

September Monthly Newsletter Content

Opening Headlines:

The fifth edition of our monthly newsletter will cover the project's activities that were carried out over the month of September 2019, in addition to sharing a brief overview of Bahrain and Oman's current economic outlooks and significant policies that affect its trade with the European Union and European business operating in the region.

Please do note however that beginning from October, we will be revamping the newsletter layout and including a monthly digest of the most significant and relevant GCC news in order to better consolidate all relevant information into one platform for your easier convenience.

As always, we would welcome your feedback on the topics and sectors that interest you most. Please feel free to send your suggestions to our team at newsletter-eugcc@gfa-group.de

Business Forum – announcement

Mark your calendars for the 4th EU-GCC Business Forum happening on November 13th in Muscat, Oman. The central theme for this year's forum 'Technology as an enabler for future growth and prosperity' – the forum will host an array of high-level speakers and experts on the topic from both the Gulf and the EU. The participating experts will address the role that both current and future technology will play in the education, logistics and manufacturing sectors. The forum will also highlight on the challenges and achievements of female entrepreneurs in the technology field. As with previous events, this forum offers an immense opportunity for cross cutting networking and the identification of commercial and other opportunities to participate in the ongoing diversification programs of GCC countries and a range of trade and investment projects in the highlighted sectors. The forum will feature speakers from both the EU and the GCC countries of Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and the UAE giving you an unparalleled opportunity to meet with potential partners from across the Gulf and European region to explore potential project opportunities.

The link to the registration and full details of the agenda will be launched soon on the event's website – www.eugcc.net.

ALTERNATIVE ANNOUNCEMENT:

Important notice! Please note that the 4th EU-GCC Business Forum in Oman, previously scheduled to take place on November 13th has now been postponed to December 11th, 2019 in Muscat, Oman. The central theme for the event remains to 'Technology as an enabler for future growth and prosperity' – the forum will host an array of high-level speakers and experts on the topic from both the Gulf and the EU. The participating experts will address the role that both current and future technology will play in the education, logistics and manufacturing sectors. The forum will also highlight on the challenges and achievements of female entrepreneurs in the technology field. As with previous events, this forum offers an immense opportunity for cross cutting networking and the identification of commercial and other opportunities to participate in the ongoing diversification programs of GCC countries and a range of trade and investment projects in the highlighted sectors. The forum will feature speakers from both the EU and the GCC countries of Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and the UAE giving you an unparalleled opportunity to meet with potential partners from across the Gulf and European region to explore potential project opportunities.

For additional information on the forum, the agenda and to register please stay tuned to the event's website – www.eugcc.net.

The Kingdom of Bahrain: Overview and Economic View

In 1932, Bahrain pioneered oil production in the Middle East, and in doing so established the region's initial framework for the petroleum industry. The new resources enabled Bahrain to modernize its economy by moving beyond traditional industries such as pearl diving and fishing. At an early stage, the kingdom sought to diversify its economy, and established itself as a leading regional financial center in the 1970's and 1980's. Today's the country national plan, Bahrain Economic Vision 2030, aims to enhance private sector growth and continue government investment in infrastructure, affordable housing and human resources. The kingdom maintains a developed industrial sector and hosts the world's largest single site aluminum smelter, Aluminum Bahrain (ALBA), with downstream business creating products for export. Other industries in Bahrain include downstream oil and gas products, as well as a growing food industry serving both the Saudi market and the global economy. In the World Bank's "Doing Business 2019" report, the kingdom ranked 62nd out of 190 countries on ease of doing business and fifth in the paying taxes category. In the World

Economic Forum's 2018 Global Competitiveness Index, the kingdom ranked 50th out of 140 economies, mainly thanks to its strong institutions, an expanding and stable infrastructure, market efficiencies and general business sophistication. Bahrain's model of development has been studied and formalized by the UN Industrial Development Organization (UNIDO), in partnership with the Arab Regional Center for Entrepreneurship and Investment Training based in Manama. In 2000, the government created the Bahrain Economic Development Board (EDB), chaired by the Crown Prince, Sheikh Salman Bin Hamad Al Khalifa. The organization was created to enhance the competitiveness of the kingdom's economy by improving the ease of doing business and fostering a more attractive environment for foreign investors. In a bid, to facilitate increased privatization and improve efficiency, a fully independent body works to increase government transparency and clarity of the public tender system by creating pre-certification, online tracking and standardization of tenders.

Sultanate of Oman: Overview and Economic View

Located in the southeastern quarter of the Arabian Peninsula, Oman is the only the member of the GCC situated outside the of the Gulf. Leveraging its strategic location, Oman has invested in infrastructure with the goal of becoming a global logistics center. While the country is less hydrocarbons rich compared its' other GCC neighbors, diversification efforts are a driving force behind economic growth. The sultanate's long-term development strategy, Oman Vision 2040 emphasizes diversification, privatization and Omanization. Logistics, tourism, mining, manufacturing and fisheries have all been identified as potential future economic drivers and will be continuing to be addressed as the Sultanate focuses on implementing their Vision 2040.

In tune with the earlier introduced Oman Vision 2040, much of Oman's reform efforts has been formulated with a view to attract an increasing amount of foreign direct investment (FDI). Over the past decade, this effort has largely been concerated on the establishment of free zones, including the Sohar Port and Freezone, Salalah Free Zone, Al Mazyunah Free Zone, which allow 100% foreign ownership and full repatriation of profit and capital, as well as offering a range of tax exmeptions.in addition, the Public Establishment for Industrial Estates, recently rebranded as Madayn, has operated since 1993 and currently oversees nine sites which offer incentives such as exemptions from income tax and Customs, as well as government loans for agriculture, health and traditional handcrafted items. In more recent times, Oman's long-standing determination to

populate the more remote parts of the country is resulting in yet more FDI magnets. The coastal city of Duqum is the most prominent example of this trend – located 500 km from the capital, the development plan for the city is centered on a seaport that will seed a large special economic zone. The site is already populated with a number of five-star hotels, villas, shops and supermarkets and when fully developed will incorporate a large refinery, industrial zones, schools and colleges, an airport and a modern housing and tourism district. The government is also in process of introducing a new foreign capital investment law to replace legislation which was introduced in 1994. The most significant change proposed by the new law, as per the final draft which has been circulated since 2016, is the opening up some parts of the economy to 100% foreign ownership. This development is likely to result in a significant increase in FDI flows.

Activities

September 19th

Team Leader, Stefan Kraxner, spoke to European businesses about the trade and investment barriers earlier this month at the Second Luxembourg Business Gathering hosted by the Embassy of the Grand Duchy of Luxembourg in Abu Dhabi. Mr. Kraxner highlighted the benefits and potential difficulties that most European businesses faced when considering investing in the region.

September 22nd – 26th

The Future GCC Leaders Study Tour

The EU-GCC Dialogue on Economic Diversification project team organized earlier this month a study tour titled “The Future GCC Leaders”. The study tour featured 2 SME agencies from Bahrain and Saudi Arabia and representatives of the Secretariat General of the Gulf Cooperation Council. The tour provided the future senior managers with the opportunity to familiarize themselves with the best practices of SME development program and organizations in Europe. In addition, the study tour will assist the SME agencies in expanding their network of multilateral contacts with European agencies and projects.