Investing in Bahrain

BUSINESS friendly
Business Friendly Bahrain

WELCOME. WE THANK YOU FOR YOUR INTEREST IN BAHRAIN.

Bahrain is unique in the Middle East. Along with a stable economic climate and competitive costs, you will find an attitude that welcomes foreign investment, a highly business-friendly culture.

Unusually for this region, we have been welcoming foreign investment to our Kingdom for not just years but decades. We, therefore, have a great deal of experience in understanding the needs of foreign businesses and responding to them.

Building on our natural geographic and human capital advantages, we have crafted a business environment that fosters foreign companies’ prosperity. In turn, this has created a steady flow of jobs for our people, who are widely known as the Gulf’s most educated and skilled. This means that companies can recruit locally, which keeps costs down and employee retention up.

The decisions of respected international companies to select our Kingdom for their base in the Middle East are rewarding our initiatives. Steadily rising investment1 and our ascent in the global ranking of open markets,2 demonstrate our growing success.

With the Middle East’s economies set to grow,3 diversity and consume more, many companies want to tap into this burgeoning trillion dollar market. Especially at a time when many developed economies are struggling, selecting the right place to locate is essential for your profitability. We believe Bahrain’s proposition is the most business friendly.

SETTING UP A BUSINESS IN BAHRAIN WAS EASIER, QUICKER AND MORE STRAIGHTFORWARD FOR US THAN IN ANY OTHER COUNTRY IN THE REGION. THE ABILITY FOR KRAFT FOODS TO OWN 100 PER CENT OF THE COMPANY HERE WAS ATTRACTIVE. THIS WAS NOT THE CASE IN ANY OF THE OTHER GCC NATIONS WE WERE CONSIDERING.

ANDREW TREVIS Plant Director, Kraft Foods Bahrain

1 Bahrain’s investment capital, a measure of foreign and domestic investment, rose by 22% to BD15.3 billion ($40.5 billion) in 2008. UNCTAD 2008.
3 For 2009, the International Monetary Fund forecasts Middle East, North Africa, Afghanistan and Pakistan real GDP will grow at a rate of 0.6%, before rebounding to 3.5% in 2010 (forecast published May 11, 2009).
Why the Gulf?

Over the past decade, the Gulf has become steadily more significant. Over the next decade, it is forecast to become even more so. The region’s growth and stability has already created important expansion opportunities for international companies - in the future it will create even more.

Worth $1.1 trillion, the Gulf economy is the size of India’s and its recovery from the global slowdown is forecast to be swift. By 2020, the region’s share of the world economy is expected to grow by 4.5%, and the combined gross domestic product (GDP) of the Gulf Cooperation Council (GCC) states - Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Oman and Bahrain - is projected to be $20 trillion, closing the gap with the world’s economic leaders.

ECONOMIC DIVERSIFICATION

Governments across the region are successfully reinvesting oil revenues in high-value projects to diversify economies. For example, roughly $1 trillion of infrastructure investments are planned, which could shortly reach $3 trillion.

Other projects span real estate, transport, telecommunications, education and training, healthcare and renewable energy. All these projects provide opportunities for specialist international businesses. Furthermore, the population is growing fast and consuming more imports. From just over 28 million in 1998, the population stood at an estimated 39 million in 2008. Individual spending power is exceptionally high, with an average GDP per capita of $34,770. With little agriculture or manufacturing in the region, this is boosting imports - from food, to clothes, to electronics.

THE WIDER MIDDLE EAST AND NORTH AFRICA

The Gulf is also the ideal base from which to access the countries of the wider Middle East and North Africa. Many of these countries are pursuing economic reform policies that are already boosting growth. For oil-rich countries, this includes diversification programmes similar to those in the Gulf.

With our unique position at the heart of the Gulf, Bahrain is perfectly positioned for businesses to exploit one of the world’s most attractive markets.

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8 International Monetary Fund, 2009.
Why Bahrain?

• Best market access to the Middle East
• The Middle East’s freest market
• A long and successful track record
• Competitive costs
• Most educated & skilled workforce in the Gulf
• A great place to live

Bahrain at a glance

• The Middle East’s freest economy – ranked 16th worldwide, ahead of Japan, Germany and France.10
• The region’s lowest taxes, with zero corporate tax.
• 100% foreign ownership, anywhere. (Bahrain has no “free zones” - the entire island is a virtual “free zone” thereby eliminating GCC export tariffs).
• The Gulf’s lowest operating and living costs.
• A 40-year track record as the Gulf’s leading financial centre.
• More licensed financial institutions than anywhere else in the Gulf.
• Unrivaled access to the growing Middle East.
• One hour’s drive from 50% of Saudi Arabia’s GDP.
• More flight connections within the region than any other Gulf state.
• Bilateral trade and economic agreements with over 40 countries, including China, France, India, Singapore, the United Kingdom and the 17 Arab states party to the Greater Arab Free Trade Agreement.
• The first Gulf state to have an active Free Trade Agreement with the United States.11

KEY FACTS

• 2008 Nominal GDP 21.9 billion USD (CBB)
• 2008 Real GDP 12.6 billion USD (CBB)
• GDP growth (real): 6.8% (CBB, 2008)
• Inflation: 3.5% (CBB 2008)
• Population: 1,101,230 (CIO 2008)9
• Area: 770 sq km
• Employment: 599,017 (LMRA Q2 2009)
• Unemployment: 4.1%
• Key sectors: Financial Services; Logistics; ICT; Value-added Manufacturing; Industrial Services; Professional Services.
• Sectors identified for expansion: Education & Training; Tourism; Renewable Energy; Healthcare & Pharmaceuticals.
• Main export: oil, followed by aluminium.
• Main export markets: GCC; Europe; United States.
• Currency: Bahrain Dinar (USD1 = BD 0.376)
• Time zone: GMT + 3
• Sovereign ratings – Standard & Poor’s A/ Stable/A-1; Fitch A3

ECONOMIC RANKINGS 2008-09

<table>
<thead>
<tr>
<th>Category</th>
<th>Source</th>
<th>World Rank</th>
<th>Out Of</th>
<th>GCC/MENA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of doing business</td>
<td>“Doing Business 2009” IFC and World Bank</td>
<td>18</td>
<td>181</td>
<td>2nd in GCC</td>
</tr>
<tr>
<td>Freest Economy</td>
<td>“2009 Index of Economic Freedom” Heritage Foundation/Wall Street Journal</td>
<td>16</td>
<td>183</td>
<td>1st in MENA</td>
</tr>
<tr>
<td>Inward FDI relative to economic size</td>
<td>“World Investment Report 2008” UNCTAD</td>
<td>n/a</td>
<td>n/a</td>
<td>1st in GCC</td>
</tr>
<tr>
<td>Number of cross-border M&amp;A deals in the first half of 2008</td>
<td>“World Investment Report 2008” UNCTAD</td>
<td>n/a</td>
<td>n/a</td>
<td>2nd in GCC</td>
</tr>
<tr>
<td>Most Open Economy</td>
<td>“The Global Enabling Trade Report 2008 WEF”</td>
<td>37</td>
<td>118</td>
<td>2nd in GCC</td>
</tr>
</tbody>
</table>


9 527,433 Bahraini and 511,864 expatriate.
Source: Central Information Organisation.
10 Heritage Foundation.
11 The only other is Oman.

6

7
Unrivalled access to the Middle East and North Africa (MENA) Markets

Bahrain’s strategic location at the heart of the Gulf is the most central place in the Middle East to position your business, giving you the fastest access to export markets for your goods and services throughout the region.

We are the closest country to Saudi Arabia, the Gulf’s largest economy, and major markets including the United Arab Emirates and Qatar are all less than an hour’s flight away.

Access to every market in the Middle East is quick and efficient - by air, sea and road.

A series of infrastructure projects are enhancing Bahrain’s natural advantages. Following the opening of the Khalifa Bin Salman Port in April 2009, we are set to become a major regional trans-shipment centre. Bahrain International Airport, the region’s leading cargo hub, will shortly expand both passenger and freight capacity.

The government is, additionally, planning major road and rail projects.

So central is Bahrain that it is becoming a favoured hub for logistics. DHL, one of the world’s leading logistics companies, uses it as its regional base for Eastern Europe, the Middle East and North Africa, and locates its air fleet in Bahrain.

The absence of the ‘free zones’ seen elsewhere in the Middle East is a major advantage for businesses. This means companies can export goods from anywhere in Bahrain across the GCC without facing tariffs or duties.

BY AIR

Bahrain’s world-class airport has links to principal global finance and business centres, as well as the rest of the Gulf. More than 40 airlines operate scheduled services through Bahrain International Airport to more than 50 destinations. The airport is home to Gulf Air, Bahrain’s national airline, which has more flights to more cities in the region than any other Gulf carrier.

The recent growth of low-cost carrier, Bahrain Air, has opened up many additional destinations.

The airport is currently undergoing a major three-phase expansion, which will significantly expand its passenger and freight capacity. The first phase of expansion is due to be completed in 2014, and will expand capacity to 15 million passengers a year. On completion of the final phase, planned for 2038, the airport’s capacity should reach 27 million a year.

The airport’s cargo facility is also set to expand to a capacity of one million tons per annum - a level comparable with London’s Heathrow.

BY SEA

Bahrain is strategically positioned in the middle of the Arabian Gulf and through its new Khalifa bin Salman Port, opened in April 2009, offers ships capacity, operational efficiency and fast turn-around for shorter transit times. The port has a throughput capacity of up to 1.1 million TEUs (twenty foot equivalent units) a year and the potential to expand this to 3 million.

Due to Bahrain’s location, the port is better placed geographically than other regional ports as a trans-shipping hub for containers bound for the large and rapidly expanding northern Gulf markets such as Iraq, Iran, Kuwait and Saudi Arabia.

BY ROAD

Despite being an island nation, Bahrain is well-connected to the Gulf by road.

The 25km King Fahd causeway provides a direct link to by far the largest market in the region, Saudi Arabia. 50% of the Saudi market GDP is accessible within one hour’s drive of Bahrain. Approximately 12 million passengers and 500,000 trucks cross the causeway each year.

From 2014, a 45km causeway will link Bahrain to Qatar, which has the world’s third largest gas reserves. The link will complete a single trans-Gulf highway, connecting the entire $1.1 trillion Gulf Market, with Bahrain at its centre. By 2030, this causeway will also carry a freight railway, so increasing its capacity.
Bahrain’s economy has long been the freest in the Middle East and has steadily improved its ranking worldwide - today the Index of Economic Freedom places us ahead of G7 economies such as Germany, France and Japan, as well as the major developing markets like China and India.

In Bahrain, you can retain 100% foreign ownership. You can freely repatriate capital, profits and dividends. And we offer the lowest taxes in the region. In short, we do everything we can to maintain and improve our position as the freest market in the Gulf every year, through ongoing economic reform.

The Government is committed to enabling the private sector to drive growth and improved productivity - from making the economy more efficient to enhancing the skilled Bahraini labour pool. The business environment is more transparent and business-friendly than elsewhere.

Over the last four decades, Bahrain has diversified its economy away from oil more rapidly than any other Gulf State, supporting steady and stable economic growth.

This has fostered a uniquely favourable business environment, with one of the many outcomes being productivity-led growth coupled with low inflation. According to a Conference Board report, the productivity growth of Bahraini workers is five times greater than the GCC average.

Our sovereign credit ratings have remained robust, demonstrating the strength of our economic model. Our ratings are: Standard & Poor’s, A/Stable/A-1; Fitch, A1.

It is both easier and more cost-effective to do business here. Your business can operate freely, with virtually none of the restrictions that you would find in other markets.

FREE TRADE AGREEMENTS

We have bilateral trade and economic agreements with more than 40 countries, including China, France, India, Singapore and the UK. And we have an active Free Trade Agreement with the United States since 2004, which effectively allows companies to charge 35% more for their goods and services than they do in Bahrain and to export them tariff-free to the huge U.S. market.

This means there is a huge market for Bahrain-based businesses’ goods and services. Businesses can exploit the growing Middle East markets with the added benefit of being able to export competitively around the globe.

Ongoing economic and legal reforms will ensure that Bahrain continues to maximise the potential successes of both Bahraini and foreign businesses.

- Ranked the world’s 16th freest economy, and freest in the Middle East.
- Lowest taxes in the GCC, with no corporate, personal, value-added or withholding tax.
- 100% foreign ownership of businesses allowed.
- No restriction on repatriation of capital, profits or dividends.
- The first Gulf state to have an active Free Trade Agreement with the United States.
"THE BUSINESS ENVIRONMENT HERE IS VERY FAVOURABLE. HERE WE HAVE FREE AND UNRESTRICTED MOVEMENT OF CAPITAL, WHICH IS NOT USUAL. BAHRAIN IS A VERY SAFE PLACE TO OPERATE A BUSINESS – WITH A STABLE POLITICAL ENVIRONMENT AND LOW ECONOMIC RISK."

MAZIN KHOURY  Vice President, AMEX (Middle East) B.S.C.(c)
For many years, Bahrain has been the location of choice for companies seeking to do business in the Gulf.

Leading multinational organisations such as American Express, BNP Paribas, Standard Chartered and DHL have operated out of our Kingdom for over 30 years, choosing it as their base for doing business across the wider Middle East and North Africa. And Ernst & Young, one of the world’s leading professional services firms, has been here since 1928.

Bahrain has a regulatory environment that has evolved in consultation with the needs of companies and provide an open and transparent environment that fosters growth. Our legal system protects companies’ rights, while our free market environment allows businesses to thrive.

Since the 1970s, Bahrain has been the Middle East’s leading financial services centre and the Central Bank of Bahrain (CBB) is widely recognised as the region’s pre-eminent single regulator. The Gulf’s other financial centres, launched in the last few years, have been known to look to the CBB when deciding how to formulate their own regulations.

**ESTABLISHED LEGAL & REGULATORY FRAMEWORK**

Businesses enjoy the protection of the Kingdom’s legal and regulatory systems, with their established track record and global best-practice standards. Conscious of the business community’s need for alternative dispute resolution procedures, Bahrain enacted in 1994 an International Commercial Arbitration Law, adopting the UNCITRAL Model Law for International Commercial Arbitration.

What is more, Bahrain’s arbitration and mediation centre, which will open in 2010, will provide the private sector with an efficient mechanism for resolving commercial disputes.

Creative and innovative businesses have important advantages. Strict intellectual property and copyright laws are enforced which ensure the highest standards of protection.

The Kingdom of Bahrain is a constitutional monarchy. It has a bicameral parliamentary system and a constitutional court, so ensuring adequate checks and balances on enacted laws. Bahrain’s constitution guarantees the right of recourse to the courts. The Administrative Court is empowered to adjudicate on all decisions and rulings by governmental bodies.

**PROGRESSIVE LEGISLATION**

Bahrain has, in recent years, modernised its business and trade-related laws and regulations to be consistent with the requirements of the World Trade Organisation and the Free Trade Agreement between Bahrain and the United States.

Bahrain has bilateral investment promotion and protection treaties with 21 countries, and is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the Washington Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention).

Aware of the need to supplement local resources with international expertise of the highest calibre, Bahrain has recently signed a Memorandum of Understanding with the American Arbitration Association, with a view to it actively assisting in alternative dispute resolution procedures of commercial disputes.
Competitive Costs

Bahrain’s low cost of doing business is an important element of our business-friendly proposition.

Living in Bahrain is less expensive than elsewhere in the Gulf, with Manama judged a cheaper place to live than competing cities while at the same time maintaining an excellent standard of living. Wages are, therefore, competitive and typically less than elsewhere in the region.

Other basic costs are also inexpensive. Rents for offices and industrial land are lower than elsewhere. And, the combination of subsidies and privatisations in the utilities sectors, mean that businesses’ electricity, gas and water costs are highly competitive.

Finally, Bahrain has the lowest taxes in the GCC, with no corporation, income, value-added or withholding tax. There are also no capital gains or wealth taxes, and no inheritance taxes or death duties.

Most educated and skilled workforce in the Gulf

For 40 years foreign investors have benefited from our greatest natural asset, our people.

Bahrain has a large percentage of nationals employed across many industries thanks to its well-trained, bilingual, cost-efficient workforce. English is the business language of Bahrain and is widely spoken throughout the Kingdom.

Our workforce is by far the most educated and skilled in the Gulf, enabling businesses to minimise spending on expatriate packages, reduce employee churn and thus build long-term, sustainable local business models. For example, in the financial services sector, there are no restrictions on hiring expatriate workers and no ‘Bahrainisation’ quotas. Nevertheless, two-thirds of the workforce is Bahraini, thanks to the abundant pool of Bahrainis with relevant skills.

HIGHLY EDUCATED

Bahraini women are highly educated and well-represented in all major professions, holding senior positions in banking, business and accountancy.

They make up 37% of nationals in the financial sector and around 25% of the total working Bahraini population. Furthermore, our country leads the region when it comes to developing women’s capabilities.

Bahrain has always been committed to improving its workforce, and we continue to upgrade skills across a broad range of business sectors. The latest Trends in International Mathematics & Science Study, for example, ranked Bahrain the leader from among the GCC countries. As part of its wider programme of educational reform, the Government regularly consults the private sector to identify precise needs relating to the labour market.

Sought-after skills base

Tamkeen, the labour fund, has already invested over $185 million to train Bahrainis in the most relevant and sought-after skills required by the private sector, in sectors such as financial services, manufacturing, hospitality, aeronautical maintenance engineering and healthcare.

We have many specialist training institutions, offering global accreditation in fields such as finance, information technology and medicine. For example, in the financial services sector we have the Bahrain Institute of Banking and Finance, which provides training and specialist development for opportunities in the banking, finance and insurance industries.

Gulf Business Salary Survey 2009

Average Monthly Salary in US$ for a Western Expatriate Employee in the Gulf

<table>
<thead>
<tr>
<th>Position</th>
<th>Bahrain</th>
<th>KSA</th>
<th>Kuwait</th>
<th>UAE</th>
<th>Oman</th>
<th>Qatar</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager, Multinational Company</td>
<td>13,723</td>
<td>18,230</td>
<td>15,350</td>
<td>19,110</td>
<td>14,125</td>
<td>16,200</td>
</tr>
<tr>
<td>Head of Information Technology</td>
<td>11,888</td>
<td>15,188</td>
<td>13,400</td>
<td>15,225</td>
<td>12,425</td>
<td>13,675</td>
</tr>
<tr>
<td>Business Development Manager</td>
<td>12,000</td>
<td>14,906</td>
<td>12,688</td>
<td>15,375</td>
<td>12,575</td>
<td>14,113</td>
</tr>
<tr>
<td>Banking Board Manager</td>
<td>13,800</td>
<td>17,250</td>
<td>17,250</td>
<td>17,250</td>
<td>13,800</td>
<td>14,475</td>
</tr>
<tr>
<td>Construction Project Manager/Chief Engineer</td>
<td>12,900</td>
<td>18,850</td>
<td>15,275</td>
<td>17,925</td>
<td>13,188</td>
<td>14,975</td>
</tr>
<tr>
<td>Executive Secretary/PA</td>
<td>9,525</td>
<td>4,085</td>
<td>3,913</td>
<td>5,863</td>
<td>3,650</td>
<td>5,588</td>
</tr>
</tbody>
</table>

16, 17: Worldwide Cost of Living Index, September 2009.
21: Published by the US National Center for Education.

Average business class return ticket to London in US$

<table>
<thead>
<tr>
<th>Country</th>
<th>Cost of living index %, Manama = 100%</th>
<th>Average business class return ticket to London in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>100%</td>
<td>3,505</td>
</tr>
<tr>
<td>Dubai</td>
<td>114%</td>
<td>3,664</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>120%</td>
<td>4,301</td>
</tr>
<tr>
<td>Kuwait</td>
<td>123%</td>
<td>4,480</td>
</tr>
<tr>
<td>Riyadh</td>
<td>125%</td>
<td>4,085</td>
</tr>
</tbody>
</table>

Source: EIU Worldwide Cost of Living Index, September 2009.

Total office occupancy costs per workstation - Middle East

<table>
<thead>
<tr>
<th>City</th>
<th>Total office occupancy costs per workstation - Middle East</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>14,375</td>
</tr>
<tr>
<td>Dubai</td>
<td>21,620</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>22,000</td>
</tr>
<tr>
<td>Kuwait</td>
<td>20,000</td>
</tr>
<tr>
<td>Riyadh</td>
<td>18,190</td>
</tr>
<tr>
<td>Doha</td>
<td>11,350</td>
</tr>
</tbody>
</table>

Source: DTZ Global Occupancy Cost - Offices 2009

Corporate Income Tax rates in GCC countries - percent

- Bahrain: 0%
- Oman: 30%
- Qatar: 35%
- UAE: 55%
- Kuwait: 30%
- Saudi Arabia: 55%

Source: EY Corporate Taxation in the Middle East 2009
Doing business in a country is one thing. Actually living there is another. It is vital that companies are able to offer employees who are relocating an enviable lifestyle, and Bahrain does just that. We have an open and relaxed attitude, with a reputation as the most liberal country in the Gulf. Bahrain is a place without prejudice, having long been a multi-cultural, multi-ethnic and multi-denominational melting pot. This means that business people from all nations can feel at home here, enjoying our warm, rich culture and long-established respect for diversity.

UNIQUE CONTRASTS

Bahrain is unique in the Gulf for its striking contrasts of old and new, of modernity and cultural heritage, of innovation and authenticity. Our capital city of Manama combines a modern outlook with a richness of history and culture that is hard to find elsewhere in the Gulf. With its cosmopolitan lifestyle, Manama is particularly known for its bustling restaurant life and café culture. It is also known for its thriving arts and music scene - with its art galleries, poetry readings and nightlife. In the charming quarters of the houses of Muharraq, you can hear weekly lectures on topics of all kinds, within the walls of traditional Bahraini houses which have been lovingly and carefully restored. And each year the Spring of Culture festival brings an explosion of art, music and performance from around the world to Bahrain, while the International Music Festival attracts well-known performers to our shores. Shopping is a great pleasure here. We have all the designer boutiques and famous international brands, including supermarkets and coffee chains. But we also have a multitude of local shops that are full of character; the famous souqs of Bahrain, with their narrow streets and tiny emporiums, are still thriving.

Bahrainis are known for their warmth and hospitality and mix more freely with expatriates than elsewhere in the Middle East. Indeed, international communities live comfortably side by side, all enjoying freedom of worship, including Muslims, Christians, Jews, Buddhists and Hindus.

FAMILY-CENTRED

For those with families, there is a wide choice of schools. Those based on the British or International Baccalaureate curricula include St. Christopher’s School and the British School of Bahrain. The Ibn Khaldoon and The Bahrain School are based on the US curriculum. There are also the École Française, the New Indian School and the Japanese School of Bahrain, a Nihonjin Gakko school, which offers the same curriculum as public schools in Japan. Universities, such as the Royal College of Surgeons in Ireland, Medical School of Bahrain and DePaul University, all award internationally-recognised qualifications.

We also have excellent public and private hospitals. The advanced facilities at respected hospitals like the International Hospital of Bahrain, the American Mission Hospital and the Bahrain Specialist Hospital are respected across the region.

LOWEST COST OF LIVING

The cost of living is the lowest in the GCC, with accommodation reasonably priced and there’s a wide range of housing to suit all tastes and lifestyles. With 33 islands the country offers a wealth of water sports, including yachting, fishing, kite surfing, jet skiing and diving. We are famous for equestrian sports too, and have a number of riding schools and stables on the island. There are many gyms and sports clubs, and most team sports are played here, including rugby, soccer, cricket and basketball. Additionally, there are a variety of family facilities, including water parks, animal reserves and spas.

We have a very busy sporting calendar, hosting innumerable international sporting events, most famously the Bahrain Formula One Grand Prix.

The lifestyle is not only an attraction to expatriates, but also the reason Bahrain retains its best and brightest: talented Bahrainis remain in the Kingdom, rather than moving overseas. And, in keeping with our business friendly promise, foreigners can own freehold property in many of our attractive new developments.

A great, progressive place to Live

OUR EXPATS SAY THIS IS A HOME AWAY FROM HOME. IT IS VERY FRIENDLY, HAS AN EXCELLENT STANDARD OF LIVING, MODERN INFRASTRUCTURE, GOOD SCHOOLS AND PROVIDES A SAFE, NURTURING PLACE FOR FAMILIES.

MAZIN KHOURY  Vice President, AMEX (Middle East) B.S.C.(c)
Our infrastructure is modern and is continually updated in order to provide the best facilities for businesses from all sectors.

**EXTERNAL INFRASTRUCTURE:**
- Khalifa bin Salman Port - a major new regional trans-shipment centre, with a depth of 15 metres and a throughput capacity of up to 1.1 million TEUs (twenty foot equivalent units).
- Bahrain International Airport - a major international airport about to undergo a major three-phase international expansion scheme.

**INTERNAL INFRASTRUCTURE:**
- Bahrain International Investment Park - a 247 hectare business park for manufacturing and services companies, close to the port and the airport.
- Bahrain Investment Wharf - a 170 hectare mixed-use project with industrial, commercial and residential space.
- Bahrain Logistics Zone - located next to the port, this is the Middle East’s first multi-modal logistics hub.
- Bahrain Financial Harbour - a 380,000 square metre world-class development that is a financial city in the heart of Manama.
- Bahrain International Circuit - a seven-track motorsport facility.

**FORTHCOMING INFRASTRUCTURE DEVELOPMENTS:**
- A new Bahrain-to-Qatar causeway, due to be completed in 2014. By 2030, this causeway will carry a railway for freight traffic.
- The @bahrain development, a commercial, education and entertainment destination which will provide a vast array of consumer entertainment and business investment opportunities.
- A new Science and Technology Park is also in development, designed to encourage technology innovation and scientific research across the region.
“THIS IS A FREE COUNTRY THAT IS NOT AT ALL RESTRICTIVE. OUR WIVES LIKE IT. THE FACT THAT THEY CAN FIND WORK EASILY AND ENJOY A HIGH QUALITY OF FAMILY LIFE IS A STRONG SELLING POINT.”

ANDREW TREVIS  Plant Director, Kraft Foods Bahrain
Investment Opportunities

Our unique mix of market access, skilled labour, low operating costs, zero corporate taxes, an excellent lifestyle and 100% foreign ownership has stimulated investment across a wide range of sectors.

Bahrain was the first country in the region to diversify away from oil and gas, 40 years ago. Very early on, we had the foresight to set in motion a series of initiatives to encourage industry sectors that could offer significant investment potential, based on Bahrain’s natural and human resources, global market trends and regional demands.

Through our national economic strategy, articulated in our Vision 2030 economic blueprint, Bahrain is committed to the creation of high-quality jobs in skilled and sustainable industries. To achieve this, the best international firms must continue to select Bahrain as their regional hub, which means we will continually aim to provide the most business-friendly environment in the Gulf.

We now have an established critical mass, infrastructure and skills pool in a number of key sectors, with new ones developing all the time.

FINANCIAL SERVICES

The Gulf’s financial capital for nearly 40 years, Bahrain has led the Middle East in a range of sectors - from banking, to asset management, to Islamic finance.

COMPETITIVE ADVANTAGE

Bahrain is the most established and robust financial centre in the Gulf. Over time we have built a rigorous system of regulation, extensive infrastructure and local skills base that rival centres cannot match.

- Proportion of GDP: 27%
- Number of licensed financial institutions: Over 400
- Total number of employees: 13,992 (67% are Bahrainis)

Our financial centre has grown steadily over many years and was judged the Gulf’s most sophisticated financial market. Within the Middle East, we have also long been regarded as the most effectively regulated financial centre. During the recent financial turmoil, the Central Bank of Bahrain’s (CBB’s) foresight and balanced approach enabled us to withstand the banking crisis with minimal impact to the economy.

The CBB, our sole regulator, is respected worldwide for prudent and forward looking management of licensing requirements, capital adequacy, risk management, business conduct, reporting and disclosure requirements - as well as enforcement action. The CBB is known for balancing firm enforcement of practical regulations with understanding the needs of business.

Our large pool of local talent is unique in the region. In spite of adverse conditions, this continues to grow, with 2008 seeing approximately 1,700 new jobs created in financial services, taking total employment in the sector to over 14,000. Nearly two thirds of these employees are Bahraini providing a rich pool of local experience and expertise.

We also have an extensive support infrastructure of professional services firms such as IT, accountants, consultants and lawyers.

Financial services is our economy’s largest sector, accounting for more than 27% of GDP. Our country is now home to more than 400 licensed financial institutions - the most in the Middle East.

22 Bahrain’s Finance Minister was named Finance Minister of the Year 2009 for the Middle East and North Africa region at the annual meetings of the World Bank and IMF.
24 Source: Central Bank of Bahrain, June 2008.
25 As of January 2009.
BANKEING

Banking is the biggest part of our financial services sector and has expanded steadily over time as the region’s oil wealth has grown.

The CBB has long imposed a higher minimum capital ratio (of 12%) than required by the Basel Convention (8%), in order to encourage sound lending policies. Local banks have continuously exceeded the required level of capital.

Overall, the banking system’s consolidated balance sheet has experienced annual average growth rates of 22% over the years from 2006 to 2008.26

Across the Middle East, demand is building for more sophisticated products.

Surging infrastructure development is creating a need for structured finance and lending products. Trade finance opportunities are increasing with the GCC’s integration into world markets. And, increasing private wealth is fuelling needs for private and retail banking products.

INSURANCE

Bahrain is a hub for the Middle East’s insurance industry.

With more than 170 insurance companies based here, we have considerable specialist expertise and are becoming a regional leader in the field.

Bahrain’s insurance companies include conventional and Islamic (see Islamic finance) institutions, serving both onshore and offshore markets.

This sub-sector is expanding rapidly in response to an increasing need.

Insurance companies anticipate that regional GDP growth, population growth and government reforms will drive continued expansion.

ASSET MANAGEMENT

Bahrain’s asset management industry started in the 1980s and is now the regional leader. It has a regulatory system and services infrastructure that will empower asset managers to meet increasing demand from both institutions and individuals, as well as providing the ideal cost and tax effective location to domicile funds.

Recently, in June 2007, the CBB issued a regulatory framework that broadened the range of products asset managers could offer domestically, to include alternative investment funds.

IN THE FINANCIAL SECTOR, PEOPLE CONSIDER STRATEGY, RISK AND TRANSPARENCY WHEN SELECTING A LOCATION. BAHRAIN DOES ALL OF THESE VERY WELL.

JEAN-CHRISTOPHE DURAND, BNP Paribas Regional Director - GCC

INSURERS ALREADY IN BAHRAIN

ACE, Allianz Group, AXA, Hannover Re, Lloyd’s brokers PWS and Zurich Insurance. ARIG is a local insurance provider.
Bahrain is recognised as a global leader in Islamic finance. We have pioneered many of the financing instruments that have become popular in recent years, and play host to the largest concentration of Islamic financial institutions in the world. Since 2000, assets in Bahrain’s Islamic banking sector have increased by 1,280%, accompanied by a significant increase in the number of institutions.

We have led the way in the development of new products. Our CBB set the benchmark for Islamic banking regulation, and introduced the first regulatory framework specific to Takaful and re-Takaful (Islamic insurance) companies (2005). These were the first regulations for Takaful companies that complied with Accounting & Auditing Organisation for Islamic Financial Institutions standards. The CBB was also the first central bank to issue a Sukuk Bond (2001). Takaful is an Islamic insurance concept, where insurance is undertaken but the rules and regulations of Islamic law are observed. Its popularity is rising rapidly in the Middle East to the extent that many conventional insurance companies have added Takaful arms (e.g. Allianz Takaful Bahrain, Hannover Re Takaful).

Financial institutions: Arcapita, Capinvest, European Islamic Bank, Gulf Finance House, Kuwait Finance House, Maybank and more. Industry associations: The Accounting and Auditing Organisation for Islamic Financial Institutions, the General Council for Islamic Banks and Financial Institutions, the International Islamic Financial Market and the International Islamic Rating Agency.

THE OPPORTUNITY

The Gulf and wider Middle East economies are both extremely wealthy and are maturing fast. Their continued growth and evolution will drive further expansion in financial services.

SUPPORTIVE ENTITIES

- Central Bank of Bahrain
- www.cbb.gov.bh
- Bahrain Association of Banks
- www.bankabahrain.org
- Bahrain Insurance Association
- www.bia-bh.com
- Accounting & Auditing Organisation for Islamic Financial Institutions - www.aioif.com

THE QUALITY OF SUPERVISION IS THE PRIMARY REASON FOR US BEING HERE. THE CENTRAL BANK OF BAHRAIN IS THE MOST PROGRESSIVE REGULATOR IN THE REGION AND TAKES INTO CONSIDERATION THE NEEDS OF BUSINESSES.

Jean-Christophe Durand
DBP Partner, Regional Director - GCC

DBP has been in Bahrain for 35 years, and was one of the first tenants of the Bahrain Financial Harbour.

LOGISTICS

Bahrain is the ideal Middle Eastern base for logistics companies, with a number of leading international companies selecting it as their hub for both the immediate region and beyond.

COMPETITIVE ADVANTAGE

Located at the heart of the Gulf, we have a natural geographic advantage that we are continually enhancing through new infrastructure projects. When combined with our low cost environment, operating from Bahrain can make a significant difference to profitability.

Strategically located in the heart of the Gulf, Bahrain is the gateway to the region with easy access to the large economies of Kuwait, Saudi Arabia and Iran. With traffic volumes projected to more than double by 2015, and much of the increase expected in the upper Gulf region - the Kingdom is the ideal base for logistics companies.

Our combination of highly developed road, sea and air connections provides logistics businesses with a wealth of multi-modal logistics strategies with the most efficient and speedy processing of trade goods in the Gulf.

Building on these advantages, the Government is investing $2.9 billion to upgrade infrastructure, through a number of initiatives. The Bahrain Investment Park (BIP) is a prime example of a high-quality logistics infrastructure project. When completed, this will form part of the Bahrain Logistics Zone, the Middle East’s first multi-modal logistics hub, which was launched in 2008 and concentrates on re-export and value-adding logistics activities.

PREPARING FOR GROWTH

In 2014, the new causeway to Qatar will open. This will reduce travel time by road from more than eight hours to about one and a half hours. This will complement the King Fahd causeway, which has brought 50% of Saudi Arabia’s GDP within an hour’s drive.

Bahrain International Airport is also being expanded in a multi-phase operation. The initial phase includes the construction of a second passenger terminal able to handle 5 million passengers and the long-term plan is to be able to handle 28 million passengers by 2038. The airport will also soon become a cargo terminal, with the capacity to handle one million tonnes of air cargo a year - a level comparable with London’s Heathrow Airport.

REGIONAL DISTRIBUTION

Leading international cargo carrier, DHL, has enjoyed the airport’s strategic location for many years, using it as its regional distribution centre for Eastern Europe, the Middle East and North Africa.

When combined with Bahrain’s open economy and free trade credentials, our extensive web of connections makes it a powerful logistics hub. We have bilateral trade and economic agreements with over 40 countries.

Consequently, Bahrain has been ranked first in the Middle East for free trade.28

THE OPPORTUNITY

As the Middle East and North Africa’s trade with the rest of the world expands, so the regional logistics sector will grow. Major markets such as Saudi Arabia are beginning to consume increasing volumes of imports, and Iraq may follow as its economy stabilises.

LOGISTICS FIRMS ALREADY IN BAHRAIN

Agility, Agunsa, APM Terminals, Aramex, DHL, Expeditors, FedEx, GAC, Kuehne + Nagel, Panalpina, TNT, UPS and others.

Bahrain’s liberal and advanced information, communications and technology infrastructure and policies have encouraged many ICT companies to base their regional headquarters here.

**COMPETITIVE ADVANTAGE**

We offer a unique mixture of central geographic location; skilled, multilingual workforce; liberal economy and competitive costs. When combined with our strong telecoms infrastructure, this makes Bahrain ideal for accessing the Gulf’s growing market.

The Kingdom has always been the Gulf’s technological pioneer and has experienced a fast rate of technological innovation.

We have a strong record as a Gulf ICT leader, being the first to:

- introduce 3G and 3.5G high-speed download services
- introduce Smartcards (2005)
- fully deregulate and liberalise our telecommunications market (2004)
- go nationwide with WiMax wireless networks (2007)

This means we often adopt new technologies ahead of other Gulf countries, so creating commercial opportunities and ensuring that ICT companies have the infrastructures they need to grow.

**TELECOMMUNICATIONS**

Bahrain has a competitive and growing telecommunications market, governed by the Telecommunications Regulatory Authority (TRA), which is tasked with maintaining effective and fair competition. Since the TRA began operating in 2003, the number of telecommunications companies has expanded enormously. According to the TRA, the number of telecommunications licenses has climbed from 18 to 134 in the five years to 2008. This encompasses fixed line, mobile and internet. The total number of subscribers for fixed telephony, mobile telephony and internet usage has climbed steadily. Penetration remains low for fixed telephony and internet. Our telecommunications infrastructure is excellent, with fibre optic telecommunications cables linking us with the rest of the Gulf and the region’s fastest internet download speeds.29

**BUSINESS PROCESS OUTSOURCING**

Bahrain is the ideal location for business process outsourcing.

Among other things, the region offers opportunities in network, desktop, data centre and enterprise application outsourcing.

**THE OPPORTUNITY**

Lifted by massive government spending and by rising private sector budgets, ICT expenditure in the region is expanding fast at a time when it is stagnating elsewhere. According to IDC, the information provider, the GCC in IT alone will be worth $30-$45 billion in 2010, with roughly 45% of it from Saudi Arabia. And, within Bahrain itself the telecommunications sector continues to grow.

**SUPPORTIVE ENTITIES**

- TRA (Telecommunications Regulatory Authority)
- GCC Telecommunication Bureau
- eGovernment of Bahrain
- Bahrain Internet Society
- Bahrain Information Technology Society

**ICT COMPANIES ALREADY IN BAHRAIN**

Cisco, Hewlett Packard, Huawei, Kalsaam Telecom, Lightspeed, Menatelecom, Microsoft, O2Connect, Saudi Telecom, Software AG, Tech Mahindra, TATA Consultancy Services, WIPRO and Zain Group.

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THE DECISION TO MOVE OUR CORPORATE HEADQUARTERS TO BAHRAIN WAS BASED ON A VARIETY OF FACTORS, NAMELY THE GOVERNMENT’S INVESTMENT IN INFRASTRUCTURE AND IT BANDWIDTH DEVELOPMENT, COUPLED WITH THE FACT THAT THE NATION HAS ONE OF THE BEST REGULATED TELECOMMUNICATIONS SECTORS IN THE REGION. FURTHERMORE, THE COUNTRY’S WELL-EDUCATED AND YOUNG WORKFORCE, A STANDARD OF LIVING CONducIVE TO ATTRACTING THE BEST IN FOREIGN TALENT AND FAVOURABLE AIR TRAVEL LINKS WITH PROMPT VISA PROCESSING, ALL COMBINE TO MAKE BAHRAIN THE IDEAL LOCATION FOR A COMPANY WITH GLOBAL AMBITIONS. ALTHOUGH WHEN IT WAS FIRST ANNOUNCED, MANY CONSIDERED OUR DECISION CONTROVERSIAL, THE EFFORTS OF THE BAHRAIN ECONOMIC DEVELOPMENT BOARD MADE THE RELOCATION SEAMLESS AND HASSLE-FREE. ZAIN HAS NEVER LOOKED BACK.

DR SAAD AL BARRAK  CEO of Zain Group Bahrain
VALUE-ADDED MANUFACTURING

Bahrain is host to a range of manufacturers that have chosen to locate here in order to serve the wider Middle East.

COMPETITIVE ADVANTAGE

Set within the GCC common market, our low costs, central location and excellent transport infrastructure make Bahrain the ideal base for exploiting the Gulf’s growing appetite for manufactured goods.

No other Gulf state enjoys our combination of central location and transport infrastructure. Geographic centrality reduces freight costs, while the road, sea and air links are excellent. Bahrain is just one hour’s drive from 50% of Saudi Arabia’s economy; the Gulf’s largest. And, the new Khalifa Bin Salman Port provides one of the Gulf’s leading trans-shipment hubs.

Membership of the GCC common market guarantees duty-free trade with all fellow members. Unlike ring-fenced “free zones” in other markets, companies based anywhere in Bahrain can benefit from duty-free trade. Furthermore, we have bilateral trade and economic agreements with over 40 countries, including the United States, China, France, India, Singapore and the UK.

GROWING FOOD IMPORTS

With food imports set to climb considerably, there are growth opportunities for food manufacturers. According to the Economist Intelligence Unit, the Gulf’s food imports are likely to double in the next decade - from $24bn in 2008 to $49bn in 2020.30

Kraft, the world’s second biggest food and drinks company, has chosen to manufacture cheese and its Tang beverage in Bahrain since 2007. The plant is the second biggest outside the United States and serves the Middle East’s rapidly growing market for dairy products.

Bahrain has specialist facilities for food manufacturers, including chilled warehouses.

KRAFT DECIDED ON BAHRAIN AFTER LOOKING AT VARIOUS OTHER LOCATIONS AND HEARING ABOUT THE BAHRAIN INTERNATIONAL INVESTMENT PARK’S INCENTIVES AND FACILITIES. BEING ABLE TO HAVE 100% FOREIGN OWNERSHIP WAS ESSENTIAL, BUT WE ALSO LIKED THE FACT THAT THE PARK OFFERS A ONE-STOP-SHOP. ALTHOUGH, WE HAVE AN EXEMPTION FROM RECRUITMENT RESTRICTIONS FOR FIVE YEARS, THE TALENT POOL IS QUITE POSSIBLY THE BEST IN THE GULF. THE NUMBERS JUST STACKED UP WE WERE PROFITABLE IN OUR FIRST YEAR OF OPERATION.

ANDREW TREVIS Plant Director, Kraft Foods Bahrain

Kraft’s state-of-the-art factory, opened in October 2007, produces 60,000 metric tonnes of Kraft cheese and Tang products annually for the GCC region. It is planning to expand the plant to service developing markets such as Iran, Iraq and Pakistan.

SUPPORTIVE ENTITIES

• Bahrain Chamber of Commerce & Industry - www.bahrainchamber.org.bh
• Bahrain Investors’ Centre - www.moic.gov.bh
• Bahrain International Investment Park - www.biip.com.bh

MANUFACTURING COMPANIES ALREADY IN BAHRAIN

Kraft, Coca Cola, Nestle, Yakult.

30 The GCC in 2020: Outlook for the Gulf and the Global Economy
“WE GET MORE IMPRESSED BY THE CALIBRE OF BAHRAINI COLLEGE GRADUATES EVERY YEAR, WE ARE RECRUITING VERY ABLE AND PROMISING BAHRAINI MEN AND WOMEN.”

AUSTIN RUDMAN  Partner, Ernst & Young Middle East
INDUSTRIAL SERVICES

Bahrain has steadily attracted industrial services companies looking for a business friendly base in the Middle East.

COMPETITIVE ADVANTAGE

Bahrain’s competitive costs, location at the centre of the GCC common market and growing skills base make it an attractive base for regional industrial services companies.

For industrial services companies seeking a base in the region in order to provide its products to local markets, Bahrain is a highly attractive base.

For companies that use aluminium, Bahrain is home to Alba, one of the world’s largest aluminium smelters, producing the highest grade material.

This creates significant opportunities in aluminium component manufacturing.

Our Kingdom has consistently led the Middle East in the automotive sector.

We now have significant expertise and skills in the sector, especially in motor sport, high performance car manufacturing and aluminium component manufacturing.

As more industrial services companies have based themselves in Bahrain, so our skills base has grown. Furthermore, Bahrain’s labour agency, Tankeen, is investing in improving the skills of the workforce in specific areas such as aeronautical maintenance engineering.

LOW COSTS AND EXCELLENT ACCESS

The low costs of labour, industrial land and electricity add to the attractions of Bahrain for industrial services companies.

Furthermore, we provide duty-free access not only to GCC states but also to the countries with which we have bilateral trade and economic agreements, including the United States, China, France, India, Singapore and the UK. Our excellent road, air and sea links complement these agreements.

THE OPPORTUNITY

Across the Middle East, the demand for industrial services is growing in line with the expansion of aerospace and automotive sectors. For example, the size of the region’s passenger aircraft fleet is expected to almost treble by 2028, and many of the components for these planes will be built within the region. There are specific opportunities in maintenance repair overhaul, manufacturing and training.

SUPPORTIVE ENTITIES

- Bahrain Chamber of Commerce & Industry - www.bahrainchamber.org.bh
- Bahrain Investors’ Centre - www.moic.gov.bh
- Bahrain International Investment Park - www.biip.com.bh

31 Airbus Global Market Forecast 2009-2028.
Given the large financial services base and diversity of other clients across the Gulf, Bahrain has long been a home for leading professional services firms in the Middle East.

Bahrain has become a service centre for other Gulf markets (especially Saudi Arabia). No other country has our advantages of cultural neutrality, language, physical proximity, skilled labour, low operating costs, favourable legal environment and high concentration of financial services.

Our strategic location is a particular advantage, with most of the key business and population centres only an hour’s journey away. This is why Ernst & Young decided in 2009 to move its global energy headquarters from Houston, Texas to Bahrain. Furthermore, Bahrain’s reputation for cultural neutrality and skilled people means our citizens are accepted, and respected, across the region - giving ‘people’ businesses an advantage.

Some of the lowest costs in the Gulf for staff and office costs are a further advantage for professional services firms.

And, with the largest financial services centre in the Gulf, we have established domestic demand for law, accountancy, management consultancy, marketing services and human resources firms over many years. Additionally, our proximity to Saudi Arabia has encouraged engineering services firms to base themselves here.

Rapid and sustained development, particularly in financial services and Saudi Arabia’s oil and gas markets, are creating abundant client development opportunities for professional, creative and business services firms.

Ernst & Young’s regional headquarters have been based in Bahrain for 80 years. Today, they oversee more than 16 offices across 13 Arab-speaking countries, stretching from Libya to Oman, growing at approximately 30% every year.
Bahrain is strategically positioned at the heart of the region to become a centre of excellence for education and learning.

Historically, Bahrain has been the regional leader in education. Today this heritage means not only that Bahrainis value education and training but also that it has a reputation for quality learning.

In Bahrain, we take pride in having been the first Gulf country to establish a state-funded school system. We continue to be a regional thought leader in education, hosting a number of specialist conferences that attract leading educationalists from around the world. As the entire Gulf region invests heavily in education, it is natural that Bahrain is considered a centre of learning.

In spite of this, we still recognise the need to do more. Bahrain is a youthful country, and education is vital to our future. We are building new local schools, international schools, universities and vocational training centres. For example, the Bahrain Polytechnic is a new tertiary education institute committed to providing young Bahrainis with the education and skills needed to contribute to Bahrain’s economic transformation.

And, in 2009 we established a new independent body to ensure quality in education and training, the Quality Assurance Authority for Education and Training (QAA).

Against this background, private educational and training establishments have thrived. There are 14 universities in our Kingdom, 13 of them private, and 30 private schools offering curricula from the UK, US, France, Japan, Pakistan and India. These are complemented by education management and consulting companies, and vocational training centres.

Some of the budget assigned to Tamkeen, the labour agency, is available for private sector education and training. Tamkeen is focusing on filling skills gaps within our economy.

Finally, in areas where we have strength such as Islamic finance, there are opportunities to train individuals from other countries.

In Bahrain and across the Gulf there is a drive to improve education and skills as governments strive to diversify their economies.

This is creating opportunities both for broad academic establishments and specialist training organisations.

In addition to the University of Bahrain, there are many regional and international educational establishments. These include but are not limited to: DePaul University (United States), Gulf University, New York Institute of Technology, Royal College of Surgeons in Ireland and University of Strathclyde.

THE OPPORTUNITY

EDUCATION FACILITIES FIRMS ALREADY IN BAHRAIN

THE SUPPORTIVE ENTITIES

- Ministry of Education - www.moe.gov.bh
- Ministry of Labour - www.mol.gov.uk
- Tamkeen - www.lmra.bh
- QAA - www.qaa.bh
TOURISM

Bahrain is a growing tourist centre. Many of the world’s leading tourist groups are already here, and we are attracting more business tourism.

COMPETITIVE ADVANTAGE

With a cultural heritage that is unique in the Gulf, a naturally convenient location and excellent hotels, we offer a strong proposition for organisations seeking to attract leisure and business tourists alike.

Blessed with 33 islands, a cosmopolitan capital city, an attractive, liberal lifestyle and a rich history and culture, Bahrain is both a regional and world tourist destination.

We are uniquely attractive in the Gulf for our contrasting modernity and cultural heritage. From designer fashions in Moda Mall to the traditional souk in Manama, the modern architecture of the World Trade Centre and the Bahrain Financial Harbour, to the 15th Century Arad Fort and Bahrain Fort - once the capital of the ancient Dilmun civilization, and now a UNESCO World Heritage site dating back to 2200BC.

New developments like Bahrain Bay, City Centre Mall, Al Areen, Amwaj Islands, Durrat Al Bahrain and the Riffa Views golf resort are opening Bahrain to a wider market. For example, the billion-dollar Al Areen development includes the Banyan Tree Desert Spa and Resort and the ‘Lost Paradise of Dilmun’ Water Park, widening our appeal as a family-friendly destination.

BUSINESS TOURISM

We have a thriving Meetings, Incentives, Conferences and Exhibitions sector, which ran at full occupancy in 2008 and 2009. The large number of hotels means there are sufficient facilities for even the largest conferences. When the @bahrain development is complete it will provide 145,000 square metres of flexible exhibition and convention space, with the capacity to hold more than 5,000 delegates and up to 30,000 visitors daily.

SET FOR GROWTH

In 2007, we attracted 8.7 million business and leisure visitors. In the medium term our growth is likely to continue, with the number of international tourists expected to increase by 6.7% by 2010.

BAHRAIN HAS A REPUTATION IN THE GCC AS A LIBERAL YET FAMILY-FRIENDLY DESTINATION.

OXFORD BUSINESS GROUP, 2009
RENEWABLE ENERGY

Renewable energy is a priority for Bahrain as we transition away from hydrocarbons towards a more sustainable future.

COMPETITIVE ADVANTAGE

As an island nation, Bahrain has an ample supply of solar, wind and marine energy. The region is examining renewable energy as a matter of priority and investing heavily in renewable and green energy. We are keen to attract foreign investment in renewable energy to build our generating assets for the future and are looking for innovative companies to take leadership positions in this growing sector.

Illustrating the size of investment required, the International Solar Energy Society calculates Bahrain will need to spend approximately $900 million in wind and solar power over the next decade to meet growing demand for energy.34

THE OPPORTUNITY

Bahrain has a clear need for investment in renewable energy in order to meet its future energy requirements.

SUPPORTIVE ENTITIES

- Electricity and Water Authority

HEALTHCARE & PHARMACEUTICALS

With a reputation for superior healthcare, Bahrain both offers high-quality medical facilities for its citizens and is becoming a regional destination for health tourism.

COMPETITIVE ADVANTAGE

Bahrain has a strong track record in healthcare, with the highest number of doctors and nurses per capita in the Gulf.35

Improving the quality of healthcare is a critical policy challenge for governments across the GCC, with the population growing quickly and expected to reach 80 million over the next two decades.

While in a stronger position than most due to its better healthcare facilities, Bahrain is nonetheless not immune from the difficulty of meeting rising demand for healthcare. Not only is our population rising but also the incidence of lifestyle related diseases such as diabetes and obesity is on the rise.

One of the greatest challenges to healthcare provision across the Middle East is the shortage of qualified medical staff. Yet we have the highest number of both doctors and nurses. For 30 years, we have had a close relationship with the Royal College of Surgeons in Ireland (RCSI) and half of all surgeons working in the Kingdom were trained in Ireland. We have now established a new medical university, the RCSI Medical University of Bahrain, and are reinventing our existing King Hamad General Hospital as a teaching hospital.

HEALTH TOURISM

We are now opening a series of healthcare resorts, seeking to attract wealthy health tourists from across the Middle East who cannot find adequate treatment at home.

On our northern coast, near Muharraq, two new healthcare resorts are opening their doors. Dilmunia, inspired by our ancient Dilmun civilization, will have a mix of specialist clinics, hospitals, spas, residential, shopping and leisure centres. Bahrain Health Oasis, meanwhile, will be centred on: the RCSI Medical University of Bahrain, the Oasis Private Hospital and the King Hamad General Hospital.

HEALTH INSURANCE

In order to help fund healthcare, our government is now introducing compulsory health insurance for non-Bahrainis. This will stimulate considerable growth in the provision of private healthcare.

THE OPPORTUNITY

The expansion of Bahrain’s healthcare sector is creating opportunities for specialist healthcare providers in areas ranging from oncology, to long-term care, to alternative treatments. Spending on pharmaceuticals is also rising across the region, creating opportunities for drug companies.

SUPPORTIVE ENTITIES

- Ministry of health - www.moh.gov.bh
- National Authority for Health Professions & Services
- Bahrain Medical Society - http://bms.bh
- Bahrain Nursing Society

FACILITIES ALREADY IN BAHRAIN

21 hospitals (1 general, 1 psychiatric, 1 geriatric, 5 maternity and 13 private) with two more under construction.

34 Tehran Times, 05 February, 2009.
Bahrain has the highest foreign investment performance ranking of any Gulf state.36

There are many reasons for this: our strategic location, our infrastructure, our human resources. But perhaps the most important is that it’s simply easier to do business here.

Chaired by His Royal Highness, Prince Salman bin Hamad Al Khalifa, the Bahrain Economic Development Board (EDB) is a dynamic public agency with an overall responsibility for formulating and overseeing the economic development strategy of Bahrain.

We have strategic objectives for change and growth, laid out in our comprehensive Vision 2030 reform programme that addresses the economy, the labour market and education.

We are also responsible for creating the right climate to attract direct investment, and for marketing the Kingdom of Bahrain abroad through our embassies and a network of overseas offices in Japan, Hong Kong, India and the UK.

SO WHAT DOES THIS MEAN FOR YOU?

We offer a practical facilitation service for first-time investors, and ongoing support to businesses already here.

We can act as your first point of contact in the Kingdom.

We do our best to understand your objectives and respond to them efficiently, providing all the information you need to set up your business quickly and smoothly.

In short, we are here to help you WELCOME TO BUSINESS FRIENDLY BAHRAIN.
Contacts

For investment opportunities, call us on +973 175 89 969 or email us at invest@bahrainedb.com

For Financial Services enquiries, call us on +973 175 89 870 or email us at invest@bahrainedb.com

Business hours are Sunday through Wednesday 8am to 5pm, and Thursday from 8am to 2pm (GMT +3 hrs)

For more information on investing in Bahrain please visit www.bahrain.com

For more information on the Bahrain Economic Development Board and how we can help you please visit www.bahrainedb.com