

# Decoding the economic recovery plan



(Continued from page 1)

Bahrain announced its economic recovery plan with the launch of the Tourism Sector Strategy 2022-2026 on November 6, 2021.

It aimed at raising the level of tourism indicators such as tourist spending to 2 billion Bahraini dinars, the average tourist nights to 3.5 nights, and the tourism sector's contribution to the GDP to 11.4%.

Tourists reaching Bahrain touched 14.1 million, and the average spending per visitor increased to 74.8 Bahraini dinars.

The strategy revolves around developing marine facades and activities, business tourism, sports tourism, Archaeology and history, entertainment tourism, media and cinema, and medical tourism.

## Logistics Sector

On November 17, 2021, the Logistics Sector Strategy 2022-2026 was launched. It targets several areas, most notably the review of laws and regulations, the development of infrastructure facilities, the development of policies and procedures, and the provision of incentives to investors.

It also aims at enhancing regional and international communication, marketing and promotion of investment opportunities. The strategy aims to raise the amount of freight at the port to one million containers, and at the airport to one million metric tons by 2030.

Focus is also on increasing the number of air destinations to more than 70 by 2025, making Bahrain among the top 3 regional countries and 20 countries globally,

and raising the sector's contribution to GDP to 10 % by 2030.

## Strategic projects valued over \$30bn

On November 24, 2021, Bahrain announced the implementation of major development projects with a value exceeding 30 billion US dollars. The strategy calls for developing five cities - the Fisht El-Garm area plan, Suhaila Island area plan, Fasht Al-Azem area plan, Gulf of Bahrain area plan, and Hawar Islands Area plan.

These strategic projects also include infrastructure and communications projects: King Hamad Causeway, Bahrain Metro, Future international Marine Fibre telecommunication project, and Northern road.

## Industrial sector

Industrial sector projects include the Aluminium manufacturing industries, the Bahrain Petroleum Company (Bapco) refinery modernization project, and the establishment of a commercial area with the United States of America.

The strategy also includes projects in the tourism sector, namely, the development project of Bilaj Al Jazayer beachfront development, the Jumeirah Bahrain Bay Resort project, the new Bahrain International Exhibition and Convention Centre, the Southern City project, The Address Marassi Al Bahrain Hotel, The Address Residences, Vida Marassi Al Bahrain Hotel, Vida Residences, and Marassi Galleria.

In the education sector, announced projects include the King Abdullah Medical City project, and the College of Engineering project at the University of Bahrain.

## Health sector

The Kingdom has also announced major development projects in the health sector. These include the Dilmunia Services Complex Health, and King Hamad Hospital - AMH.

## Sports sector

In the youth and sports sector, Bahrain will develop the Sports City, in addition to advertising the investment opportunities provided by major development projects within the economic recovery plan.

For developing a comprehensive strategy for the banking sector, the Kingdom had also launched a Financial Services Sector Development Strategy 2022 - 2026 on December 5, 2021.

Its priorities revolve around creating quality job opportunities for citizens, the development of the financial market sector, the development of legislation and policies, the development of the insurance sector, the development of financial services and financial technology.

## Financial services sector

The performance indicators of the strategy for developing the financial services sector revolve around increasing the share of SME financing in a phased manner to reach 20% of the domestic financing portfolio of retail banks by the end of 2025.

Other priorities include the inclusion of five promising companies on the Bahrain investment market, reducing paper currency circulation by 25%, maintaining consistent annual growth of 10% in electronic fund transfers, in addition to maintaining the contribution of the financial sector to the GDP in the range of 20% until the end of 2026 and then increasing the percentage to 25%.

Strategy for the sec-

tor also include increasing the insurance sector's contribution to the GDP to 8% by the end of 2026, meeting the training needs of the most prominent areas of sector development by creating 3,000 trainees annually by the end of 2024, and a 20% increase in the participation of individuals and institutions in the primary market for public debt issuances of the Government of Bahrain.

## Government services

The focus is also on developing government services that receive complaints most through the National Suggestions and Complaints System (Tawasul) and are frequently used.

The statistics showed an increase in the number of documented services from September to December of this year.

Authorities recorded a 57% increase at a rate of 742 documented services to 100% at an average of 1294 documented services, and translated services rose from 27% at a rate of 345 services to 68% at an average of 885 services, while work is still in progress on translating 409 services.

Statistics also showed an increase in the number of services for which a service level agreement was set during the period from September to December. This increased from 52% at a rate of 674 services to 97% at a rate of 1255 services.

Statistics also show that the number of requests through the commercial records system (Sijilat) amounted to 44070 during the mentioned period. Out of which 99% have been completed within the time specified in the Service Level Agreement and 1% after the

specified time.

Records further show that the number of requests for building permits through the building permit system (buildings) amounted to 893 during the period. Various requests were answered within the time specified in the service level agreement while one transaction exceeded the specified time. The average number of days for the issuance of building permits was 2.25 days compared to the maximum service level of 5 days.

## Industrial sector

On December 30, 2021, the Industry Sector Strategy (2022-2026) was launched. It revolves around the promotion of industries, improving investor experience, updating legislation and laws, orienting Bahrain professionally, and investing in infrastructure.

This strategy lays its foundations by supporting the sector's transformation towards the Fourth Industrial Revolution and applying the concept of a circular carbon economy, environmental and social governance. It also encourages investment in technological infrastructure, digitizing manufacturing, and increasing the efficiency of supply chains and supply through the integration of Gulf industries.

## Performance indicators

Bahrain has also identified three performance indicators in the industry sector strategy (2022-2026).

The first indicator is Bahrainisation percentage of the total workforce in the industrial sector, which aims to raise the percentage of national employ-

ment (Bahrainis) in the industrial sector from 23% in 2019 to 25.3% in 2026.

The second indicator is the contribution of the industrial sector to the GDP, which aims at increasing the GDP contribution of the domestic industrial sector from 12.8% in 2019 to 14.5% in 2026. The third indicator aims at raising the contribution of the industrial sector to national exports, which aims at raising the ratio of industrial sector exports to the total national exports of 70.

On January 12, 2022, the Kingdom launched the ICT sector strategy and digital economy (2022-2026). It centres around developing the infrastructure of the telecommunications sector, enhancing e-governance, supporting the digital economy, and developing digital capabilities.

Indicators for measuring the performance of the ICT sector strategy and the digital economy have also been identified. This aims at increasing the coverage of the national broadband network in all parts of the Kingdom to 100% by 2026, raising the number of Startups in the information technology sector by 20%, and increasing the percentage of national cadres working in the sector of Communications and information technology from 30% to 35% over the next two years.

The strategy also calls for building national human capacities in cybersecurity by educating and training 20,000 citizens by 2026 and automating nearly 200 additional government services by 2026.

