

# INVEST IN BAHRAIN

## A DESTINATION FOR ICT GROWTH

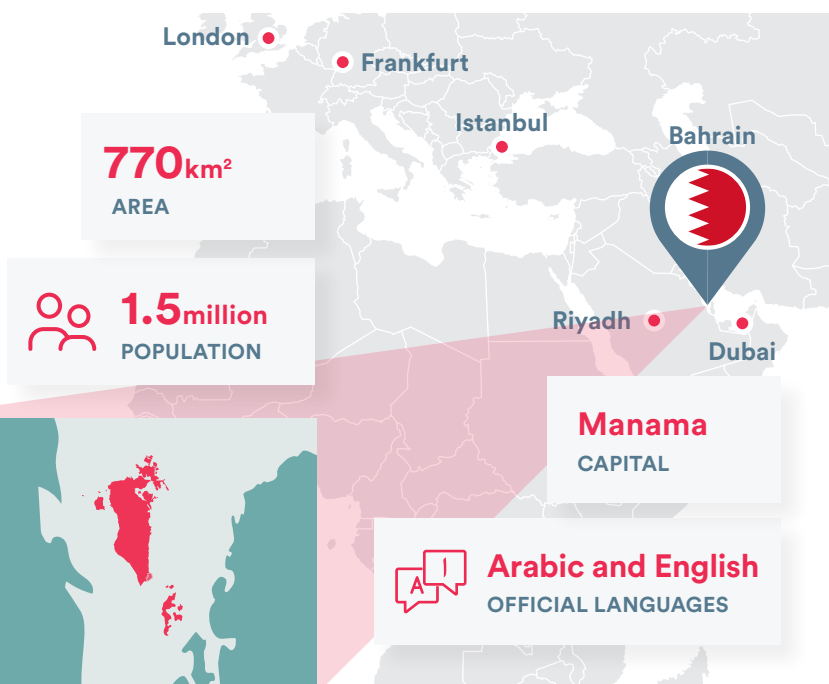
### ECONOMIC DIVERSIFICATION & GROWTH

Bahrain was the first nation in the Gulf to shift away from an oil-reliant economy in the late 1960s guided by a strategic decision to focus on national economic growth and diversification to secure a more sustainable future. It has since achieved impressive strides - from 2003 to 2023, Bahrain's nominal GDP grew from USD 11 billion to USD 43 billion marking a CAGR growth rate of 7% – surpassing the global rate of 5%. By working towards developing and attracting investment into non-oil sectors – and particularly financial services, manufacturing, logistics, information and communication technology (ICT), and tourism – Bahrain also diversified. As of 2023, the financial services sector overtook oil as the highest contributor to real GDP, standing at 17.8% in 2023.

Bahrain continues to heavily invest in the advancement of its infrastructure, prioritising digital transformation and the continued upskilling of its highly skilled local workforce to address evolving global talent requirements and demand.

By harnessing a curated approach known as #TeamBahrain, which champions the private and public sectors working closely together to create an innovative environment for businesses to succeed, Bahrain has successfully fostered a business-friendly investment ecosystem, prioritising the development of a robust, digitally ready economy and consistently pioneering regulatory policies and legislative frameworks.

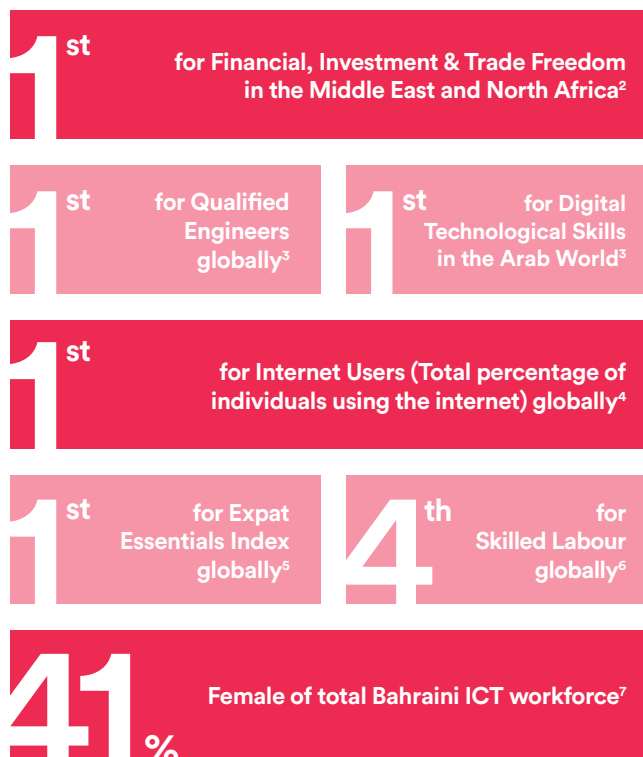
As a result, Bahrain continues to attract leading players from around the world seeking a location with strong value-added benefits. Bahrain's 2023 FDI stock relative to GDP is well above the global average rate at approximately 99.7% – a testament to the island nation's earned standing as a trusted destination of choice for regional and global investors.



### A THRIVING BUSINESS-FRIENDLY ENVIRONMENT

Bahrain is home to a thriving business-friendly environment with progressive legislation and value-added benefits for investors, including:

- **0%** corporate tax
- **100%** foreign ownership in most sectors
- **No free zone restrictions**
- **Progressive** visa policies
- **Lowest** operational costs in the region<sup>1</sup>
- **Bi-lingual** and **tech-savvy** workforce
- **High employee retention rate**
- **Tailored incentives**, programs and wage subsidies for the local workforce
- **World-class** infrastructure
- **#TeamBahrain** links investors with key decision-makers



Sources: <sup>1</sup> KPMG's Cost of Doing Business in the GCC Report - ICT 2022 <sup>2</sup> Heritage Foundation's Index of Economic Freedom 2023 <sup>3</sup> The Institute for Management Development's World Competitiveness Ranking 2023 <sup>4</sup> Descartes Institute, Google, & Qatar Communications Regulatory Authority Secondary Report - Future Readiness Economic Index Report (FREI) - 2023 <sup>5</sup> InterNation's Expat Insider Survey 2023 <sup>6</sup> The Institute for Management Development's World Talent Ranking 2023 <sup>7</sup> Labour Market Regulatory Authority's Q1 2023

## VISION & OPPORTUNITY FOR ICT GROWTH

### A GLOBAL TECHNOLOGY AND INNOVATION GATEWAY

Serving as an ideal gateway between established tech markets in the East and the West, Bahrain's strategic location, thriving connectivity, and forward-looking legislation have been instrumental to attracting global businesses to the island nation.

Owing to its pioneering regulatory frameworks and innovative tech ecosystem, Bahrain was the first in the Gulf to roll out a nationwide Cloud-First Policy, securing the tech giant Amazon Web Services (AWS) to set up their first Hyperscale Data Centre in the Middle East and Africa.

Backed by an advanced infrastructure and favourable tax regime, Bahrain's cost-effective environment offers an annual cost advantage of up to 28% for ICT businesses when compared to the Gulf region.

With 38% of university student enrollments in STEM (Science, Technology, Engineering, and Mathematics) programs and the availability of multiple vocational training institutes for specialised technology, Bahrain has an incredible educational foundation for its talent. This is further supported by the Labour Fund, Tamkeen, which offers customised incentive packages to businesses including wage support, enterprise support and upskilling programs for the local workforce. As a result, Bahrain's highly-skilled, bi-lingual and future-ready talent continues to attract businesses from around the world to invest in Bahrain year after year.

Bahrain offers value-added opportunities for investment within the following ICT sub-sectors:



Software Development Hubs



Data Centres and Cloud Services



Service Delivery Centres



Digital Entertainment and Media

### Contact us

Whether you require support on key industry assessments, advisory on processes and requirements, or insight into where to establish a new global headquarters, the Bahrain Economic Development Board supports investors on their journey long after the first point of contact, nurturing long-term partnerships to ensure businesses remain successful. Get in touch to learn more about Bahrain's exceptional investment opportunities.



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## LOCAL SUCCESS STORIES WITH GLOBAL IMPACT



AMAZON WEB  
SERVICES

Established in 2019 in Bahrain, Amazon Web Services is proudly the first Regional Hyperscale Data Centre in MENA.

The Kingdom's forward-looking data legislation such as the 'Cloud-First' Policy, the first in the region, and Data Jurisdiction Law, the first in the world, were key to Bahrain's selection. The latter, which essentially treats company data the same way as embassies – for a foreign company hosting data in Bahrain, no court other than the country where the company is based would have jurisdiction over that data.

Moreover, since the establishment of the Amazon Hyperscale Data Centre, Bahrain has seen many successes, including an approximately 85% migration of operations to the cloud, 80% reduction in government infrastructure operating expenses and 500+ Bahrainis trained on cloud computing technologies. In addition, Bahrain has become home to an AWS Ground Station and two AWS Cloud Innovation Centres further expediting its digital transformation.

**citi GLOBAL TECH HUB**



Citi's Global Technology Hub set up operations in Bahrain in 2021 to support Citi's global business lines with a new technology centre. Capitalising on the Kingdom's highly skilled talent pool, Citi aims to train and hire 1,000+ Bahrainis as software developers to serve their global core business tech needs and create transferable digital competencies. Among the key drivers for Citi's commitment is the availability of quality talent, the high retention rate of talent and the gender diversity in the local workforce.

Bahrain is the ideal location for ICT services growth, given the availability of future-ready talent, low attrition rates, transparent regulations, advanced infrastructure and overall cost competitiveness.

