

# 'Bahrain's economy resilient'

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The Bahrain Chapter of the Institute of Chartered Accountants of India, the largest organised professional body of Indians in Bahrain (affiliated to Bahrain Accountants Association) is back with its thought-provoking and career-enhancing annual conference

December 2 and 3. In this context DT News interviewed Vivek Kapoor, the chairperson of the BCICAI, who shared the view that despite the regional challenges faced, non-oil sectors namely tourism, banking and financial services and real estate have been resilient and will continue to contribute significantly to the overall GDP numbers. Here are the excerpts from the interview:

## What's your outlook on Bahrain Economy in 2017?

Economists & research reports forecast that Bahrain is expected to maintain the growth rate similar to

that of 2016 without much swing and we are hopeful about it. Bahrain's economy is dependent primarily on non-oil sectors namely tourism, banking & financial services and real estate. Despite the regional challenges faced, these sectors have been resilient and continue to contribute significantly to the overall GDP numbers.

As per the latest Economic Development Board report the tourism sector is expected to grow at an annual 7.3% and the Government is hoping to increase overseas visitor numbers from 11.6mn last year to 18mn in 2018.

The Banking & financial services industry are strong pillars for the economic development and are poised to grow with considerable number of Capital Intensive Government Infrastructure projects and Private developments lined up in the immediate future.

The Real Estate sector has been witnessing significant activities in the past 12 months and several new projects have been launched in the recently concluded BIPEX property exhibition.

Developers have been offering a varied range of products & payment plants to attract investors & end users and this is expected to spur up the growth.

The Government is continuing with its efforts to bring new investments into Bahrain as well as provide much needed support to the local businesses. This is evident from the improvement in Bahrain's ranking from 66th to 63rd position in the latest Doing Business 2017 report.

## Regarding Value-added Tax (VAT) in GCC, what's your comments?

VAT is likely to be implemented from January 2018. The GCC Finance Ministers & officials have been meeting regularly to arrive at a uniform VAT structure for all the countries and deliberate on the implementation mechanism. Actually VAT is prevailing in some of the Middle East countries like Egypt, Lebanon etc. and it was about time that GCC countries adopted VAT.

Like any developing or developed economy the Government depends on tax collections to create diversified revenue streams to support the ever increasing spending on Public services & Infrastructure.

VAT will have significant impact on businesses as they will have to revamp their systems and develop a comprehensive record management process. There is still not much information as to which categories of goods & services will be subject to VAT and those which will be subject to Zero percent tax or exempt from tax.

The authorities will have to establish the collection & reporting regulations and guidance for the practical implementation of VAT in the coming months so that the necessary VAT infrastructure is in place before January 2018.

## What is the role of Chartered Accountants in Bahrain Economy?

Indian Chartered Accountants (CA's) have been contributing to the overall development of Bahrain for more than four decades & continue to be an

integral part in its growth story.

Bahrain has always provided a fertile ground for us professionals to make optimum use of our knowledge & skills in the advancement of the institutions that we are part of. Our members have been actively involved across all levels of management right from auditors to CFOs, CEOs and Board members in both public & private enterprises and work closely with various stakeholders across the board and strive to build trust & confidence in every aspect of the work.

The vast curriculum, the stringent evaluation process and the requirements of practical training that we undergo prepares us to undertake the most challenging assignments and deliver quality results.

As advisors to family owned business or as consultants, auditors, risk managers or as members of top management team CAs have been contributing in building a robust system of internal controls, enhanced business practices & build a strong governance culture.

## Tell us about the Annual International Conference theme and its relevance in the current scenario.

The theme for the 8th Annual International Conference is "Challenges Create Opportunities".

We gave considerable thought as to what could be a befitting theme under the present economic scenario prevailing in the Middle East in particular & the World economy in general.

The geo-political issues which occurred in 2011 and its aftereffects have severely

impacted the MENA region. Lot of efforts to resurrect the situation was undertaken since then and as it appeared that there will be a return to normalcy we were hit once again by the huge fall in oil prices at the end of 2014 and the consequences of the same are still been felt across the Middle eastern countries & other oil dependent economies.

Globally there are more grave challenges on account wars being fought, surge in anti-national activities, refugee crisis, rising unemployment, natural disasters, environmental hazards and so on. As a whole there are many challenges that we are facing and we seek solutions to each of these.

The Governments of all the countries are actively working towards seeking partnerships with each other and the support of its people to remedy the situation and emerge out of these challenges. As global citizens and professionals we have an important role to play and contribute in all ways possible.

The conference will seek to discuss some of the challenges around leadership, the outlook of Bahrain economy for 2017, the opportunities available for entrepreneurs to launch new business and the impact of the proposed Valued Added Tax in GCC. We have lined up experts in the field of taxation, economy, banking & finance and other areas who will share their views and experiences with the delegates over the 2 day conference. Apart of the technical sessions there will be a talk on "The Dynamics of Powerful Decision Making" by Swami Sukhabodhananda.



Vivek Kapoor



Ford Trucks held a delivery and handing over ceremony of the first five Ford Trucks in Bahrain (four to National Concrete Company and one to Almoayyed Contracting Group). The ceremony was held at Almoayyed Heavy Equipment Service Centre in the presence of Yousif Almoayyed (Director - National Concrete company), M.T. Mathews (Director and CEO - Almoayyed Contracting Group), Sandeep Mathur (General Manager - Almoayyed Motors), Ercan Emrah Duman (International Markets Director - Ford trucks), Mustafa Caner Sinanoglu (Middle East Manager - Ford Trucks Business Unit), along with the Sales and After Sales team. Above, from left, Bagavathy, Robby George, Venugopal Nair, Anil Nair, M.T. Mathews, Yousif Almoayyed, Ercan Emrah Duman, Sandeep Mathur, Mustafa Caner Sinanoglu, Toros Kardas, K. Jayadev Menon.