

BAHRAIN

DIGITAL ECONOMY

Global players

#TeamBahrain convince cloud computing giant Amazon to set up base **P4**

**FORMULA 1**

The Bahrain International Circuit plays host to the F1 Grand Prix this weekend as the world's top drivers race under the floodlights **P3**

START-UP NATION

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From ancient buildings to high-end hotels and diving for pearls, Bahrain has all the ingredients to be a holiday hotspot **P7**



INTRODUCTION

A COUNTRY POISED TO SEIZE THE FUTURE

The Gulf state of Bahrain is rich in resources and attractions – now its forward-looking approach to business has also turned it into a tech hub, reports **Colin Randall**

Bahrain, a small island nation richly endowed with natural and man-made marvels, is transforming to a digital economy, thanks to its burgeoning status as a regional fintech leader and start-up hub.

Less than 50 years after it gained independence from Britain, the kingdom is committed to a bold diversification strategy that has helped it move beyond the region's traditional reliance on oil. Underpinning that growth is a “cloud first” strategy and a thriving start-up scene, which has made it an innovation hotspot.

An archipelago of dozens of islands with a population of just 1.5 million and a land mass only marginally greater than that of the Isle of Man, Bahrain has a name that translates as “the two seas”, reflecting its salty ocean with fresh water springs

lying beneath. Its ancient pearl diving heritage is renowned across the world. But beyond the natural charms is a vibrant, modern country punching above its weight.

Guided by the King, Hamad bin Isa al-Khalifa, and his eldest son, the Crown Prince Salman, the kingdom has efficiently built on its experience as a financial centre. At the heart of efforts to shape development is #TeamBahrain, a collaborative initiative in which the government and private sector are embracing digitisation to create an ecosystem of expertise, through venture capital companies, accelerator programmes and mentoring.

The central bank acts as a forward-looking regulator. And a willingness to break down barriers was a key factor behind the momentous decision by Amazon Web Services (AWS) to open its first data centre in the region this year.

Speaking at the AWS summit in Bahrain's capital Manama last September, Teresa Carlson, vice president of its worldwide public sector business, said the Crown Prince had identified the need for the country to undergo digital transformation.

“I think he saw the opportunity for this to help them jump-start the economy and make it a hub for innovation,” she said. “So they focused on strong cloud policies first; created the right telecoms policy; were one of the first to deregulate; they had good pricing for utilities; were friendly towards businesses, and had the kind of culture we felt could sit well with us and our partner communities.”

Bahrain announced this week that it is stepping up plans to roll out 5G networks across the kingdom – making it, by the third quarter of 2019, the first country in the world to have nationwide coverage. “Our



Left: Bahrain combines the ultra modern with ancient traditions, such as pearl diving. Below: the Porsche GT3 Cup Challenge Middle East is taking place this weekend along with the F1 Grand Prix

leadership in 5G sends a signal to the world that we can be a test bed for transformative technologies,” said Kamal bin Ahmed Mohammed, Minister of Transportation and Telecommunications.

Policies to broaden Bahrain's economy – to support its “Economic Vision 2030” programme – are already producing results. The non-oil sector is rapidly growing, and oil now accounts for less than 20 per cent of GDP. This development continues apace despite a potential boost for Bahrain's traditional oil wealth: the discovery of deposits estimated at 80 billion barrels of light oil and 10-20 trillion cubic feet of deep natural gas off its west coast.

A \$32 billion (£24 billion) infrastructure programme across

a raft of industries will also enhance competitiveness.

Social challenges faced before and since the Arab Spring are well known. But the country's message to the world is that it offers an imaginative, welcoming environment for business, and a beautiful, friendly and safe destination for tourists.

The Crown Prince told the Bahrain Government Forum last October that the Vision 2030 programme is being pursued in line with three founding principles: “sustainability, competitiveness and fairness”. He vowed that, with government and private sectors acting under the #TeamBahrain umbrella, the kingdom's “development, prosperity and greater opportunity for all will be guaranteed long into the future”.

A RACING CERTAINTY

Bahrain was the first Middle Eastern country to host a Formula 1 Grand Prix – in 2004 – and its night race under the floodlights has since become a highlight of the motorsporting calendar.

The 57-lap sprint in the heart of the Sakhir desert will mark the 999th race in the history of the championship.

This weekend's F1 programme, between March 28-31 at the Bahrain International Circuit, also includes the FIA Formula 2 Championship and the Porsche GT3 Cup Challenge Middle East, as well as off-track attractions, including DJs Martin Garrix on Friday and Kygo on Saturday.

And there is much more happening at the venue during 2019 – from concerts and gaming events to drag racing, plus the chance to try your own driving skills in a high-powered car.



ECONOMY Looking far beyond the oil fields...

*Diversifying its economic base has been the key to futureproofing the country, says **David Prosser***

Bahrain is on target to deliver one of the Middle East's highest rates of economic growth this year, according to the World Bank.

It predicts that the country's economy will expand by 2.6 per cent during 2019, rising to 2.8 per cent in 2020, ahead of many of its near neighbours.

That growth comes from one of the most diversified economies in the Gulf Cooperation Council (GCC). While Bahrain is celebrating the announcement last year of the largest new oil find in its history (see left), the oil and gas industry now accounts for less than 20 per cent of its economy.

Financial services and manufacturing have been particularly important growth sectors for Bahrain, and these have provided some insulation from the ups and downs of the oil market cycle.

leads to further stability, which leads to further investment,”

An ambitious programme of investment in infrastructure will also underpin growth, with \$32 billion worth of projects planned for the years ahead. These include the expansion of Bahrain International Airport, major improvements to road networks, modernising oil refineries and a project to expand Aluminium Bahrain (Alba) into the world's largest aluminium smelter.

In addition, Bahrain is planning the construction of the \$4 billion King Hamad Causeway, creating a second link across the Persian Gulf to Saudi Arabia that will run parallel to the existing King Fahd Causeway. The project will incorporate a rail link and work is due to begin in 2021.

Efforts are also continuing to build up Bahrain's private sector enterprise, with a particular focus on small and medium-sized enterprises (SMEs).

“SMEs are a priority in the government's agenda: we set up the SME Development Board [to look at] how we can support and enhance them,” says Zayed R al-Zayani, Bahrain's minister of industry, commerce and tourism. “The message for our SMEs and start-ups is, from day one, to think global.”

This has also been the brief for Bahrain's \$15 billion sovereign wealth fund Mumtalakat – from the Arabic word for assets – which is investing in the strategic assets of the country.

Created in 2006 to manage the growth of the government's strategic non-oil and gas holdings, Mumtalakat initially invested in 28 companies, but now has more than 60 holdings spread across Bahrain itself, as well as elsewhere in the Middle East, and in Europe and the US.

“We invest in Bahrain and for Bahrain,” says CEO Mahmood al-Kooheji. “The two key questions we ask are: is this a growth area, and is it going to affect people's lives positively?”

In that context, the fund has the potential to play a major part in Bahrain's continued economic success, providing further support for the kingdom's improving growth prospects.

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THE CLOUD WITH A SILVER LINING

Attracting one of the world's fastest-growing web companies is just the latest stage in Bahrain's bid to become the Middle East's leader in digital tech, says **David Prosser**

When Amazon Web Services (AWS) let it be known that it was interested in opening a regional hub in the Middle East, Khalid al-Rumaihi, CEO of the Bahrain Economic Development Board, knew he had to be proactive to win the bid.

He quickly assembled a delegation of ministers and senior officials and got on a plane to Seattle, Amazon's home base, to pitch Bahrain as a venue to the leaders of the global cloud computing giant.

"[We told them we are] a country that looks at cloud as an entire national policy," Rumaihi explains. "We've introduced laws that have made the cloud very attractive not only for our residents, but also for countries and companies that choose to put data here."

The pitch went well, and AWS will open its Middle East regional office in Bahrain this year. Teresa Carlson, AWS's vice president of the worldwide public sector business, says the decision was an easy one.

"They took down blockers like crazy," she said at last year's AWS summit, praising the kingdom for

reforms in the telecoms sector that are attracting multiple digital businesses there.

From Bahrain's point of view, AWS's arrival in the country not only represents a significant inward investment coup, but also provides an important piece in the jigsaw as it seeks to become the Middle Eastern leader in digital technology.

Already, consultant KPMG has singled it out as having the most liberalised and competitive technology sector in the region, with the lowest costs for metrics such as cross-border internet connectivity.

That reflects the efforts of the government, which has recognised for some time that becoming a digital economy is key to unlocking greater entrepreneurialism and boosting economic growth.

An important element of this is the government's cloud-first policy, committing it to evaluating cloud-based services during any information and communication technology procurement process.

"They've done all their homework, and they're already moving workloads into the cloud," added Carlson in an interview with

SiliconANGLE at the event.

"They've looked at security design and compliance practices, and said, 'We're moving – we're not waiting'."

The potential is for Bahrain to become the Silicon Valley of the Middle East – and to extract value from data in exactly the same way that oil has generated wealth for the Arab world over the past 90 years.

The government has been busy doing the groundwork for this digital transformation. The new Personal Data Protection Law promotes the efficient and secure processing of big data for commercial use, as well as providing a framework for transferring data across borders.

Throughout the kingdom, digital technologies underpin a more innovative approach to business and economic growth. Crowdfunding now provides a source of alternative finance for start-ups and small- and

KPMG HAS SINGLED OUT BAHRAIN AS HAVING THE MOST LIBERALISED TECHNOLOGY SECTOR IN THE REGION



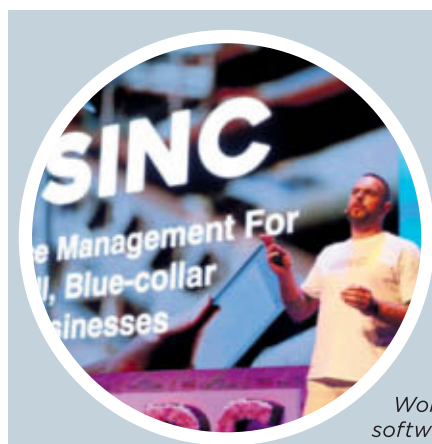
Above: AWS's Teresa Carlson. Top right: Khalid al-Rumaihi, CEO of the Bahrain Economic Development Board

medium-sized enterprises, thanks to regulation passed in 2017 by the Central Bank of Bahrain to enable the launch of these online platforms. Beehive Bahrain, the latest such platform, launched this month.

According to the chief executive of Bahrain's Information and eGovernment Authority, Mohammed Ali al-Qaed, further public and private sector collaboration will deliver additional benefits.

"These essential partnerships... pave the way for our kingdom to move forward in line with the strategic goals of our 'Economic Vision for 2030'," he says.

Cloud will be at the centre of this work, he explains, with tangible gains already having been realised: "Our businesses have tremendously reduced infrastructure costs, with shorter and less complex procurement cycles, sparing us time, effort and resources."



Workplace software specialist Sinc

Business was launched in Bahrain in 2017, even though its two founders are New Zealanders. The company has hired Bahraini developers to produce its employee management solutions and does all its engineering in the kingdom.

"We met Startup Bahrain at a trade show in Hong Kong and we moved to Bahrain just a few months later," recalls Sam Dolbel, one of Sinc's founders.

Dolbel says the support his business has received has been critical in getting it off the ground.

"The Tamkeen support programmes are amazing," he says. "I have not seen anywhere else in the world where there is this much support for early stage start-ups. We have been flooded with mentors offering assistance, while an accelerator such as Flat6Labs can also help with tasks, such as getting the company set up, and securing visas and work permits."

A fertile ground for start-ups

A combination of generous funding schemes and liberal tax laws is helping Bahrain to lure entrepreneurs, which is good news both for them and for the local workforce

Bahrain has worked hard to position itself as the home of start-up technology businesses in the region – offering swift access to funding and venture capital.

At the heart of efforts to foster a culture of entrepreneurialism is government's labour fund, Tamkeen.

Working in tandem with the Bahrain Economic Development Board (EDB), Tamkeen offers a range of funding and practical support to start-ups, while also ensuring the local population are the employees of choice for new businesses.

The cloud computing technologies that Amazon Web Services (AWS) have pioneered (see above) are crucial to many of these new enterprises.

"Cloud computing offers businesses access to the power and performance of an enterprise-grade IT infrastructure without the maintenance cost of owning their own hardware," says Dr Ebrahim Mohammed Janahi, CEO of Tamkeen.

Eye-catching Tamkeen initiatives have included a cloud-computing support programme that funds start-ups – covering 100 per cent of costs for the first 18 months – as they work towards AWS certification.

Other developments have seen the award of three grants to encourage accelerators to set up in Bahrain. The three winning organisations, Flat6Labs, Brink and Nest, are now up and running, working to help a range of start-up businesses get off the ground.

They operate alongside StartUp Bahrain, which promotes innovative new businesses in the kingdom. However, Tamkeen is just one element of the start-up ecosystem that the government has developed in recent times.

Another crucial plank in its strategy has been to develop a sympathetic tax and regulatory system. Businesses based in Bahrain pay no corporation tax, and there is no personal income tax, wealth tax or tax on capital gains.

There are also no restrictions on the repatriation of capital, profits or dividends by overseas owners of businesses in Bahrain, and 100 per cent foreign ownership is allowed. Overall, the government estimates that operating costs for businesses are 30 per cent lower than those of its regional neighbours.

Access to finance is also crucial for entrepreneurs. The Al Waha Fund, launched by the Bahrain Development Bank and EDB, has \$100 million (£75

million) to invest through venture capital funds supporting start-ups in the kingdom and the wider region.

It has already deployed \$45 million of that firepower. At the AWS summit EDB CEO Khalid al-Rumaihi explained a crucial distinction: "We said: 'The government shouldn't invest in start-ups, but let's create a fund of funds that will invite venture capitalists to base themselves here, but we won't tell them how to invest'."

The government is also keen to encourage a more entrepreneurial mindset. A new bankruptcy law came into force in November 2018. It is modelled on the Chapter 11 insolvency legislation in the US, which gives businesses in financial difficulty respite from creditors as they restructure under court supervision. The aim is to encourage greater inward investment and to encourage more risk taking by Bahraini start-ups and SMEs.

Rumaihi considers Bahrain a hub of entrepreneurialism for the entire region. "In a small country, start-ups allow you to grow beyond your borders, and technology encourages our entrepreneurs to think beyond Bahrain, and to scale very quickly." **DP**

FINTECH

A HUB FOR BLUE SKY THINKING

Support for fintech enterprises has placed Bahrain at the cutting edge among Gulf states – including for diversity



The rapid growth of fintech innovation threatens to disrupt established financial services centres that are too slow to transform and adapt.

But Bahrain, which could have been at risk given its traditional strength in financial services, has embraced this innovation in such a way that this technology is now one of the kingdom's calling cards.

The Central Bank of Bahrain (CBB) was an early convert, by international standards, to the idea that fintech represents a huge opportunity, both for traditional financial service businesses and new entrants, including start-ups.

Three years ago, the CBB launched a joint initiative with Bank ABC, one of Bahrain's leading private banks, to run annual forums on fintech in the kingdom to get early adopters to focus on its opportunities and challenges.

Sael al-Waary, deputy group CEO of Bank ABC, says that the leadership of the CBB has enabled Bahrain's fintech ecosystem to flourish and become a regional leader. Bank ABC will this year launch a mobile-only neobank, Ila – but more broadly, Waary is excited by the transformation now taking place in Bahraini financial services.

"We are a banking society with proactive regulators, very focused managements and a vision of what is possible," he says. "The CBB doesn't only listen; it acts, and it doesn't compromise on quality."

One important initiative has been the launch of a regulatory sandbox, enabling banks and fintech companies to try out new ideas without being subjected to the full force of regulatory compliance, which has the potential to stifle innovation.

Businesses that graduate from this sandbox, such as open-banking platform start-up Almoayed

Technologies, have a chance to develop their proposition without getting tied up in red tape.

CBB governor Rasheed Mohammed al-Maraj says: "Our philosophy is a mix between a little bit of conservatism, but also an open mind to the requirements of the future and trends in technology. We need our regulatory framework to evolve and to be dynamic and resilient in a way that will serve all our economy."

That approach is already paying dividends, with two digital banks – Meem, which was set up by Gulf International Bank, and Bank ABC's planned new venture – already having secured a banking licence to operate in Bahrain.

Maraj expects more to follow. "What matters is making sure we have the regulation and environment in which both traditional and challenger banks can operate," he says.

Practical support for fintech enterprises is also available elsewhere in Bahrain – in particular from Bahrain FinTech Bay (BFB), which has rapidly developed into the largest fintech hub in the Middle East and Africa, attracting more than 50 local and international partners, including the likes of Microsoft and Cisco.

Boasting a near 1,000 sq m co-working space in the heart of the Bahraini capital Manama, BFB offers a physical space in which fintech operations can mingle and collaborate, as well as a broader range of mentorship services designed to help companies build partnerships and grow more quickly.

"We are offering a platform where people, individuals and institutions can collaborate, co-create, challenge each other, and talk about things differently," explains Khalid Saad, BFB's CEO. "We want to be a catalyst in this shift to a digital economy."

Bahrain FinTech Bay is now the largest fintech hub across the Middle East and Africa

That shift will come not only from fintech companies native to Bahrain – where the number of start-ups is growing rapidly – but also from international companies setting up in the kingdom.

Bahrain's fintech sector is also notable for its diversity – in particular the number of senior women it has attracted. There are high-profile female leaders present in both the fintech sector and the broader financial services arena.

The country is recognised as being more forward-thinking and liberal on the role of women in society than many of its Middle Eastern neighbours. A third of the workforce in Bahraini financial services are female, with the kingdom's financial technology sector becoming a

stronghold for women innovators and business founders.

This has inspired Dalal Buhejji, senior manager for business development financial services at the Bahrain Economic Development Board, who now chairs the Women in Fintech Initiative, to build on this progress.

She says: "The aim is to promote the involvement of women in Bahrain; to encourage more of them to be part of the fintech drive in Bahrain, but to also create more ties across borders."

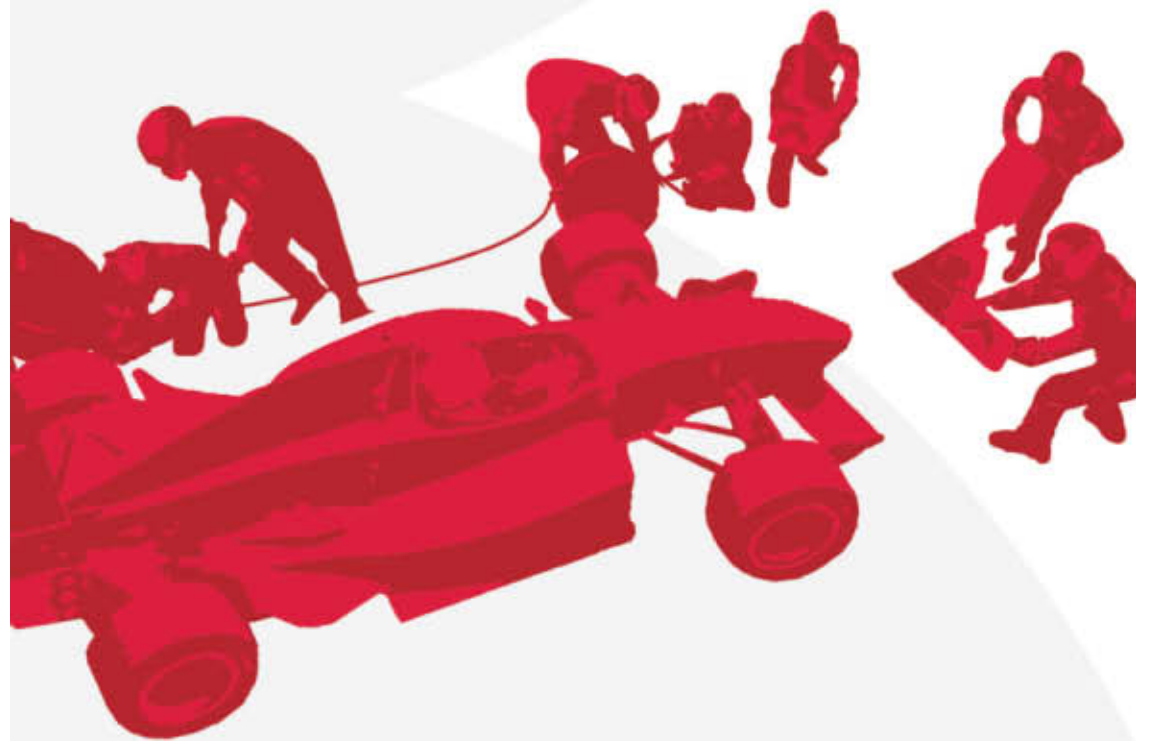
"It's not just about Bahrain, though. We're also looking at what we can do in terms of collaborating with other similar organisations promoting the involvement of women in fintech worldwide." **DP**

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SOMETHING TO BANK ON

Bahrain's banking sector is undergoing a vital overhaul to keep pace with the business world, says **David Prosser**

Bahrain's determination to ensure that its prosperity is not dependent on the oil industry resulted in it building one of the world's fastest-growing banking industries during the 1980s and 1990s. But several decades on, a new generation of Bahrainis is engaged in its own reinvention project: modernising the kingdom's banking sector to ensure it can continue to compete on the international stage. The country's financial sector

already contributes around 17 per cent to its GDP. But, says Rasheed Mohammed al-Maraj, governor of the Central Bank of Bahrain (CBB): "We have to lay the foundations for the economy to grow in the future. If you have outdated models, systems and regulation, that can't happen."

For the banking industry, that means embracing and encouraging innovation. In particular, it's about recognising that the power of new technology can be harnessed to drive renewed growth for incumbent businesses, while encouraging a new wave of start-ups, digital ventures and challenger banks.

At a macro level, the CBB is striving to build an ecosystem in which all firms can flourish. The bank's regulatory sandbox, the first of its kind in the Middle East, offers a protected environment for

innovators that enables them to test their business models before subjecting them to the full glare of regulation.

Elsewhere, the CBB is introducing the open-banking standards seen in countries such as the UK, which require banks to share customer data – where consent has been given – to enable other businesses to offer new products and services. And the bank

is also due to unveil new regulation on cryptocurrencies.

Such moves will encourage competition and modernisation in the banking sector itself, but Maraj is also conscious of the industry's responsibility to foster an entrepreneurial culture more broadly in Bahrain.

Support for start-ups and small and medium-sized enterprises (SMEs) – whether through regulatory reform, funding support

or other types of practical assistance – is a crucial part of the picture, Maraj argues.

"We have to create a more dynamic and agile business environment, cutting back on red tape and looking forward with our rules and regulations," he says.

That view is shared by private sector banks, which are playing their own part in modernising financial services and the broader economy.

At the National Bank of Bahrain (NBB), CEO Jean-Christophe Durand says the bank can play a crucial role in driving growth. "We are in the first year of a three-year business plan that is about modernisation, more participation in the local economy, support for SMEs and larger financial projects and corporates too," he explains.

This programme has already included support for the Al Waha fund, a venture capital initiative launched in conjunction with the Bahrain Development Bank, and participation in Bahrain FinTech Bay, a new mentorship hub for financial technology businesses.

NBB was also the first Bahraini bank to introduce the national wallet payment system BenefitPay.

At Bank ABC, meanwhile, deputy group CEO Sael al-Waary is also embracing a modernisation mindset, not least with the upcoming launch of Ila, a major new digital bank.

"You have to be brave and take the first step," says Waary. "I believe in evolving; you cannot just be a big bank – you have to evolve the customer journey, work with new partners and be committed to transformation."

It's a message that the banking sector has heard before – and responded to successfully. Now it must do so again. "Banking has to believe in this," argues Waary. "I believe in the disruption – this is real and it's already happening."



Rasheed Mohammed al-Maraj, governor of the Central Bank of Bahrain

'WE HAVE TO CREATE A MORE AGILE BUSINESS ENVIRONMENT – LOOKING FORWARD WITH OUR RULES AND REGULATIONS'

AVIATION

Getting improved transport links off the ground

*Upgrading its airport and national airline will keep Bahrain's aviation industry holding its own in a fiercely competitive local market, says **Laura Brodeur***

For an island nation that is currently focused on digital connectivity, physical transport links matter enormously too.

Alongside the construction of a second road and rail link across the Persian Gulf to Saudi Arabia, a new \$1.1 billion (£830 million) passenger terminal is due to open later this year and will play a pivotal role in the kingdom's fortunes.

In the Arab world, where flying between city states is the go-to option, a stylish and modern gateway is a must. And the Bahrain International Airport modernisation programme, which forms part of the kingdom's \$32 billion infrastructure investment plan, will deliver a state-of-the-art facility.

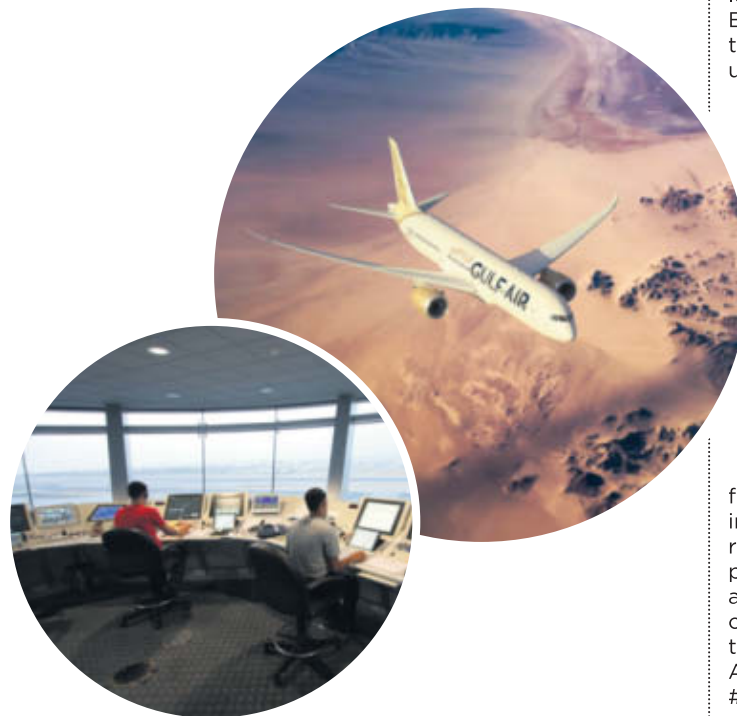
As a result of the transformation, passenger numbers are expected to

grow from 9 million to 14 million by 2020. Meanwhile, a \$58.5 million air cargo facility plans to capture much of the region's logistics market.

Competition in the region's aviation market is already fierce, so what market can Bahrain corner? "We want to be efficient and business friendly – a boutique airport with a unique experience," says Kamal bin Ahmed Mohammed, minister of transportation and telecommunications. "We are not trying to compete in terms of numbers and volume; our aim is to be different and to deliver quality."

The programme to modernise the airport is long overdue, adds Mohamed Yousif al-Binfalah, chief executive of Bahrain Airport Company (BAC).

"Bahrain has been associated with aviation from the very earliest



Bahrain International Airport and Gulf Air are upping their game

stages of the industry. The first aircraft that ever landed here was in 1918. The airport was one of the region's first international hubs, and when Concorde flew its first commercial flight, back in 1976, it was to Bahrain."

Binfalah would also like to go back

to a time when the focus was on luxury. This year a service offered by BAC subsidiary Hala Bahrain will be trialled where luggage will be picked up from a passenger's home or hotel in Bahrain, and it will also be the first limousine-licensed operator in the country.

The airport currently offers three flights a day to London. Meanwhile, tourism is on the rise; by 2022 it's expected to contribute 8.3 per cent of Bahrain's GDP, up from the current figure of 6.5 per cent (see tourism feature on opposite page).

The national carrier is also pushing to improve the quality and reach of its service. Gulf Air, founded in 1950, was one of the first commercial airlines established in the Middle East. While other regional airlines have become major players, Gulf Air has been staging a comeback of its own of late; new chief executive Krešimir Kučko, the former head of Croatian Airlines, dubbed 2018 the airline's #YearOfChange. It is expanding into more profitable routes and plans to double its fleet by 2023.

The aim is to create a truly luxurious experience, says Kučko. He cites in particular Gulf Air's new premium Falcon Gold class, which offers a service equivalent to first class but for three times less.

"By 2023 we should have roughly 50 destinations. We are looking for a global footprint but with small feet."



PROPERTY

IF YOU BUILD IT THEY WILL COME

Major property developments under construction in the kingdom should be a tempting prospect for foreign buyers

Bahrain's growing real estate sector is set to receive a further boost with a series of stand-out residential developments that offer tempting opportunities for international investors.

The good news for the big expat population already in situ is that there are no restrictions on the movement of capital or profits by overseas owners. One of the advantages of buying property in the kingdom is that 100 per cent foreign ownership is allowed.

And in the first nine months of 2018, real estate and business activities in the kingdom grew by 3.2 per cent, according to the *Bahrain Economic Quarterly*.

"A rapidly growing population, high purchasing power and quality of life are still very attractive to foreigners looking for better jobs," says Dr Maher al-Shaer, CEO of Diyar Al Muharraq. "All these factors provide a great framework for the real estate industry to thrive."

Diyar Al Muharraq is one of the kingdom's biggest mixed-use

urban developments. Built on seven reclaimed islands on the northeastern tip of the main island, it offers five miles of public sandy beaches, along with parkland, retail centres, picturesque marinas, and a combination of affordable housing and luxury residences.

Bahrain Bay is another waterfront city with retail and commercial offices, plus hotels, including a Four Seasons on its own private island within the capital, Manama. Development on the business city has begun in earnest again after the kingdom's economic outlook improved, with further impressive structures being erected.

Meanwhile, on the southwest coast, the five-star Al Sahel Resort is being developed as a joint venture between Mumtalakat, the kingdom's sovereign wealth fund, and real estate enterprise Sama Dubai.

It has luxury villa and room accommodation for tourists, alongside entertainment and leisure amenities, a convention centre, plus a 200-room five-star hotel, which is operated by Jumeirah Group. **LB**

TOURISM

Your new favourite holiday

With its historic sights, luxury hotels and friendly locals, Bahrain is now a tourist hotspot, says **Colin Randall**

For holidaymakers seeking the ambience of the Middle East without full-on brashness, "boutique Bahrain" has the answer. The region's only island state is reaping the benefits of a strong emphasis on tourism.

With a history that dates back 6,000 years alongside state-of-the-art accommodation and facilities, Bahrain combines the comforts of luxury hotels and upmarket shopping with a rich cultural experience.

From the whitewashed old streets of Muharraq, ancient forts and authentic souks, to Arabian horse-riding and a chance to dive for pearls (and keep them), the country is bursting with opportunities for relaxation and adventure.

This summer, a sunken Boeing 747 will offer an extraordinary new attraction for the scuba divers who flock here. It is described by Sheikh Khaled bin Humood al-Khalifa, CEO of the Bahrain Tourism and Exhibition Authority (BTEA), as "the world's largest diving, underwater theme park".

The tourism industry is rapidly expanding, with 15 million visitors expected in 2020, up from 10 million in 2015. And with the average length of stay also rising, Bahrain is no longer seen as just a weekend destination.

The kingdom is looking to appeal to western holidaymakers as well as those from other Gulf countries. And while tourists should observe local customs and laws, particularly in terms of dress in mosques and traditional areas such as souks, entertainment is widely available and alcohol can be purchased in international hotel restaurants and bars. Seen as one of the liberal Gulf states, Bahrain is also attracting growing numbers of British expats.

This drive is certainly having an effect. When BTEA was created four years ago, just seven UK-based tour operators offered trips to the

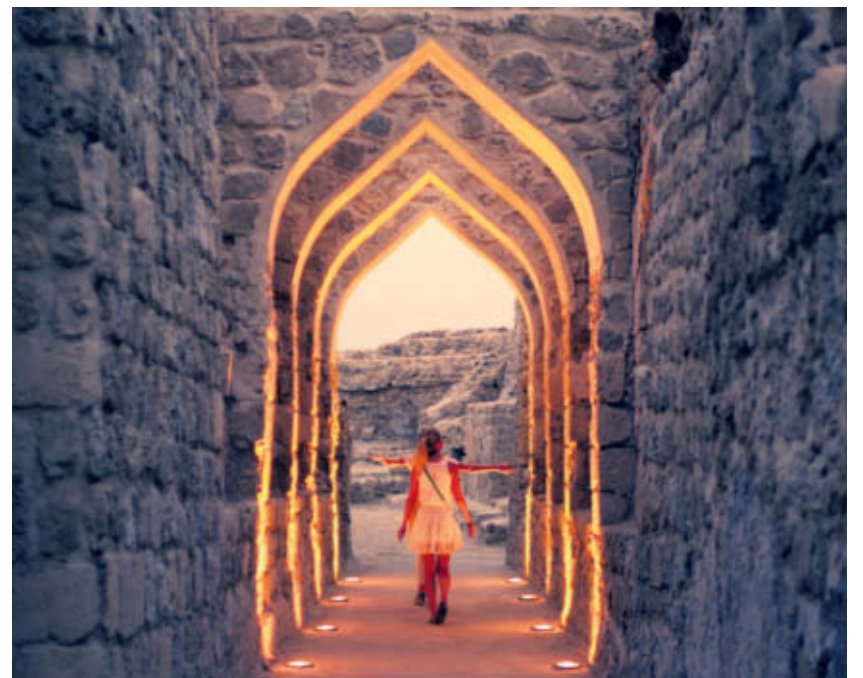


country. By the end of 2018, the number had leapt to 49, with almost 10,000 packages sold.

A key factor in its success as a tourist destination is its size; being a relatively small, compact place, Bahrain is easy to get around.

Also, as Sheikh Khaled says, "the thing that makes Bahrain unique is that we have all the components together and it's a new destination. [And] when it comes to authenticity and culture, our No 1 asset is the people of Bahrain."

Above: the Four Seasons hotel occupies its own private island. Above right: Scuba diving and local souks offer visitors to Bahrain adventure and relaxation in equal measure. Right: Bahrain Fort dates back to the sixth century AD, but its origins are far older



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