



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

FOR IMMEDIATE RELEASE  
October 27, 2017  
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## AT NUSACC EXPERT ROUNDTABLE, BAHRAIN'S MINISTER OF INDUSTRY & COMMERCE HIGHLIGHTS THE KINGDOM'S ROLE AS A REGIONAL GATEWAY FOR U.S. COMPANIES

**Washington, DC** – This past week, as part of the Chamber's Expert Roundtable Series, the National U.S.-Arab Chamber of Commerce (NUSACC) hosted H.E. Zayed bin Rashid Al Zayani – Bahrain's Minister of Industry, Commerce, and Tourism – for an off-the-record discussion about that nation's role as a regional gateway for U.S. companies. Roundtable discussion revolved around the history of economic development in Bahrain, the growing importance of private sector initiatives in the Kingdom, and opportunities for U.S. business in key sectors in which Bahrain enjoys comparative and competitive advantages. Minister Al Zayani was joined by H.E. Sheikh Abdulla bin Rashid Al Khalifa, Bahrain's new Ambassador to the United States, as well as U.S. Government officials and corporate leaders from some of America's leading companies. [Lockheed Martin](#), a Platinum Plus member of NUSACC, and a longtime business partner of Bahrain, served as Lead Sponsor of this event.

During his welcoming remarks, [David Hamod](#), NUSACC's President & CEO, emphasized the importance of Bahrain as a gateway to the Arabian Gulf and beyond. "As a commercial center in the region, Bahrain has been 'punching well above its weight' for a very long time," Hamod noted. "Today, the Kingdom is positioning itself as a digital hub for the next generation of cutting-edge technologies and services."

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Minister Al Zayani opened the discussion by explaining the Kingdom of Bahrain's development goals in three sectors: Industry, commerce, and tourism.



H.E. Zayed bin Rashid Al Zayani – Bahrain's Minister of Industry, Commerce, and Tourism – exchanges gifts with David Hamod, NUSACC President & CEO. These souvenir coins commemorate Dilmun, Bahrain's ancient civilization, dating back to the third millennium BC.

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## Industry: The Backbone of Bahrain

Minister Al Zayani noted that Bahrain was the first Gulf Cooperation Council (GCC) country to diversify its economy. The country began transitioning from oil dependence in the 1960s by integrating [Aluminium Bahrain B.S.C. \(ALBA\)](#), one of the largest industrial companies in the Middle East. Bahrain was well positioned for this integration and expansion because the Kingdom offered three essential components: Energy, land, and labor. (Eighty-four percent of the country's workforce is composed of Bahraini nationals.) Fast forwarding to today,



H.E. Sheikh Abdulla bin Rashid Al Khalifa,  
Bahrain's Ambassador to the United States.

ALBA is expected to reach a total of ten industrial properties by 2019, at which point ALBA will become the world's largest aluminum producer.

Beyond ALBA, Minister Al Zayani said, the Kingdom is working to identify additional avenues to diversify the industrial sector. This includes developments in foodstuffs and pharmaceuticals, for example, as well as expanding the country's transportation and logistics. The causeway to Saudi Arabia enables products to reach that nation in 30 minutes, he said, and plans are now underway to build a second causeway. An application for land in Bahrain can be completed in as little as 18 days, the minister noted, further strengthening Bahrain's strategic position as a gateway to the GCC economies.

## Commerce: Diversifying the Market

Bahrain is enjoying the benefits of a Free Trade Agreement (FTA) with the United States that went into force in 2006, Minister Al Zayani said, and he looks forward to making that bilateral FTA even more meaningful for both nations. In this spirit, he noted, Bahrain has been overhauling its commercial laws in recent years. This includes but is not limited to changes in the fundamental Companies Law, the Anti-Trust Law, and the Limited Investment Partnership Law.

Bahrain's commercial registration laws are now undergoing "Version 15.0," Minister Al Zayani said, pointing out that a new company can register online in Bahrain in as little as 93 seconds. As a result, he noted, commercial registrations have surged more than 160 percent in the past 18 months. Minimum capital requirements have now been removed, he pointed out, making it even easier and faster to create a presence in Bahrain. This has implications for Bahrain's youth, he suggested, who are actively being encouraged to enter the Bahraini marketplace as entrepreneurs and small & medium-sized enterprises (SMEs).

Bahrain has historically ranked high on the World Bank's annual "[Ease of Doing Business](#)" lists for the MENA region. In 2017, Bahrain was named the second best country in the region, after Saudi Arabia. In the category of "Starting a Business," Bahrain went up 69 rungs – from 142nd to 73rd – because of the country's changes in its minimum capital requirements. Bahrain ranks #4 worldwide in "Paying Taxes" and #25 worldwide for "Registering Property."

Bahrain's ability to cut through bureaucratic red tape helps to explain why [Amazon Web Services](#) (AWS) has just selected Bahrain to host three AWS cloud data centers by early 2019. AWS is the first American company to build cloud services facilities in the Middle East and North Africa (MENA) region. "As countries in the Middle East look to transform their economies for generations to come, technology will play a major role, and the cloud will be in the middle of that transformation," said Andy Jassy, CEO of AWS. Bahrain is the first country in the region to introduce a national "Cloud First Policy," which will advance digital infrastructure in numerous business sectors, including financial services, one of Bahrain's main industries.

Minister Al Zayani told Roundtable attendees that Bahrain has ambitious plans to continue overhauling its laws to make his nation an even more attractive business destination. Next up, he suggested, would be groundbreaking laws governing bankruptcy and transactions. "In today's rapidly developing world, no country can afford to have stale laws," he concluded.



From right to left: Nancy Ziuzin Schlegel, Vice President of International Government Affairs, Lockheed Martin; David Hamod, President & CEO, NUSACC; H.E. Zayed bin Rashid Al Zayani, Minister of Industry, Commerce, and Tourism; H.E. Sheikh Abdulla bin Rashid Al Khalifa, Bahrain's Ambassador to the United States; Shannon Kellogg, Director of Public Policy, Amazon Web Services.



## Tourism: Enhancing Bahrain's Accessibility and Infrastructure

In recent years, Bahrain has cultivated a more comprehensive approach toward its tourism industry by raising awareness about the country and its economic benefits, by providing more attractions, and by improving international access to the Kingdom.

To make Bahrain a bigger player in the MICE space – Meetings, Incentives, Conventions and Exhibitions – Minister Al Zayani noted that the country is building a new Conference and Exhibition Center with an area of 100,000 m<sup>2</sup>. Bahrain is also laying groundwork for a cruise ship port that will increase the number of “cruisers” to Bahrain, which has risen from 65,000 persons to 100,000 persons in recent years.

One of the country's biggest projects will increase the Kingdom's airport capacity from 4.5 million passengers per year to 14 million per year by 2019. This will allow Gulf Air to put 45 planes into service by the year 2023 and increase the number of global destinations from 42 to 65, including non-stop flights to the United States.

These infrastructure upgrades will enhance tourism in Bahrain, Minister Al Zayani noted, and they will also encourage the exchange of goods and services throughout the region. “Bahrain has always been at the heart of commerce in the region,” he said, “and more tourism will allow us to showcase our #1 asset: Our people.”

## Looking to the Future: Start-Ups and SMEs

With approximately half of Bahrain's population below the age of 25, Minister Al Zayani suggested, the Kingdom is looking to private sector entrepreneurs to be a major engine of growth. “We are more focused on job makers than job seekers,” he quipped.

Some of Bahrain's most important institutions are now working to create entrepreneurial ecosystems to benefit Bahrain's youth: [Tamkeen](#), the [Bahrain Development Bank](#), the [Economic Development Board](#), and the [Bahrain Chamber of Commerce and Industry](#).

Under the leadership of Bahrain's Crown Prince, HRH Prince Salman bin Hamad bin Isa Al Khalifa, Bahrain has recently established a Board for SME Development, which is expected to roll out a National Strategy for SMEs before the end of 2017. This will include legislation that creates set-asides of 20 percent for SMEs in contracts awarded by the Government of Bahrain.



“Bahrain has always been at the heart of commerce in the region,” remarked Minister Al Zayani.

In this same spirit, Bahrain's [Economic Development Board](#) (EDB) has announced that it will roll out a \$100 million venture capital fund by the end of 2017 to assist start-ups and SMEs in Bahrain. The CEO of EDB, H.E. Khalid Al-Rumaihi, says that the Government of Bahrain will provide the regulatory framework, while looking to investment firms in this "fund of funds" to find a corporate-led industry.



Roundtable discussion revolved around the history of economic development in Bahrain, the growing importance of private sector initiatives in the Kingdom, and opportunities for U.S. business in key sectors in which Bahrain enjoys comparative and competitive advantages.

Bahrain has been a trading hub for millennia, so entrepreneurship and innovation are in the DNA of all Bahrainis, Minister Al Zayani suggested. As a result, he said, Bahrain has registered many "firsts" over the years: The first purpose-built medical facility in the region (American Mission Hospital, in 1902); the first country to discover oil in the region; the first in the region to allow women to vote and hold government office; the first country to launch mobile technologies in the region; and the first in the Arabian Gulf to sign a Free Trade Agreement with the United States. With the presence of Amazon Web Services (AWS) in Bahrain, the minister said, his nation is now preparing for a "paradigm shift that will move Bahrain full force into the digital age."

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Nancy Ziuzin Schlegel, Vice President,  
International Government Affairs,  
Lockheed Martin.

## Closing Remarks

In the spirit of “firsts,” Lockheed Martin – Lead Sponsor of the Roundtable – offered some Bahrain history of its own. “Lockheed Martin values our long-standing relationship with the Kingdom of Bahrain,” said Nancy Ziuzin Schlegel, Vice President, International Government Affairs. “Bahrain was the first Gulf country in the region to acquire the F-16, and Bahrain is on the cusp of achieving another regional first: Procurement of the F-16 Block 70, the most advanced, most affordable 4th generation fighter in the world.”

Concluding remarks were offered by H.E. Sheikh Abdulla bin Rashid Al Khalifa, Bahrain’s Ambassador to the United States. “Bahrain has always played an integral role in providing access to the GCC market and beyond,” he noted. “Today, more than ever, Bahrain is open for business, especially as a hub for foreign companies looking to maximize logistical efficiencies, as well as broadening their outreach to regional markets.”

The Bahraini Ambassador went on to say, “The goal from the Roundtable discussion was to highlight the importance of our Government’s plans to empower Bahrain’s SME market while facilitating any funding gaps through our local programs and initiatives. As a whole, Bahrain has moved towards deregulating bureaucracies with the aim of incentivizing foreign companies with tax breaks and efficient market access.” He concluded, “Thank you, NUSACC, for helping to bridge our common interests.”

## Expert Roundtable Series

NUSACC’s Expert Roundtable Series, held at the Chamber’s offices, provides NUSACC members and stakeholders with in-depth insights on commercial opportunities in the Middle East and North Africa. Roundtables are held periodically throughout the year.

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To learn more about the benefits of membership in NUSACC, please click [HERE](#).



*The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.*

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