 (Day 19 onwards)	65 (Day 19 onwards)	65 (Day 19 onwards)	61 (Day 19 onwards)	55 (Day 20 onwards)
<b>Free Time (Days)</b>	5 days	15 days	15 days	5 days	5 days	5 days	5 days	7 days
<b>40-foot Container (USD/Container/Day)</b>	16 (Day 6 to 11)	27 (Day 16 to 30)	27 (Day 16 to 30)	38 (Day 6 to 12)	38 (Day 6 to 12)	38 (Day 6 to 12)	33 (Day 6 to 10)	29 (Day 8 to 15)
	27 (Day 12 to 15)	43 (Day 31 to 60)	43 (Day 31 to 60)	68 (Day 13 to 18)	68 (Day 13 to 18)	68 (Day 13 to 18)	65 (Day 11 to 18)	55 (Day 16 to 19)
	37 (Day 16 onwards)	59 (Day 61 onwards)	59 (Day 61 onwards)	128 (Day 19 onwards)	128 (Day 19 onwards)	128 (Day 19 onwards)	122 (Day 19 onwards)	107 (Day 20 onwards)

Source: Survey of regional/international sea freight companies, KPMG analysis



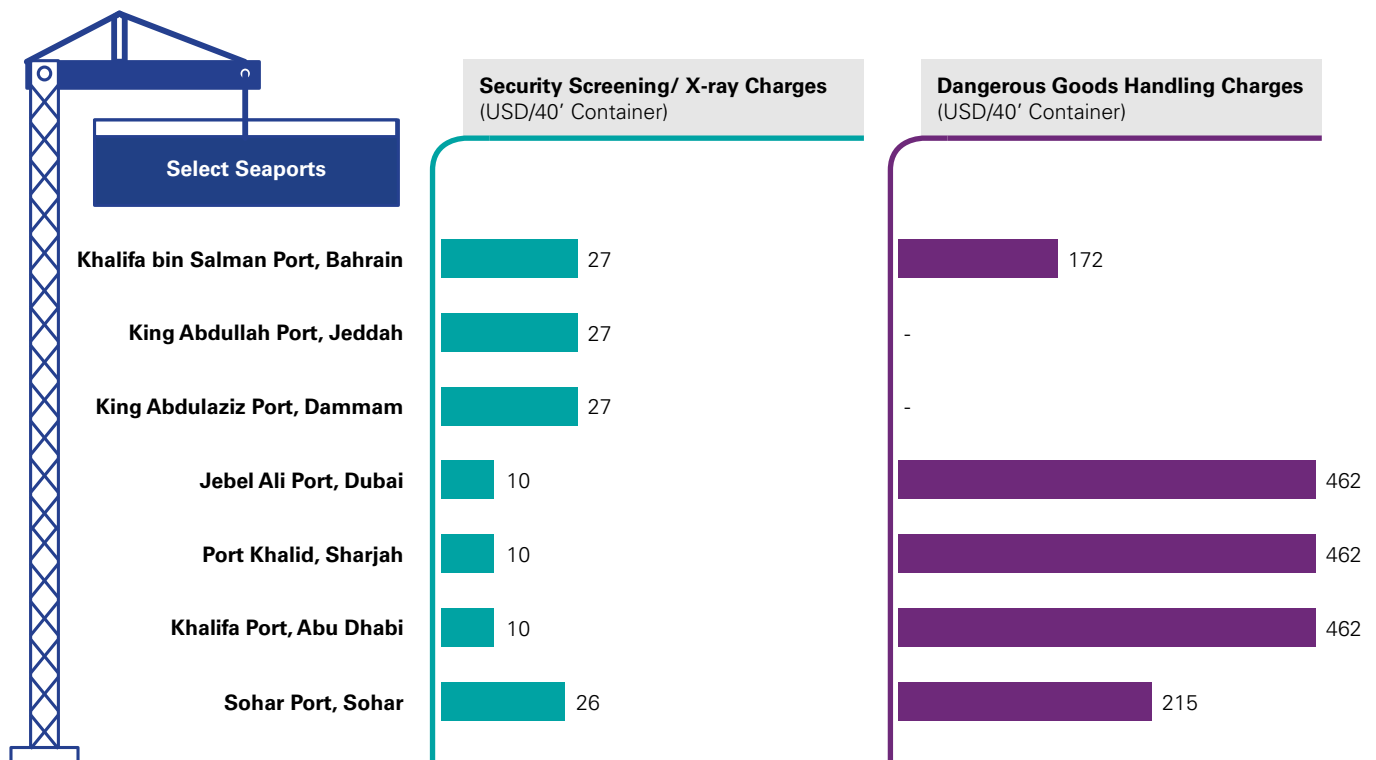


## 2.9 Transport and Logistics

### Sea Transport

**Seaport Security Screening/ X-ray charges and Dangerous Goods Handling charges:** Figure 36 below provides the security screening and dangerous goods handling charges as incurred across respective seaports.

**Figure 36: Seaport Security Screening/ X-ray Charges and Dangerous Goods Handling charges**



Source: Survey of regional/international sea freight companies, KPMG analysis

**Seaport Container Deposit Charges:** Figure 37 below provides the container deposit charges as incurred across respective seaports.

**Figure 37: Container Deposit Charges**

Container Deposit Charges (USD)

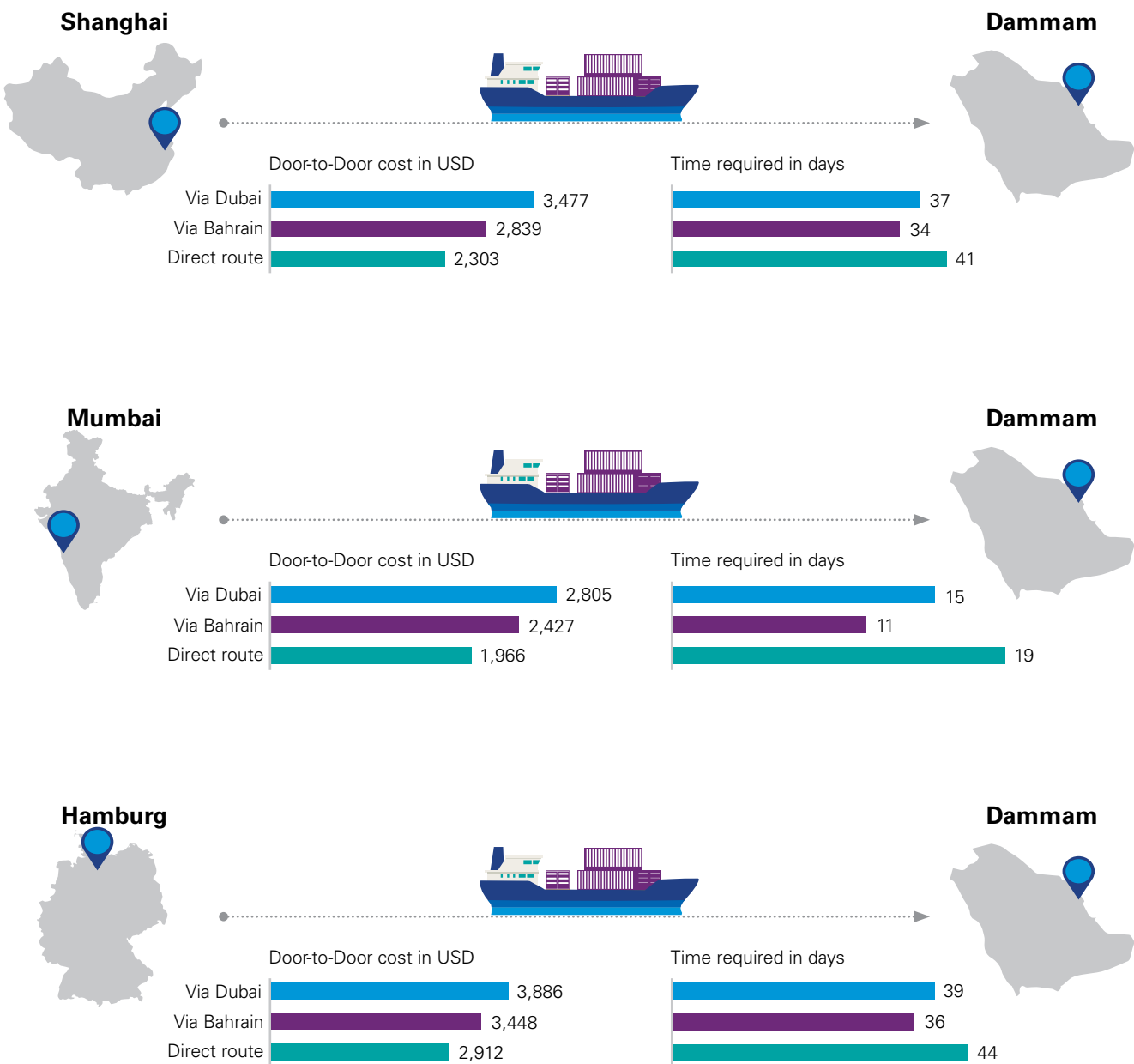
Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Dubai, UAE	Sharjah, UAE	Abu Dhabi, UAE	Sohar, Oman
Cost Type	Khalifa bin Salman Port	King Abdullah Port	King Abdulaziz Port	Jebel Ali Port	Port Khalid	Khalifa Port	Sohar Port
<b>Container Deposit Charges (USD/Container)</b>	Nil	798	798	Nil	Nil	Nil	Nil

Source: Survey of regional/international sea freight companies, KPMG analysis



Importing shipments by sea into Dammam via Bahrain route is around 10-20% cheaper than via Dubai. While it is cheaper to import directly into Dammam, it takes on average 7-8 additional days to get the goods delivered.

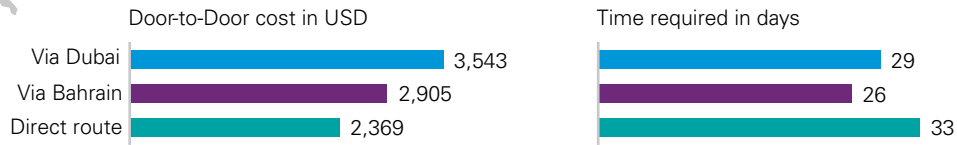
**Figure 38: Comparative Overview of Importing Shipments into Dammam by Sea**



### Venice



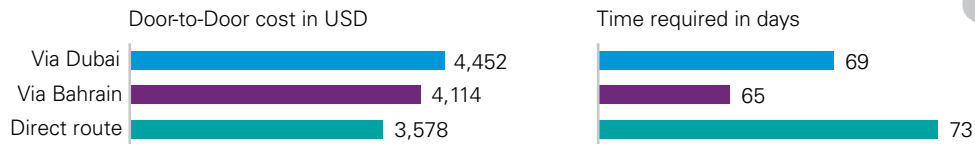
### Dammam



### Los Angeles



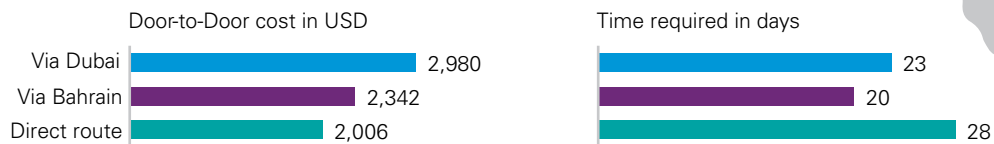
### Dammam



### Alexandria



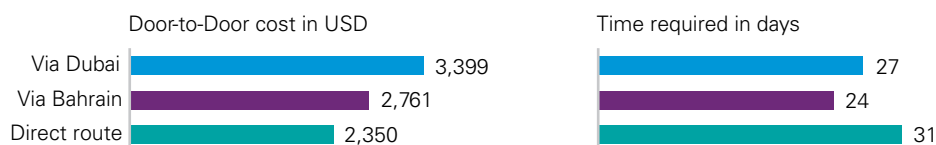
### Dammam



### Istanbul



### Dammam

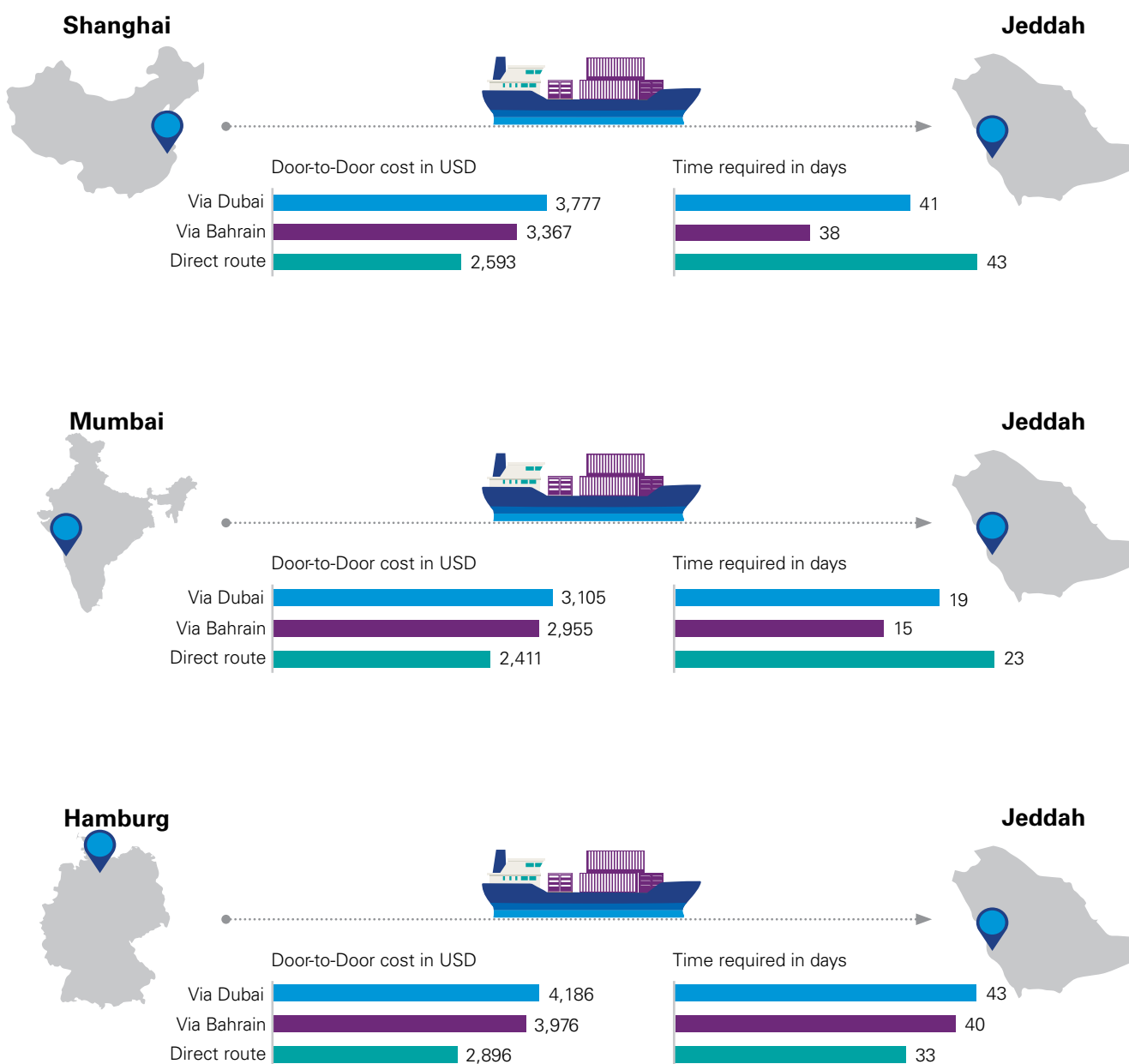


Source: Survey of regional/international road and sea freight companies, KPMG analysis



Importing shipments by sea into Jeddah via Bahrain route is around 3-10% cheaper than via Dubai. While it is cheaper to import directly into Jeddah, it takes on average 5-8 additional days on some routes to get the goods delivered.

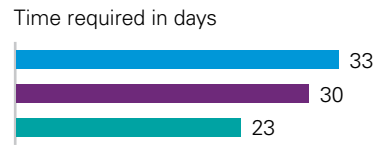
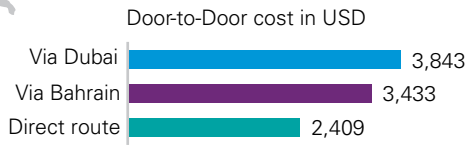
**Figure 39: Comparative Overview of Importing Shipments into Jeddah by Sea**



### Venice



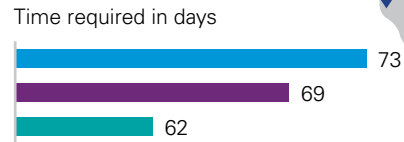
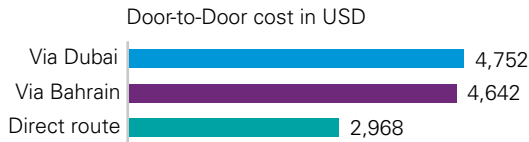
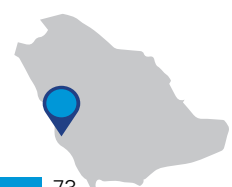
### Jeddah



### Los Angeles



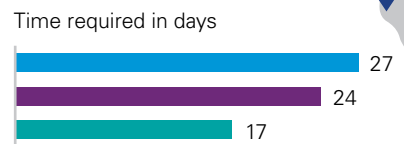
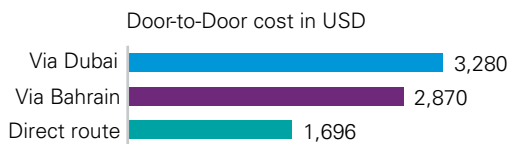
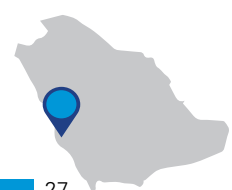
### Jeddah



### Alexandria



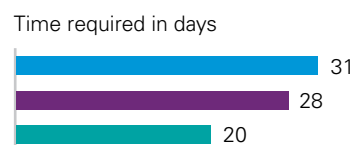
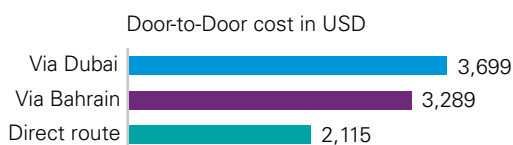
### Jeddah



### Istanbul



### Jeddah



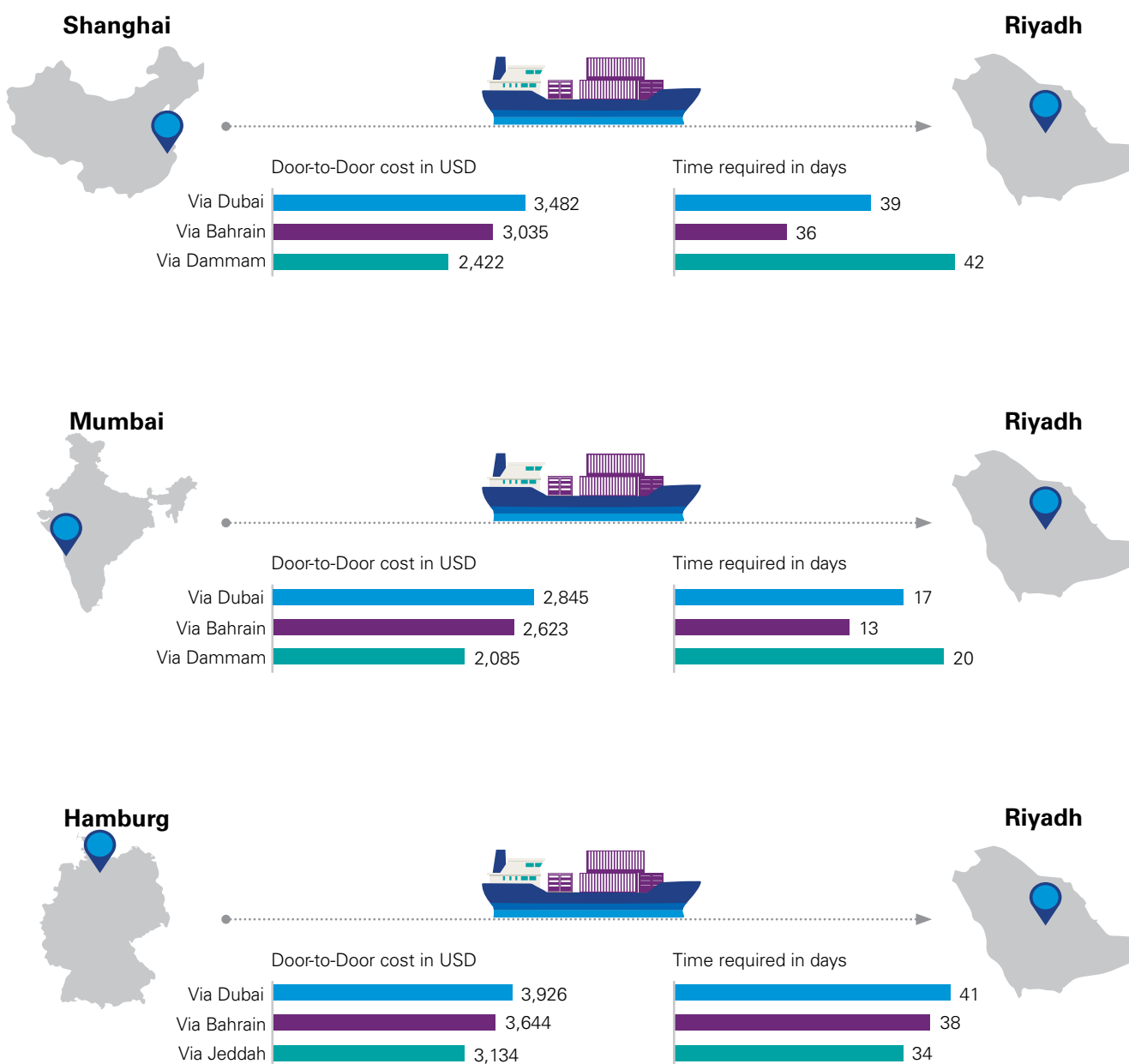
Source: Survey of regional/international road and sea freight companies, KPMG analysis





Importing shipments by sea into Riyadh via Bahrain route is around 5-15% cheaper than via Dubai. While it is cheaper to import into Riyadh via Dammam, it takes on average 5-8 additional days on some routes to get the goods delivered.

**Figure 40: Comparative Overview of Importing Shipments into Riyadh by Sea**



### Venice



### Riyadh



#### Door-to-Door cost in USD



#### Time required in days



### Los Angeles



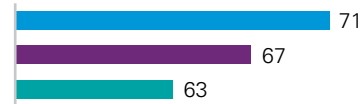
### Riyadh



#### Door-to-Door cost in USD



#### Time required in days



### Alexandria



### Riyadh



#### Door-to-Door cost in USD



#### Time required in days



### Istanbul



### Riyadh



#### Door-to-Door cost in USD



#### Time required in days



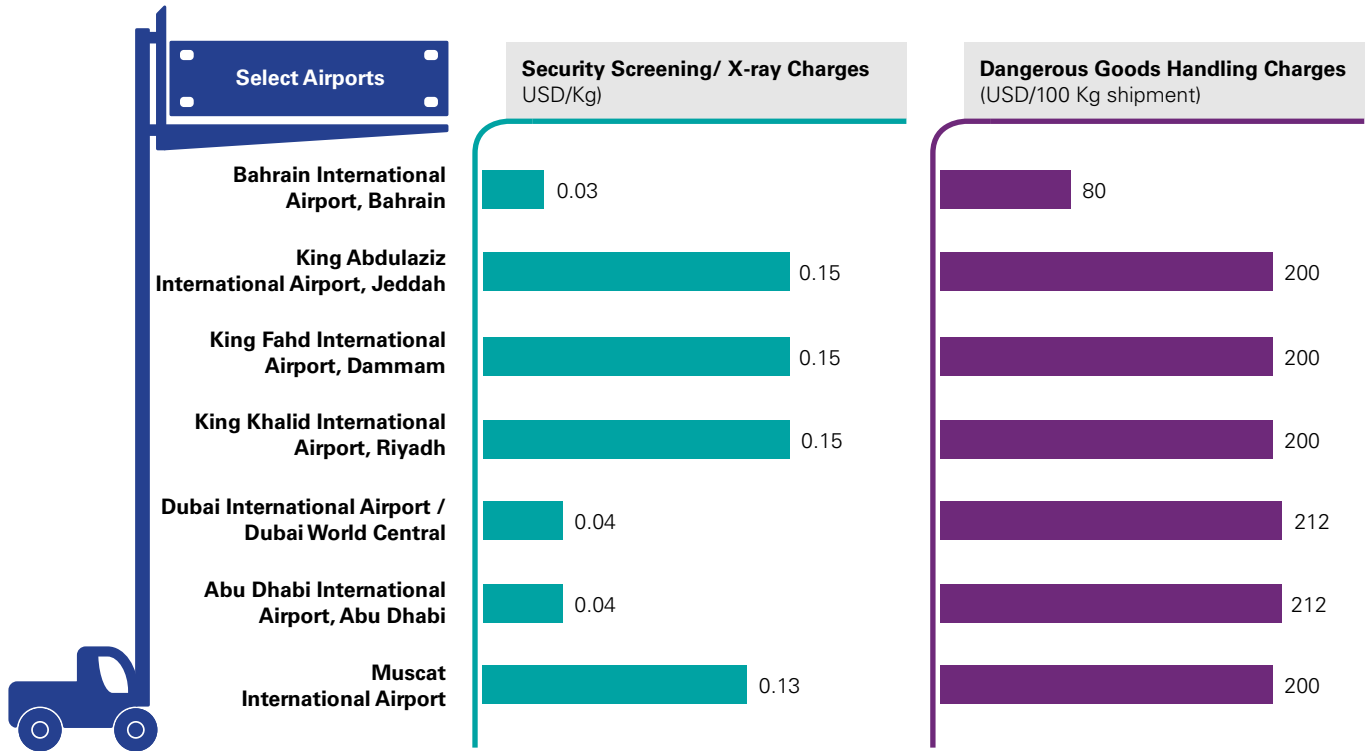
Source: Survey of regional/international road and sea freight companies, KPMG analysis



## Air Transport

**Airport Security Screening/ X-ray Charges and Dangerous Goods Handling Charges:** Figure 41 below provides the security screening and dangerous goods handling charges as incurred across respective airports.

**Figure 41: Airport Security Screening/ X-ray Charges and Dangerous Goods Handling Charges**



Source: Survey of regional/international air freight companies, KPMG analysis

**Cargo Handling and Total Throughput Charges:** Figure 42 below provides the indicative cost of cargo handling and total throughput (including handling charges) for importing shipments by air across select airports in the region.

**Figure 42: Cargo Handling and Total Throughput Charges**

Cargo Handling and Total Throughput Charges for Import of Air Shipments (USD)

Location	Bahrain	Jeddah, Saudi Arabia	Dammam, Saudi Arabia	Riyadh, Saudi Arabia	Dubai, UAE	Dubai, UAE	Sharjah, UAE	Ras Al Khaimah, UAE	Abu Dhabi, UAE	Muscat, Oman
Cost Type	Bahrain International Airport	King Abdulaziz International Airport	King Fahd International Airport	King Khalid International Airport	Dubai International Airport	Dubai World Central (DWC)	Sharjah International Airport	Ras Al Khaimah International Airport	Abu Dhabi International Airport	Muscat International Airport
<b>Airport Cargo Handling Charges (USD/kg)</b>	0.10 (Minimum \$35)	0.12 (Minimum \$35)	0.12 (Minimum \$35)	0.12 (Minimum \$35)	0.15 (Minimum \$50)	0.15 (Minimum \$50)	0.15 (Minimum \$50)	0.15 (Minimum \$50)	0.15 (Minimum 50\$)	0.13 (Minimum 50\$)
<b>Airport Total Throughput Cost (USD/300kg shipment)</b>	120	110	110	110	150	150	150	150	150	135

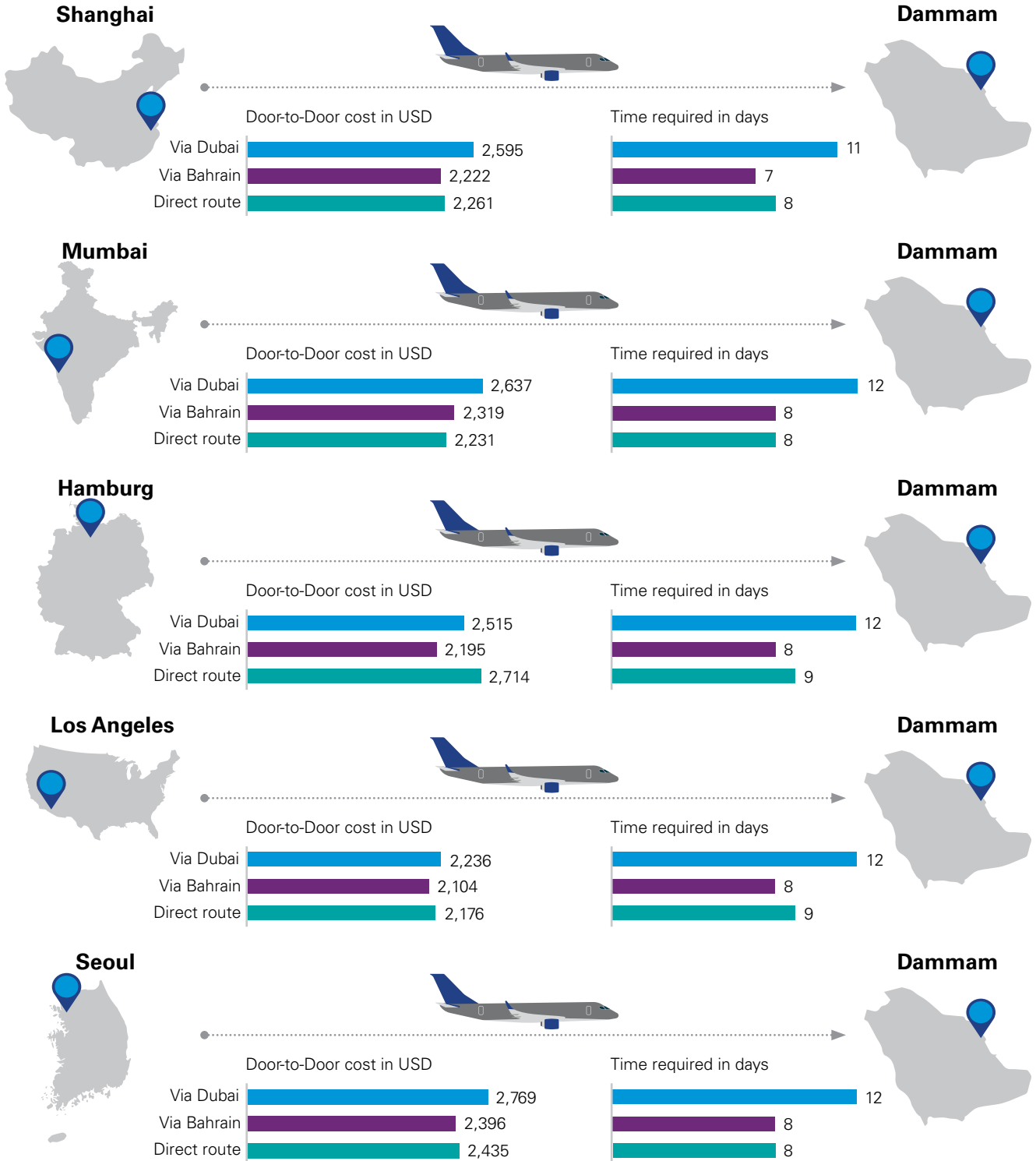
Source: Survey of regional/international air freight companies, KPMG analysis



### Air Freight Costs

Importing shipments by air into Dammam via Bahrain route is around 6-14% cheaper than via Dubai and 2-19% cheaper than importing directly into Dammam. Moreover, it takes on average one additional day to get the goods delivered.

**Figure 43: Comparative Overview of Importing Shipments into Dammam by Air**

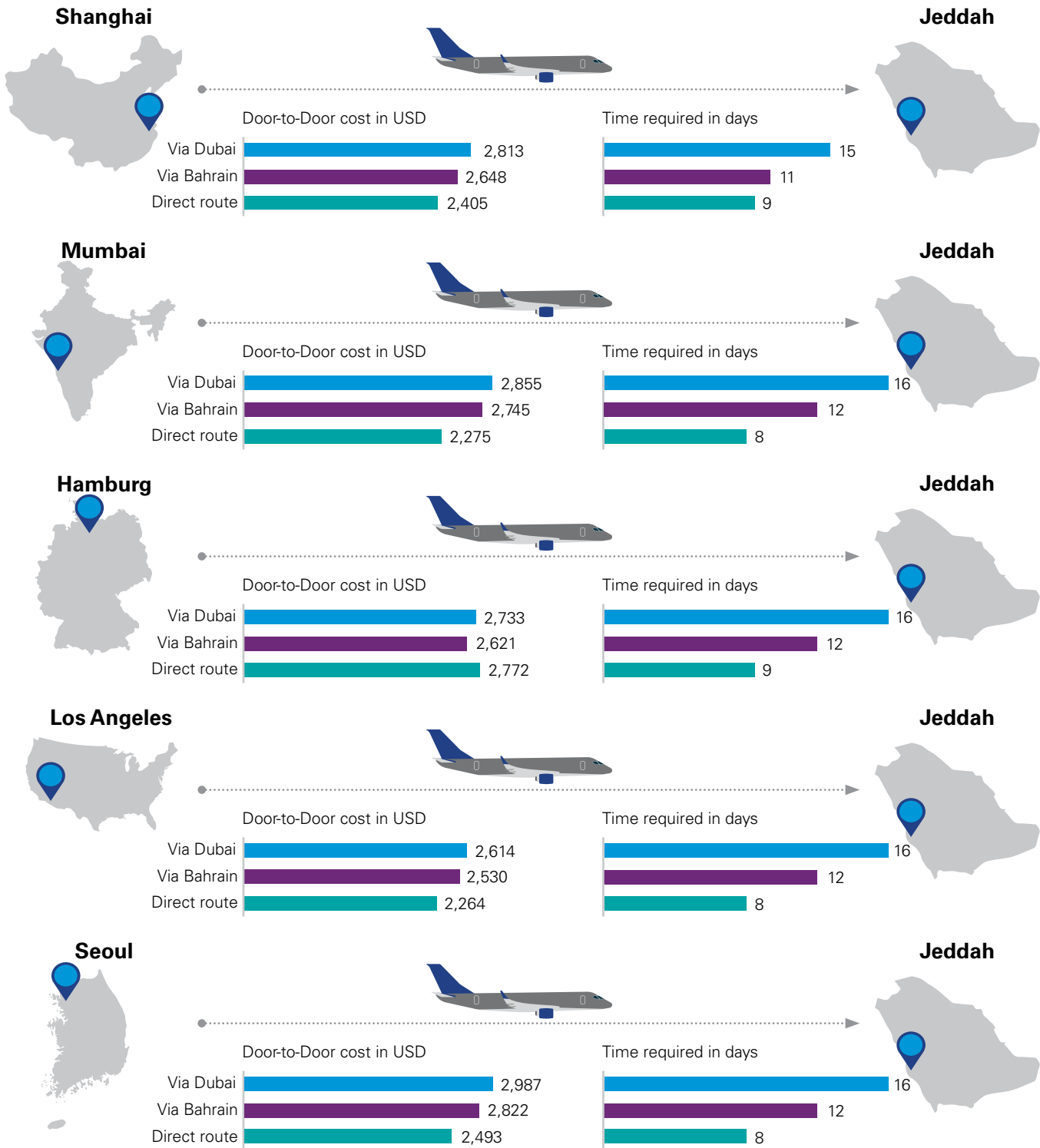


Source: Survey of regional/international road and air freight companies, KPMG analysis



Importing shipments by air into Jeddah via Bahrain route is around 3-6% cheaper than via Dubai. However, importing goods directly into Jeddah is more competitive than via Bahrain.

**Figure 44: Comparative Overview of Importing Shipments into Jeddah by Air**



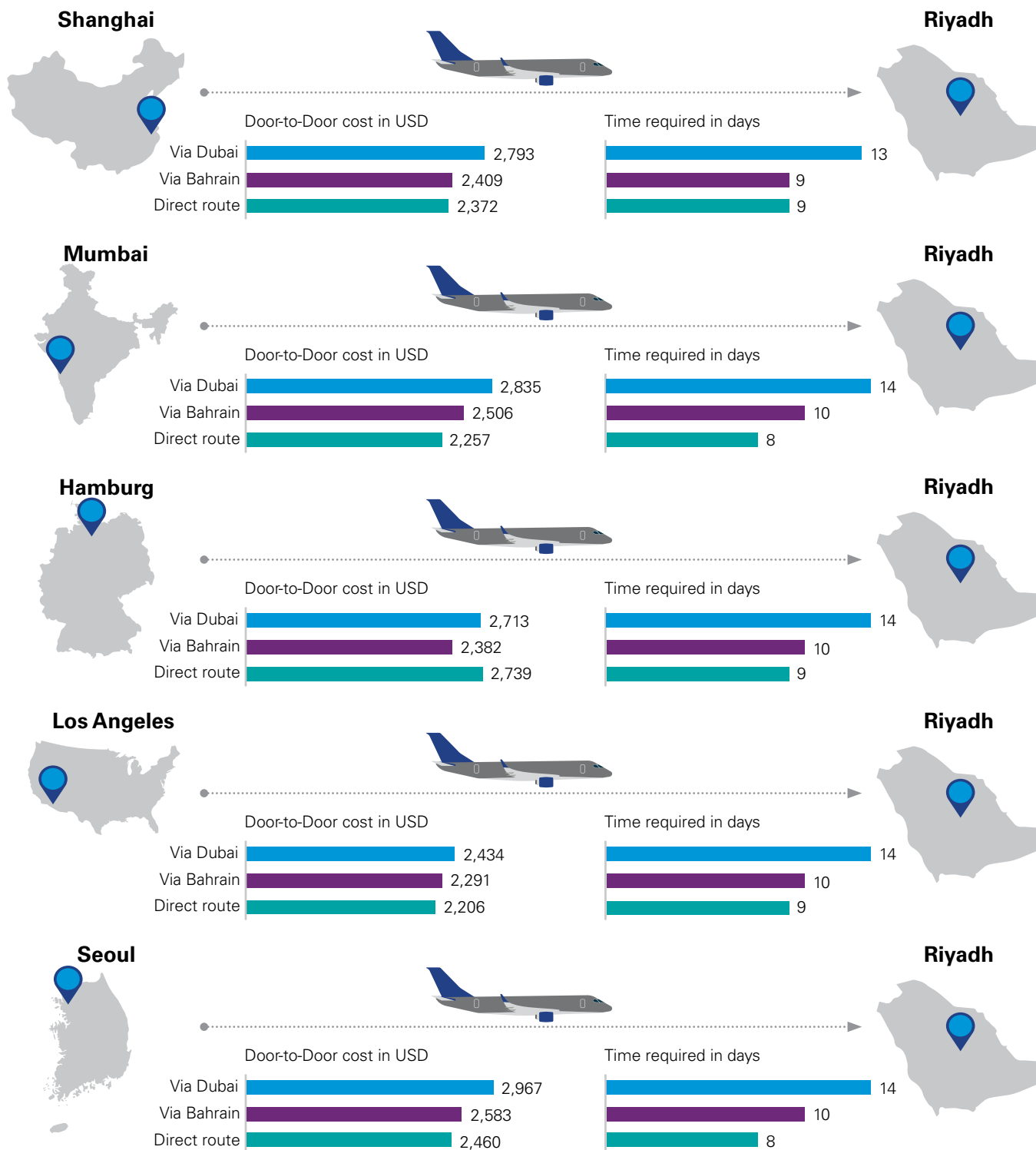
Source: Survey of regional/international road and air freight companies, KPMG analysis





Importing shipments by air into Riyadh via Bahrain route is around 6-14% cheaper than via Dubai. However, importing goods directly into Riyadh is more competitive than via Bahrain.

**Figure 45: Comparative Overview of Importing Shipments into Riyadh by Air**



Source: Survey of regional/international road and air freight companies, KPMG analysis



## 2.10 Overall Cost of Doing Business

### Cost of Setup of a Logistics Business

Figure 46 below outlines the estimated overall cost of setting-up a logistics business across the benchmarked logistics parks. To estimate the cost of setup an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60% of the land size)
- Number of Employees in the Setup Phase: 8

Based on the parameters taken to arrive at the estimated business setup cost, BLZ emerges as the most competitive destination. The setup cost in Saudi Arabia and the UAE is around 7% to 9% higher than in Bahrain. DAFZA has been excluded from Figure 46 as it does not offer land for lease.

**Figure 46: Cost of Setup of a Logistics Business (2018)<sup>35</sup>**

Estimated Cost of Setting-up a Logistics Business at Benchmarked Logistics Parks (USD)

Cost Type (USD)	Percentage higher than BLZ						SPFZ
	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	
<b>Company Formation</b>	266	7,980	12,240	2,720	2,592-3,487	4,760	5,031
<b>Land Rental<sup>36</sup></b>	55,041	29,424-34,212	41,657-109,657	57,834-66,402	72,828-78,540	45,084	40,000
<b>Construction<sup>37</sup></b>	2,835,000-3,412,500	2,994,036-3,571,536	2,889,948-3,519,948	2,888,357-3,518,357	2,890,267-3,520,267	2,890,764-3,520,764	2,836,300-3,467,600
<b>Manpower<sup>38</sup></b>	352,080-457,704	488,580-635,154	445,200-578,760	445,200-578,760	445,200-578,760	445,200-578,760	375,960-488,748
<b>Visa and Permits<sup>38</sup></b>	4,680	15,641	2,139	1,871	816	1,432	3,526
<b>Serviced Office Rental</b>	68,640	93,120	160,800	160,800	160,800	163,680	71,040
<b>Estimated Setup Cost (Minimum)</b>	<b>3,315,707</b>	<b>3,628,781</b>	<b>3,551,984</b>	<b>3,556,782</b>	<b>3,572,504</b>	<b>3,550,920</b>	<b>3,331,857</b>
<b>Estimated Setup Cost (Maximum)</b>	<b>3,998,831</b>	<b>4,357,743</b>	<b>4,383,544</b>	<b>4,328,910</b>	<b>4,342,671</b>	<b>4,314,480</b>	<b>4,075,945</b>

Source: KPMG analysis

<sup>35</sup> The period of setup has been assumed to be one year

<sup>36</sup> Land rental cost is inclusive of service charges and VAT where applicable

<sup>37</sup> Construction cost has been assumed for a light duty warehouse with a built-up area of 3,000 sqm. Includes cost of obtaining the construction permit and the estimated cost of constructing a light duty warehouse

<sup>38</sup> Manpower and visa related costs have been calculated for eight management level staff for a period of one year



## Annual Cost of Operations for a Logistics Business

Figure 47 below outlines the estimated overall annual cost of operating a logistics business across the benchmarked logistics parks. To estimate the annual cost an illustrative example with the following assumptions has been taken:

- Plot of Land: 5,000 sqm
- Built-up Area: 3,000 sqm (taken at 60% of the land size)
- Number of Employees in the Operating Phase: 51
- Annual cost of dependents visa, national ID and health insurance for a spouse and two children for eight management level staff
- Corporate tax on 49% foreign shareholding for a logistics company with a net profit of USD 410,000
- Transport and Logistics cost: by sea, import of fifty 40' FCL (full container load) per month; by air, import of twenty shipments per month each weighing 300 kgs; and by road, movement of fifty 40' FCL per month. The estimated logistics costs were arrived at by incorporating sea, air and road freight cost, customs clearance charges and terminal handling charges as applicable. Transport and Logistics cost assume a scenario wherein goods from respective logistics parks are exported to Riyadh while goods from Saudi Arabia are exported to Dubai.

Based on the parameters taken to arrive at the estimated annual operating cost, BLZ emerges as the most competitive destination followed by KIZAD. Compared to BLZ, the annual operating cost at other logistics parks is around 61% to 75% higher. DAFZA has been excluded from Figure 47 as it does not offer land for lease.

**Figure 47: Annual Cost of Operations for a Logistics Business (2018)**

Estimated Annual Cost of Operating a Logistics Business at Benchmarking Logistics Parks (USD)

Cost Type (USD/Year)	Percentage higher than BLZ						
	BLZ	KAEC	JAFZA	Dubai South	DIP	KIZAD	SPFZ
<b>License Renewal</b>	133	1,330	8,160	3,291	2,203-2,747	1,360	1,001
<b>Land Rental<sup>39</sup></b>	55,041	29,424-34,213	41,657-109,657	57,834-66,402	72,828-78,540	45,084	40,000
<b>Utilities<sup>40</sup></b>	153,566	72,473	301,823	301,823	301,823	297,890	271,894
<b>Transport and Logistics</b>	723,660	1,496,580	1,197,480	1,196,280	1,196,280	1,029,180	1,408,320
<b>Manpower<sup>41</sup></b>	670,560-871,728	1,039,894-1,351,863	1,065,566-1,385,235	1,065,566-1,385,235	1,065,566-1,385,235	1,065,566-1,385,235	831,621-1,081,107
<b>Visa and Permits<sup>41</sup></b>	50,047	212,390	30,213	28,483	21,779	25,179	92,197
<b>Labor Accommodation<sup>42</sup></b>	41,000	97,532	93,677-137,504	91,335	119,438-133,489	53,530	104,755-125,706
<b>Other Fees<sup>43</sup></b>	598	-	571	1,469	-	408	-
<b>Corporate Tax</b>	-	40,430	-	-	-	-	-
<b>Estimated Annual Operating Cost (Minimum)</b>	<b>1,694,606</b>	<b>2,990,055</b>	<b>2,739,146</b>	<b>2,746,080</b>	<b>2,779,917</b>	<b>2,518,196</b>	<b>2,749,787</b>
<b>Estimated Annual Operating Cost (Maximum)</b>	<b>1,895,774</b>	<b>3,306,911</b>	<b>3,170,643</b>	<b>3,074,318</b>	<b>3,119,894</b>	<b>2,837,866</b>	<b>3,020,224</b>

Source: KPMG analysis

<sup>39</sup> Land rental cost is inclusive of service charges and VAT where applicable

<sup>40</sup> Reflects the annual utilities cost based on a 3,000 sqm built-up area consuming 16,410 kWh of electricity per month (assuming consumption of 5.47 kWh per sqm per month) and 30m<sup>3</sup> of water per month. Also, assuming three vehicles each consuming 20 litres of gasoline 91 per day, three vehicles each consuming 20 litres gasoline 95 per day and 15 commercial vehicles (trucks) each consuming 100 litres of diesel per day for 22 working days in a month

<sup>41</sup> Manpower and visa related costs have been calculated for a total of 51 staff and dependents visa related costs for management level staff

<sup>42</sup> Labor accommodation cost has been calculated for 41 blue-collar staff

<sup>43</sup> Other Fees include the cost of obtaining annual entry pass to logistics parks for 15 commercial vehicles (trucks)









# III. Indirect Cost Components

## 3.1 Accommodation Cost

Cost of accommodation has been estimated for a range of accommodation types across select cities in Bahrain, Saudi Arabia, the UAE and Oman. Bahrain and Saudi Arabia emerge as the most competitive destinations for renting an accommodation. Residential rental were on average 30% to 70% higher in Muscat as compared to Manama while Dubai and Abu Dhabi were 50% to over 100% more expensive than Manama.

**Figure 48: Accommodation Rental**

Average Monthly Cost of Accommodation (USD)

Accommodation Type (USD/Month)	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
 Apartment – 1 BR	990 – 1,360	600 - 830	850 – 1,400	590 - 640	1,900 – 2,250	2,210 – 2,450	1,670 – 1,930
Apartment – 2 BR	1,470 – 1,970	980 – 1,070	1,480 – 1,800	810 – 820	2,370 – 2,610	3,060 – 3,310	1,930 – 2,840
Apartment – 3 BR	1,600 – 2,210	1,190 – 1,350	1,900 – 2,910	860 – 1,090	3,550 – 3,790	3,800 – 4,170	2,060 – 3,360
 Villa – 3 BR	1,840 – 3,670	1,570 – 1,700	3,170 – 3,730	1,300 – 1,680	3,560 – 4,480	4,350 – 4,890	2,580 – 3,620
Villa – 4 BR	2,320 – 3,670	1,830 – 2,350	4,050 – 4,550	1,810 – 2,200	4,240 – 4,970	4,990 – 5,630	3,230 – 4,110



Source: Regional/International real estate research firms, KPMG analysis

## 3.2 Residential Utility Cost

Figure 49 below provides the estimated cost of monthly electricity and water consumption for a typical household of four individuals.

**Figure 49: Cost of Residential Utilities**

Estimated Cost of Electricity and Water Consumption (USD)

Utility	Bahrain	Saudi Arabia	Dubai, UAE	Abu Dhabi, UAE	Oman
 Estimated Cost of Electricity Consumption (USD/Month)	⚡⚡⚡⚡ 272	⚡⚡⚡ 226	⚡⚡⚡⚡⚡⚡⚡⚡⚡ 421	⚡⚡⚡⚡⚡⚡⚡ 386	⚡⚡ 144
 Estimated Cost of Water Consumption (USD/Month)	💧💧💧 57	💧 17	💧💧💧💧💧💧💧 121	💧💧💧💧💧💧 118	💧💧💧💧 75





**Figure 50: Electricity and Water Tariff Structure<sup>44</sup>**

	Electricity Consumption (kWh)	Tariff (USD/kWh)	Water Consumption (m <sup>3</sup> )	Tariff (USD/m <sup>3</sup> )
<b>Bahrain</b>	0 – 3,000	0.056	0 - 60	1.20
	3,001 - 5,000	0.061	61 - 100	1.33
	> 5,000	0.066	> 100	1.60
<b>Saudi Arabia</b>	0 - 6,000	0.050	Upto 15	0.03
	> 6,000	0.084	16 – 30	0.28
			31 – 45	0.84
			46 – 60	1.12
			> 60	1.68
<b>Dubai</b>	0 - 2,000	0.084	0 - 273 (0 - 6,000 Imperial Gallon)	2.58
	2,001 - 4,000	0.099		
	4,001 - 6,000	0.110	274 - 54.6 (6,001 - 12,000 Imperial Gallon)	2.89
	> 6,000	0.127	> 54.6 (> 12,000 Imperial Gallon)	3.27
<b>Abu Dhabi</b>	0 - 600	0.077	0 - 21	2.24
	> 600	0.087	> 21	2.97
<b>Oman</b>	0 - 3,000	0.026	0 - 18.92 (0 – 5,000 US Gallon)	1.37
	3,001 - 5,000	0.039		
	5,001 - 7,000	0.052		
	7,001 - 10,000	0.065	> 18.92 (> 5,000 US Gallon)	1.72
	> 10,000	0.078		


Source: Respective electricity and water authorities, primary and secondary research, KPMG analysis

**LPG**

Figure 51 below shows the cost per kg of LPG for household use. The cost of LPG is lowest in Bahrain followed by Abu Dhabi and Muscat.

**Figure 51: Household LPG Cylinder Cost**

Cost of LPG (USD)

 For a Standard Household LPG Cylinder	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
LPG (USD/kg)	0.32	0.48	0.48	0.48	1.84	0.34	0.37

Source: Primary and secondary research, KPMG analysis

<sup>44</sup> All tariff slabs as applicable to an expatriate household. Bahrain and Abu Dhabi offer utilities at a subsidized rate for households of nationals




## Telecommunication

Across residential fixed voice and mobile calls Bahrain is the most competitive. Overall Saudi Arabia and the UAE are the most expensive for fixed voice and mobile usage.

**Figure 52: Telecommunication Cost**

Cost of Purchasing 'Basket' of Telecommunication Services (USD)



Telecom Service type	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
<b>Residential PSTN<sup>45</sup></b> (fixed voice) (USD/Month)	29.1	49.2	49.2	49.2	34.8	34.8	40.2
<b>Mobile calls<sup>46</sup></b> (USD/Month)	71.6	175.9	175.9	175.9	188.8	188.8	188.8

Source: Telligen, KPMG analysis




## 3.3 Vehicle and Fuel Cost

### Vehicle

Cost of purchasing vehicles is fairly comparable across the benchmarked countries with only minor price variation.

**Figure 53: Car Purchase Price**

Cost of Owning a Car (USD)

Car Make and Model	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
<b>BMW 3-Series 2018</b>	36,854	36,868	36,868	36,868	37,699	37,699	36,036
<b>Ford Fusion 2018</b>	22,336	22,344	22,344	22,344	22,848	22,848	21,840
<b>Toyota Camry 2018</b>	22,615	22,623	22,623	22,623	25,990	25,990	22,113


Source: Primary and secondary research, KPMG analysis

### Fuel

Bahrain and Saudi Arabia offer the most competitive cost for Gasoline 91 and Gasoline 95. The cost of diesel in Saudi Arabia is the lowest among the benchmarked countries. The cost of diesel in Bahrain is around 50% lower than in the UAE and Oman.

**Figure 54: Gasoline and Diesel**

Cost of Gasoline and Diesel (USD)



Fuel Type	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
<b>Gasoline 91</b> (USD/litre)	0.37	0.36	0.36	0.36	0.58	0.58	0.53
<b>Gasoline 95</b> (USD/litre)	0.53	0.54	0.54	0.54	0.63	0.63	0.56
<b>Diesel</b> (USD/litre)	0.32	0.12	0.12	0.12	0.66	0.66	0.62

Source: Primary and secondary research, KPMG analysis

<sup>45</sup> For a typical usage of 60 calls per month per user

<sup>46</sup> For a typical usage of 900 calls and 2GB data usage per user per month



## 3.4 Education Cost

### Cost of Schooling

Cost for schooling is the most competitive in Bahrain and Dammam. Figure 55 below presents the typical annual tuition fee cost for a British curriculum school across the benchmarked countries.

**Figure 55: Cost of Schooling across Benchmarking Cities**

Typical Annual Fees for a British Curriculum School<sup>47</sup> (USD)

Annual Fee by Grade of Education (USD/Year/Student)	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
<b>Pre-school</b>	2,305 – 2,930	8,380 – 11,520	10,650 – 14,930	8,220 – 11,650	11,710 – 14,750	13,690 – 13,690	9,420 – 11,440
<b>Primary</b> (years 1 to 6)	2,930 – 3,620	14,330 – 14,330	14,930 – 15,970	11,650 – 12,130	14,750 – 14,750	16,030 – 16,410	12,330 – 12,950
<b>Secondary</b> (years 7 to 13)	4,170 – 5,960	17,680 – 21,910	17,440 – 23,930	12,620 – 16,010	20,340 – 25,480	16,410 – 18,070	17,240 – 22,920

Source: Select British curriculum schools, KPMG analysis

## 3.5 Domestic Help Cost

### Domestic Help Visa

The annual cost of domestic help visa is most competitive in the UAE and Bahrain. Annual cost for the visa is significantly higher in Saudi Arabia and Oman.

**Figure 56: Cost of Domestic Help Visa**

Estimated Annual Cost of Domestic Help Visa (USD)

Annual Fee for Visa	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
Visa Fee (USD/Year)	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
	45	266	266	266	41	41	183

Source: Primary and secondary research, KPMG analysis

### Domestic Help Salary

Domestic help salary is the lowest in Bahrain and less than half of that in Riyadh, Dubai and Abu Dhabi.

**Figure 57: Cost of Domestic Help Salary**

Estimated Monthly Domestic Help Salary (USD)

Monthly Domestic Help Salary	Bahrain	Saudi Arabia	Saudi Arabia	Saudi Arabia	UAE	UAE	Oman
Salary (USD/Month)	Manama	Jeddah	Riyadh	Dammam	Dubai	Abu Dhabi	Muscat
	225	360	450	365	530	470	310

Source: Primary and secondary research, KPMG analysis

<sup>47</sup> School fee in Saudi Arabia is inclusive of 5% VAT. In the UAE school fee is exempted from VAT



# IV. Appendix 1



## Nationalities offered e-Visa and Visa on Arrival to Bahrain

### Nationalities offered Visa on Arrival(67)

Denmark	UK	Chile
Australia	US	Columbia
Austria	Vatican City	Ecuador
Belgium	Russia	Paraguay
Brunei	South Korea	Peru
Andorra	Turkey	Suriname
Canada	Kazakhstan	Uruguay
Finland	China	Falkland Islands
France	Thailand	Venezuela
Germany	Macau	
Greece	Cyprus	
Hong Kong	Poland	
Iceland	Croatia	
Ireland	Czech Republic	
Italy	Latvia	
Japan	Hungary	
Lichtenstein	Latvia	
Luxemburg	Lithuania	
Malaysia	Malta	
Monaco	Poland	
The Netherlands	Romania	
New Zealand	Slovakia	
Norway	Slovenia	
Portugal	Mexico	
San Marino	Argentina	
Singapore	French Guyana	
Spain	Bolivia	
Sweden	Guyana	
Switzerland	Brazil	

### Nationalities offered e-Visa(114)

Andorra	Russia	Egypt	Puerto Rico
Austria	San Marino	Gabon	Saint Barthelemy
Belgium	Slovakia	Ghana	Saint Kitts and Nevis aint Kitts and Nevis
Bulgaria	Slovenia	Ivory Coast	Saint Martin
Croatia	Spain	Kenya	Sint Maarten
Cyprus	Sweden	Morocco	Saint Lucia
Czech Republic	Switzerland	Mauritius	Saint Vincent and the Grenadines
Denmark	The Netherlands	Mozambique	United States Virgin Islands
Estonia	Turkey	Senegal	Trinidad and Tobago
Finland	Vatican City	Seychelles	Turks and Caicos Islands
France	UK	South Africa	Brunei
Germany	Argentina	Anguilla	China
Greece	Brazil	Antigua and Barbuda	Hong Kong
Hungary	Bolivia	Aruba	India
Iceland	Canada	Bahamas	Indonesia
Ireland	Chile	Barbados	Japan
Italy	Columbia	British Virgin Islands	Jordan
Isle of Man	Ecuador	Caribbean Netherlands	Kazakhstan
Isle of Wright	Falkland Islands	Cayman Islands	Malaysia
Latvia	French Guyana	Cuba	Pakistan
Liechtenstein	Guyana	Curacao	Singapore
Lithuania	Mexico	Dominican Republic	South Korea
Luxembourg	Paraguay	Dominica	Thailand
Malta	Peru	Grenada	Taiwan
Monaco	Suriname	Guadeloupe	Macau
Norway	Uruguay	Haiti	Australia
Poland	US	Jamaica	New Zealand
Portugal	Venezuela	Martinique	
Romania	Cameroon	Montserrat	

Source: Respective government agencies, primary and secondary research, KPMG analysis





## Nationalities offered e-Visa and Visa on Arrival to the UAE

### Nationalities offered Visa on Arrival(49)

Andorra	Greece
Australia	Hungary
Brunei	Iceland
Canada	Italy
Hong Kong	Latvia
Ireland	Liechtenstein
Japan	Lithuania
Malaysia	Luxembourg
Monaco	Malta
New Zealand	Netherlands
China	Norway
Russian Federation	Poland
San Marino	Portugal
Singapore	Romania
South Korea	Seychelles
UK	Slovakia
US	Slovenia
Vatican City	Spain
Austria	Sweden
Belgium	Switzerland
Bulgaria	
Croatia	
Cyprus	
Czech Republic	
Denmark	
Estonia	
Finland	
France	
Germany	

### Nationalities offered e-Visa(49)

Andorra	Greece
Australia	Hungary
Brunei	Iceland
Canada	Italy
Hong Kong	Latvia
Ireland	Liechtenstein
Japan	Lithuania
Malaysia	Luxembourg
Monaco	Malta
New Zealand	Netherlands
China	Norway
Russian Federation	Poland
San Marino	Portugal
Singapore	Romania
South Korea	Seychelles
UK	Slovakia
US	Slovenia
Vatican City	Spain
Austria	Sweden
Belgium	Switzerland
Bulgaria	
Croatia	
Cyprus	
Czech Republic	
Denmark	
Estonia	
Finland	
France	
Germany	



Source: Respective government agencies, primary and secondary research, KPMG analysis



## Nationalities offered e-Visa and Visa on Arrival to Oman

### Nationalities offered Visa on Arrival(68)

Andorra	Rumania	Malaysia
Austria	San Marino	New Zealand
Belgium	Slovakia	Seychelles
Britain	Slovenia	Singapore
Bulgaria	Spain	South Africa
Croatia	Sweden	South Korea
Czech Rep.	Switzerland	Taiwan
Denmark	Vatican	Thailand
Estonia	Cyprus	Turkey
Finland	Argentina	US
France	Bolivia	
Germany	Brazil	
Greece	Chile	
Hungary	Colombia	
Iceland	Ecuador	
Ireland	Paraguay	
Italy	Suriname	
Latvia	Uruguay	
Liechtenstein	Venezuela	
Lithuania	Australia	
Luxembourg	Brunei	
Macedon	Dar al-Salam	
Malta	Canada	
Moldova	French Guiana	
Monaco	Hong Kong	
Netherlands	Indonesia	
Norway	Japan	
Poland	Lebanon	
Portugal	Macao	

### Nationalities offered e-Visa(68)

Andorra	Rumania	Malaysia
Austria	San Marino	New Zealand
Belgium	Slovakia	Seychelles
Britain	Slovenia	Singapore
Bulgaria	Spain	South Africa
Croatia	Sweden	South Korea
Czech Rep.	Switzerland	Taiwan
Denmark	Vatican	Thailand
Estonia	Cyprus	Turkey
Finland	Argentina	US
France	Bolivia	
Germany	Brazil	
Greece	Chile	
Hungary	Colombia	
Iceland	Ecuador	
Ireland	Paraguay	
Italy	Suriname	
Latvia	Uruguay	
Liechtenstein	Venezuela	
Lithuania	Australia	
Luxembourg	Brunei	
Macedon	Dar al-Salam	
Malta	Canada	
Moldova	French Guiana	
Monaco	Hong Kong	
Netherlands	Indonesia	
Norway	Japan	
Poland	Lebanon	
Portugal	Macao	





# IV. Appendix 2

## Saudization Requirements - Incentives by Band in Saudi Arabia

Red Band	Yellow Band	Low Green Band, Medium Green Band and High Green Band	Platinum Band
None	<ul style="list-style-type: none"> <li>Can renew work visas of their foreign employees who have been in the Kingdom for less than six years</li> <li>Entitled to one new visa for every two of its foreign workers leaving the country on a final exit visa</li> </ul>	<ul style="list-style-type: none"> <li>Can renew existing work visas</li> <li>Can apply for new work visas every two months</li> <li>Entitled to one new visa for every two foreign workers leaving the country on a final exit visa</li> <li>Entitled to 'open profession visas,' that is, firms can change and update their foreign workers' profession (job descriptions) as necessary (excluding job restricted to Saudis)</li> <li>Can hire foreign workers from Red and Yellow firms without the consent of their current employers</li> <li>Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax</li> <li>Entitled to a six-month grace period in the renewal of their expired professional license, commercial registration, and all Ministry of Labor and Social Development (MLSD) documents</li> </ul>	<ul style="list-style-type: none"> <li>Entitled to unrestricted approval of new visas, that is, firms can hire anyone from any part of the world at any time</li> <li>Entitled to one new visa for every two foreign employees leaving the country on a final exit visa</li> <li>Can use electronic system to apply for work visas for any type of profession (except for jobs restricted to Saudis)</li> <li>Able to renew existing visas for any employee within three months of their expiration</li> <li>Entitled to open profession visas</li> <li>Can hire foreign workers from Red and Yellow firms without the consent of their current employers</li> <li>Entitled to a six-month grace period for the submission of the Certificate of Zakat and Income Tax</li> <li>Entitled to a one year grace period in the renewal of their expired professional license, commercial registration, and all MLSD documents</li> </ul>

## Saudization Requirements - Penalties by Band in Saudi Arabia

Red Band	Yellow Band	Low Green Band, Medium Green Band and High Green Band	Platinum Band
<ul style="list-style-type: none"> <li>Not granted new work visas</li> <li>Not allowed to renew existing work visas</li> <li>Not allowed to transfer visa to other jobs</li> <li>Cannot hire foreign workers from other firms</li> <li>Not allowed to open new facilities or branches</li> <li>Their foreign employees are allowed to transfer jobs to companies in the Platinum &amp; Green bands without their consent</li> </ul>	<ul style="list-style-type: none"> <li>Not allowed to renew work visas of foreign employees who have been in the Kingdom for six years or more</li> <li>Not allowed to transfer visa to other jobs</li> <li>Cannot hire foreign workers from other firms</li> <li>Not allowed to open new facilities or branches</li> <li>No new temporary or seasonal visas</li> <li>Their foreign workers are allowed to transfer jobs to companies in the Platinum and Green bands without their consent including those who want to continue working in Saudi Arabia beyond six years</li> </ul>	None	None

Source: Primary and secondary research, KPMG analysis



## Grants and Benefits offered by Tamkeen in Bahrain

Tamkeen Programs	Description	Eligibility Criteria
<p><b>Business Development</b></p>	<p>This program is a co-financing service that offers a grant that covers 50% of the cost incurred towards the following purposes:</p> <ul style="list-style-type: none"> <li>• Machinery &amp; Equipment</li> <li>• Information &amp; Communication Technologies (ICT)</li> <li>• Marketing &amp; Branding</li> <li>• Participation in Exhibitions</li> <li>• Business Consultancy</li> <li>• Quality Improvement &amp; Certification</li> <li>• Mohasaba Scheme (co-financing support program covering the cost of accounting and auditing services)</li> <li>• Startups can obtain financial support when hiring Bahraini employees, training them, and/ or increasing their salaries.</li> </ul>	<p>Any Startup with an active commercial registration in Bahrain can apply to get the grant support.</p>
<p><b>Training and Wage Support</b></p>	<p><b>Wage Subsidy Support</b></p> <ul style="list-style-type: none"> <li>• Fresh Graduates get a wage subsidy for 3 years (70%/50%/30% of the salary per year respectively, up to USD1,330)</li> <li>• Experienced Employees get a wage subsidy of for 3 years (25% of the salary up to USD665)</li> </ul> <p><b>Wage Increment Support</b></p> <ul style="list-style-type: none"> <li>• An increment of USD53-106 for 12 months.</li> <li>• An increment of USD133-1,330 for 12 or 24 months.</li> </ul> <p>Wage Increment Support is capped based on the Employee's salary at the time of applying. The support cap is as follows:</p> <ul style="list-style-type: none"> <li>• Salary USD2,660 and below – 100% Wage Increment Support</li> <li>• Salary above USD2,660 but below USD5,320 - 50% Wage Increment Support</li> <li>• Salary USD5,320 or greater - 25% Wage Increment Support</li> </ul>	<p>Any company with an active commercial registration in Bahrain can apply to get support for their Bahraini employees.</p> <p>The minimum required salaries in order to enroll through TWS are:-</p> <ul style="list-style-type: none"> <li>• High School Graduates (or lower): USD720</li> <li>• Diploma Holders: USD930</li> <li>• Bachelor Holders: USD1,065</li> </ul> <p>In case of Wage Increment Support, the wage increment must increase the employee's salary to meet or exceed the above minimum required salaries.</p>
<p><b>Taqdeer</b></p>	<p><b>Training Support</b></p> <p>Tamkeen provides financial support to train Bahraini Employees in certain fields.</p> <p>This is an employment reward program where companies that have exceeded their Bahrainization requirements can obtain a grant to reimburse the following operating expenses:</p> <ul style="list-style-type: none"> <li>• Municipality Fees Receipts (not including fines and violations)</li> <li>• Electricity and Water Bill Receipts</li> <li>• General Organization for Social Insurance (GOSI) Fees Receipts</li> <li>• Medical Insurance Receipts for Bahraini Employees</li> <li>• Academic Degrees Fees Receipts (Bachelors or Master's degree)</li> </ul> <p>The grant can be utilized over two periods (six months each) for expenses incurred over the past twelve months from the date of applying.</p>	<p>All companies with an active commercial registration in Bahrain and exceeds its Bahrainization rate requirement are eligible for the program.</p>

Source: Tamkeen (Labour Fund), KPMG analysis



Tamkeen Programs	Description	Eligibility Criteria
<b>Tamweel+</b>	<p>Tamkeen in collaboration with various banks provides companies with access to sharia-compliant financing ranging from USD2,659,000 to USD6,647,500 with an option of a repayment tenor of up to 10 years and a grace period, subject to the bank's policy.</p> <p>Tamkeen subsidizes 70% of the annual nominal profit rate (capped at an 8% reducing balance).</p>	Any company seeking to obtain financing may approach the banks Tamkeen has its collaboration with. A company must provide a feasibility study and the purpose of the financing must be for local or international expansion or diversification.
<b>Tamweel</b>	<p>Tamkeen in collaboration with various banks provides companies with access to sharia-compliant financing ranging from USD13,295 to USD1,329,500 with an option of a repayment tenor of up to 10 years and a grace period, subject to the bank's policy.</p> <p>Tamkeen subsidizes 50% of the annual nominal profit rate (capped at an 8% reducing balance).</p>	Any company seeking to obtain financing may approach the banks Tamkeen has its collaboration with.
<b>Micro-Finance</b>	<p>Tamkeen in collaboration with the Family Bank offer the Microfinance Program which enables companies to obtain microfinancing. The financing amount ranges from USD1,330 to USD26,590. Tamkeen subsidizes up to 87.5% of the profit rate. The repayment tenors range between 6 months to 36 months in this program.</p>	Any Bahraini national between the ages of 21 and 65 can apply for the program.
<b>Riyadat Financing</b>	<p>Riyadat Financing is a program that is specifically designed to support female owned Startups to help them develop and grow. Tamkeen, in collaboration with the Bahrain Development Bank, provides these companies with access to Sharia-compliant financing at a competitive profit rate, wherein Tamkeen subsidizes 60% of the annual nominal profit rate (capped at an 8% reducing balance).</p> <p>The finance amount ranges from USD13,295 to USD265,900 with an option of a repayment tenor of up to 10 years and a grace period, subject to the bank's policy.</p>	Any company that is owned and managed by a Bahraini woman with cumulative ownership of 50% or greater.
<b>International Placement</b>	<p>The International Placement Program is designed to provide financial support to companies that wish to send their employees to work abroad to gain international exposure and experience. The duration of the placements must be between 2 to 12 months.</p> <p>The support from Tamkeen covers 80% of the following costs:</p> <ul style="list-style-type: none"> <li>• Monthly Salary</li> <li>• Flights (limited to economy class)</li> <li>• VISA Costs</li> <li>• Settlement Costs</li> <li>• Medical Insurance that covers the basic needs of the individual for the duration of their stay</li> <li>• Language Courses (100% coverage)</li> </ul> <p>Note: The Startup will be responsible for arranging the placement of their employees and Tamkeen shall reimburse the costs of the placement after completion.</p>	Full-time Bahraini employees working in any company with an active commercial registration.

Source: Tamkeen (Labour Fund), KPMG analysis









## Contact us

For all business queries, please email us at **[kpmgbh@kpmg.com](mailto:kpmgbh@kpmg.com)**

You can also call us at **+973 1722 4807** for general enquiries.

For more information, please visit **[kpmg.com/bh](https://kpmg.com/bh)**

©2018 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry, Commerce and Tourism (MOICT), Kingdom of Bahrain and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.