

Labour Market Assessment

Bahrain

Submitted to
International Migration Centre- Karnataka



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Preface

Public Affairs Centre (PAC) engages in action research focussing on Sustainable Development Goals (SDG) in the context of India. PAC is a not for profit Think Tank established in 1994 with a mandate to improve the quality of governance in India. The Centre is also a pioneer in deploying innovative Social Accountability Tools (SAT) to measure the quality and adequacy of public services. Over the years, its scope of work has expanded to include the whole gamut of research-advocacy-action to lead evidence-based research on governance across sectors, geographies and populations in India.

The International Migration Centre-Karnataka (IMC-K) is an initiative of the Department of Skill Development, Entrepreneurship and Livelihoods (SDEL) of the Government of Karnataka (GoK). The IMC-K has been established in the State of Karnataka, to provide authentic information, guidance, training and recruitment avenues for overseas employment and apprenticeship opportunities and to develop supporting mechanism for each stage of the migration life-cycle. The key objective of the IMC-K is to advance the efforts of the State to position itself globally as a preferred state of origin for skilled and trained workers, in geographies with demand for people-with-skills.

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Disclaimer

The labour market assessment is dynamic i.e., it holds the characteristics of ever-changing nature. This is an indicative document which has been compiled and formatted in a way that can be updated using the references provided. Refer to the sources mentioned for the latest updates related to all information mentioned in the document. Efforts have been made to provide up to date information.

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Background

The mandate of the International Migration Centre-Karnataka (IMC-K) to enhance overseas employment opportunities for the skilled workforce of Karnataka necessitates an examination of constraints and opportunities within labour market systems. To this effect, the IMC-K undertakes Labour Market Assessments (LMAs). An LMA is a research activity that expands knowledge of viable labour opportunities and market dynamics. It analyses specific dimensions of the labour market such as sectors, skill gaps, target people or geographies and provides an overview of the general functioning of the market. It is, therefore, a beneficial tool for jobseekers and policymakers alike to facilitate effective demand-driven responses.

This document provides an overview of the analysis of the labour market and economic conditions of the Bahrain. The objective is to provide inputs on the country's economic profile, labour market trends, immigration eligibility criteria and the sectors and specific job roles that are in demand. The concise version of the Labour Market Assessment (LMA) for Bahrain provides the basis for the Government of Karnataka to take targeted action in making decisions about the sending of migrants abroad.

Overview of the Economic Activity in Bahrain

The Kingdom of Bahrain is a country located in the Persian Gulf. Bahrain has a population of 1.5 million and is classified as a high-income country. (World Bank, 2020) Bahrain's GDP is ranked 99th in the world with a total output of \$37.5 billion dollars. Bahrain also maintains a high per capita GDP of \$46, 813 dollars. (IMF World Economic Outlook, 2021)

Bahrain's prosperity is primarily driven by the country's abundant petroleum and natural gas reserves that helped propel it from relative poverty to a high-income, developed economy. Bahrain is still highly reliant on its hydrocarbon reserves even as efforts have been made to diversify the economy. (CIA World Factbook, 2017)

The efforts have had partial success owing to which the country now houses a sizable finance industry, large aluminium exports and a growing construction sector. Due to its small population and high wages, expatriate labour from countries such as India are highly desired in service and industrial sectors. This is the primary reason for up to 45% of the population is immigrants. (United Nations, 2019)

Table 1: Sector-wise contribution to GDP and Employment

| Sector-wise economic output | Agriculture | Industry | Services |
|-----------------------------|-------------|----------|----------|
| Employment by sector (%) | 1% | 32% | 67% |
| Value added to GDP (%) | 0.3% | 39.3% | 60.4% |

Source: CIA World Factbook

Overview of the Labour Market of Bahrain

Bahrain's labour market is heavily dependent on its hydrocarbon industries and the service sector. The major industries include petroleum processing and refining, aluminum smelting, iron pelletization, fertilizers, Islamic and offshore banking, insurance, ship repairing and tourism.

Bahrain is a favoured destination for foreign workers from Asia in particular. The value of the Bahraini dinar is a strong incentive for many workers who travel to Bahrain to work in these industries. Up to 5,31,447 foreign workers are employed in Bahrain. (Labour Market Regulatory Authority, 2021)

The vast majority of these are employed in small scale enterprises with less than 10 workers. (Labour Market Regulatory Authority, 2021) The Embassy of India in Bahrain estimates that up to 3,50,000 Indians are employed in the country. The majority of these employees work in the construction, contracting, maintenance and hospitality.

Most of the migrant labour to Bahrain originates from the states of Kerala, Tamil Nadu, Rajasthan and Maharashtra. Large existing communities of Indians and 8 Indian schools are also attractive factors for migrants from India.

Impact of the CoVID-19 pandemic on Bahrain

The CoVID-19 pandemic created significant damage to the Bahraini economy due to the consequent social distancing measures, falling demand and a sharp decline in oil prices worldwide. The economy contracted by -5.3% in the year 2020. (IMF, 2021) Fiscal and external deficits also increased as government spending increased in tandem with low oil prices.

The hospitality sector was the most severely affected, as social distancing measures and stoppage in tourism meant that the sector contracted by -36% in 2020. Water and electricity sectors also contracted by -21% due to a fall in demand. (Information and E-Government Authority, Bahrain, 2021)

However, targeted support programmes for small and medium enterprises which comprise up to 98% of all enterprises, a rapid vaccination programme and a robust health infrastructure helped the country avoid large scale fatalities.

The economy has now recovered to its pre-pandemic size and is expected to grow by 3.2% in 2021 (IMF, 2021) Bahrain's status as the most diversified country in the Gulf Cooperation Council, its strong financial industry and exports are expected to help the country recover strongly from the pandemic and will see a consequent rise in demand for migrant labour.

Forecasts for the Bahrain Labour market

The Government of India has already signed a Memorandum of Understanding with the Kingdom of Bahrain on labour and manpower development and numerous other bilateral agreements that seek to encourage economic partnerships and exchange between the two countries. (Indian Embassy, Bahrain)

The fertility rates amongst Bahraini nationals continues to drop below replacement levels due to increased education and labour force participation. In addition, there is almost no naturalisation of foreign nationals. Hence, over the next few decades Bahrain will experience an ageing population and demand for working-age migrants from overseas. (FICCI, 2015)

Foreign labourers accounted for 83 per cent of the private sector's workforce mid-2018. As regards to their activity, the bulk of the foreign labourers employed in the private sector worked in construction (36 percent of foreign male labourers), in sales-related activities (30 percent of foreign females in the sector), in manufacturing (12 percent) and in the accommodation and food services sector (10.6 percent) (IGA Bahrain, 2018)

Immigration policy of Bahrain

The vast majority of immigration in Bahrain is of unskilled or low-skilled workers from India. Immigration is governed by the Aliens (Immigration and Residence) Act and the visa regime set out by the Ministry of Foreign Affairs and the Labour Market Regulatory Authority of Bahrain.

With the exception of Gulf Cooperation Council countries and a few others, all migrants wishing to work and reside in Bahrain must obtain a work visa and residence permit. It is of note that Bahrain does not mandate a national minimum wage or working hours restrictions for migrant labour.

The Kingdom of Bahrain does not maintain an occupational register or conduct projections of its labour market. As such, specific figures for vacancies in Bahrain for migrants are unavailable. Bahrain does issue quarterly updates on work permits issued to immigrants. As per the latest data available, foreign workers employment reached 531,447 workers by the end of the first quarter of 2021. The

number of new employment work permits issued by LMRA during the first quarter of 2021 was 36,732 (LMRA, 2021)

Table 2: Sector-wise issue of new permits to immigrants

| Sector | Visas (% out of total new visas issued) |
|---------------------------------|---|
| Construction | 31.8% |
| Wholesale and Retail Trade | 19.8% |
| Accommodation and Food Services | 11.5% |
| Manufacturing and miscellaneous | 36.9% |

Source: Labour Market Regulatory Authority figures for Q1, 2021

Table 3: Relevant Visa types for IMC-K

| Visa Type | Purpose | Validity |
|------------------|--------------------|--------------|
| Tourist Visa | Tourist/Visitation | 2 weeks |
| 72 hr/7 day Visa | Transit Visa | 72 hr/7 days |
| Work Visa | Employment | 1 to 2 years |

Source: Ministry of Foreign Affairs

Table 4: Visa and other requirements for employment in Bahrain

| Requirements for work visa | Requirements for Residence permit | Validity of Work Permits | Skills + Language Requirements |
|--|---|--------------------------|--------------------------------|
| <ul style="list-style-type: none"> ● Visa application form ● Employee's passport ● Passport size photograph ● Sponsorship Letter: a letter of employment indicating employer's name/organization, commercial | <ul style="list-style-type: none"> ● Application form ● Employee & family's passport copies ● Employee's sponsorship | 1-2 years | Assessed by employer |

| | | | |
|--|---|--|--|
| <p>registration number, employee's capacity, salary, contract duration, employee's name, birth date and nationality</p> <ul style="list-style-type: none"> ● Copy of the contract ● Health record from an authorised clinic ● BD100 fee | <p>letter</p> <ul style="list-style-type: none"> ● Employee's contract ● Family health record from an authorised clinic ● BD22 fee per applicant | | |
|--|---|--|--|

Source: Ministry of Foreign Affairs, Bahrain

Employers with current vacancies in Bahrain

Table 5: Employers with vacancies

| Sl. No | Company | Contact Info |
|--------|---------------------------------------|--|
| 1 | Al Nosaif Contracting & Excavation Co | P.O Box.No: 32164 , Jidhafs , Bahrain +973 - 17590078 |
| 2 | Power Tech Development W.L.L | Shop-1, Building 1506,Road 4819, Block 948, Lhassay, Near, Bahrain +973-3401 0755 |
| 3 | Al Zahrawi Medical | 1st Floor, Ford Middle East & Africa Building, Al Wasl Office Complex Sheikh Zayed Road, Downtown - Dubai - United Arab Emirates +971 4 262 2728 |
| 4 | Ashrafs W.L.L. | Rd No 1805, Manama, Bahrain +973 1753 4439 |
| 5 | Calexico | Rd 3803, Building 98 Adliya BH• 338, Bahrain +973 1766 6644 |
| 6 | Charterhouse | |

| | | |
|---|------------------------|---|
| 7 | Shreds for Foods W.L.L | Al Buhair, East Riffa, Bahrain +973-38849768 |
| 8 | Mueller Middle East | +973 1663 2660 Building 1428, Road 1518 Al Hidd 115, 115, Bahrain |

Agencies with a recruitment focus on Bahrain

Table 6: Recruitment Agencies

| Sl. No | Agency | Contact Info |
|--------|--------------------|--|
| 1 | Hays International | +44 203 465 0160 internationalenquiries@hays.com Hays Business Solutions Pvt. Ltd. 11th floor Building 9B DLF Cyber City Gurugram, Haryana India 122002 |
| 2 | Michael Page | +91 80 6826 6800 enquiries@michaelpage.co.in 7th Floor, Spaces – The Fairway Business Park, #10/1, 11/2 and 12/2B, Challaghatta, Next to Embassy Golf Link, Domlur Bengaluru 560071 |
| 3 | Randstad India | 080 68360200 sales.enquiry@randstad.in Randstad House, Old No: 5 & 5A, New No.9, Pycrofts Garden Road, Nungambakkam, Chennai - 600 006 |

| | | |
|---|-----------------------------|--|
| 4 | ABC Consultants | +91 80 4179 5000 info@abccconsultants.in The Presidency, 2nd Floor 1 St. Marks Road Bengaluru 560 001 |
| 5 | Alliance Recruitment Agency | +91 8980 0187 41 jobs@alliancerecruitmentagency.com B-707 MONDEAL SQUARE Sarkhej - Gandhinagar Hwy, Prahlad Nagar, Ahmedabad, Gujarat 380015 |
| 6 | NES-Fircroft | 2nd floor hm vibha towers, luskur, hosur road Bengaluru, 560029 tel: +44 203 973 6215 EMAIL: BANGALORE@NESfircroft.COM |
| 7 | MM Enterprises | 10-C Gopala Tower Rajendra Place New Delhi-110008 +91 9667342228 resume@mmenterprises.co.in |
| 8 | Right Step Consulting | 304, 3rd Floor, A-37, Sector 63, Noida-201301 resume@rightstepconsulting.com |
| 9 | IRA International | 4Tth Floor, C wing, Twin Arcade, Military Road, Marol, Andheri (East), Mumbai - 400059 +91 2229 200 000 / 40567777 |

Source: PAC internal compilation

Sector Skill Councils in India

Table 7: SSCs under National Skill Development Corporation of India

| S. No | Sector | SSC in India | Contact Name | Mobile/Email |
|-------|-------------------|---|-----------------|---|
| 1 | Construction | Construction Skill Development Council | | 0124 - 4513915 - 18 |
| 2 | Services | Life Sciences Skill Development Council | Sachin Sachdeva | 9911445543 sachin.sachdeva@lssdc.in |
| 3 | Automobile Repair | Automotive Skill Development Council | | 011-42599800 |
| 4 | Hospitality | Tourism and Hospitality Skill Council | Sundeep Chhabra | 011- 41608056/57 sundeep.chhabra@thsc.in |

Source: National Skill Development Corporation of India

Skill Gaps affecting employment prospects for Indian migrants

Table 8: Skills gaps in Indian workers

| Sl. No | Sector | Skill Gaps | Recommended Interventions |
|--------|-------------------|---|---|
| 1 | Construction | Inadequate safety management, high attrition, material wastage | Establishment of construction academy in lines with National Academy of Construction Subsidising the training programme of unskilled helper category by providing trainer, material and course |
| 2 | Services | Understanding customer needs and changes in buying behaviour Knowledge of competitors and their offers Workforce management and relationship management | Setting up of up-skilling training centres for the Graduate, Diploma, and ITI students Courses to be provided in conjunction with an international certified programme wherever possible |
| 3 | Automobile Repair | Time management, coordination with other members of their trade, inadequate knowledge of their industry | Government initiatives to be undertaken by Directorate of Technical Education and Directorate of Employment and Training Increase in capacity of existing ITI/Diploma |

| | | | |
|---|-------------|--|---|
| | | | centres |
| 4 | Hospitality | Customer management, knowledge of cuisines, hygiene and safety standards | <p>Government initiatives to be undertaken by Directorate of Technical Education and Directorate of Employment and Training</p> <p>Increase in capacity of existing ITI/Diploma Centres</p> <p>Department of Tourism, Directorate of Technical Education and Directorate of Employment and Training can jointly work together in delivering these initiatives</p> |

Certification bodies in India

Table 9: Certification/Assessment bodies in India

| Sector | Certification/Assessment body | Contact Info |
|-------------------|------------------------------------|---|
| Construction | Edutech Nttf India Private Limited | Post Box No. 5857 No. 23 24 Peenya II Phase Peenya Bengaluru Karnataka 560058 |
| Services | Edusol-Bangalore-IIHM | SSK Chambers 874/A Krishna Temple Road H.A.L 2nd Stage |
| Automobile Repair | Edutech Nttf India Private Limited | Post Box No. 5857 No. 23 24 Peenya II Phase Peenya Bengaluru Karnataka 560058 |
| Hospitality | Edusol-Bangalore-IIHM | SSK Chambers 874/A Krishna Temple Road H.A.L 2nd Stage |

Source: NSDC Database

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NSDC Skill Gap Report for Karnataka

<https://skillsip.nsdcindia.org/sites/default/files/kps-document/karnataka-sg.pdf>



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