

PRESS RELEASE

Gateway Gulf concludes with focus on technology-led future growth

Manama, Bahrain, 10 May 2018: The final day of investment forum, Gateway Gulf, highlighted opportunities for foreign direct investment being driven by economic diversification across the GCC.

At the forum, H.E. Eng. Ibrahim Al-Omar, Governor, Saudi Arabian General Investment Authority (SAGIA), spoke about the growing inward investment opportunities in Saudi Arabia and the region: “13 per cent of the world’s trade passes through the Red Sea and this really presents a good opportunity for the whole region,” The Governor of SAGIA observed. “When it comes to FDI, we have seen a growth in foreign direct investment in Saudi Arabia of about 50 per cent in Q1 this year compared to Q1 last year.”

From attracting FDI to empowering local businesses, the forum explored key opportunities and challenges facing businesses and governments across the GCC as the region undergoes an unprecedented paradigm shift from public to private sector-led growth. Technology-led innovation emerged as a key driver of growth across sectors, with speakers including Dr. Klaus Kleinfield, CEO of NEOM, conceived as a new hub for innovation, knowledge, and trade located on the Red Sea.

A series of announcements highlighted the progress being made across the GCC in fostering supportive ecosystems for startups to drive innovation. These included the announcement of Bahrain’s plans to establish a USD \$100 million Fund of Funds to open up new funding avenues for innovative young businesses.

Speaking on a panel about how governments can embrace innovation to support growth, H.E. Rasheed Al Maraj, Governor, Central Bank of Bahrain (CBB), commented: “When we first started looking at fintech, the biggest hurdle was the fear factor. For any regulator to think about change in the landscape can bring anxiety because naturally we target certainty, so we avoid risk that can prevent financial instability. But what we decided at the CBB is that this coming technology is of immense benefits to the economy of Bahrain, that’s why we took the dive and made the necessary regulations and pushed industry to start looking at this and introduce changes we think will help the economy at large.”

The importance of putting social impact at the heart of innovation and investment strategies was emphasised throughout the day's conversations. Dilip Rao, CEO of Ripple noted: "it's not so much about technology, it's about what we do with that technology. What is the problem we're trying to solve? When blockchain first emerged, it was overhyped. What is happening now is people are knuckling down to specific use cases."

On a separate panel about investing in a challenging world, Mahmood Alkooheji, Chief Executive Officer, Mumtalakat, Bahrain's sovereign wealth fund, also observed: "We do projects that are commercially viable. But before we invest we ask ourselves two fundamental questions. Is this a growth area and will it affect people's lives positively?"

Investments in Bahrain's thriving industrial sectors were also front and centre of the forum, with the announcement by the Bahrain National Oil and Gas Authority (NOGA) of a USD \$1 billion Energy Fund, the first such fund in the GCC, which will provide institutional investors with access to local energy assets. The fund is a strong example of a broader trend in which economic reform is opening up opportunities in the region which have previously been unavailable to private sector investors.

The forum also saw the inauguration of Italian water heat maker Ariston Thermo's first manufacturing plant in the Middle East and North Africa region. The 7,000m² plant, based in Bahrain International Investment Park (BIIP), will produce up to 250,000 electric water heaters for export each year.

Food manufacturers are also increasingly turning to Bahrain to supply the Gulf and wider MENA market, where growing populations are driving increased demand in a market worth USD \$125 billion. The expansion of Malaysia's Power Root, the manufacturer of Alicafe coffee mix and other instant hot beverages, into the MENA region was also announced at Gateway Gulf today. Power Root will be investing over USD \$14 million in a large production facility located in BIIP. This investment is expected to generate over 160 new jobs for the local workforce. The decision to locate in Bahrain rests on the strong logistics links offered by the Kingdom, as well as the uniquely open, supportive business environment.

These major manufacturers join a strong pipeline of foreign direct investment secured thanks to Bahrain's pro-business regulatory environment, low operating costs, fast access to regional markets and strong human capital. In 2017 the Bahrain EDB achieved a record level of international investment, attracting USD \$733 million across 71 companies, which will create

around 2,800 high-value jobs over three years and drive new opportunities for Bahrain's talented youth, who were the focus of the final session of the conference.

Over the two-day event, the inaugural Gateway Gulf forum, which was hosted under the patronage of HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander and Chairman of the Bahrain Economic Development Board, facilitated open dialogue and showcased projects worth USD \$26 billion across multiple sectors to government and business leaders and investors from the GCC and around the world. The event featured over 90 speakers, and 850 registered participants from more than 40 countries.

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For media inquiries, please contact:

May Taher

Email: may.taher@bahrainedb.com

Phone: +973 17589972

About Gateway Gulf

Gateway Gulf is a major new investment event that will convene global industry leaders in order to unlock the opportunities being created by the economic transformation in the GCC.

The invitation-only event, held under the patronage of His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and Chairman of the Bahrain Economic Development Board, will bring together 500 global investors and CEOs at the Four Seasons hotel, Manama from 8-10 May 2018.

Gateway Gulf will include both high-level plenary sessions and showcase investment-ready projects from across the region in sectors including oil and gas, real estate, tourism, housing, power, water, transport, public works and manufacturing.

Additional information can be found at: www.gatewaygulf.com

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About The Bahrain Economic Development Board

The Bahrain Economic Development Board (EDB) is an investment promotion agency with overall responsibility for attracting investment into the Kingdom and supporting initiatives that enhance the investment climate.

The EDB works with the government and both current and prospective investors, in order to ensure that Bahrain's investment climate is attractive, to communicate the key strengths, and to identify where opportunities exist for further economic growth through investment.

The EDB focuses on several economic sectors that capitalise on Bahrain's competitive advantages and provide significant investment opportunities. These sectors include financial services, manufacturing, ICT, tourism, logistics and transport. The financial services sector is particularly strong in Bahrain and the EDB works to support the continued growth of the banking industry and key sub-sectors, including Islamic finance.

For more information on the Bahrain EDB visit www.bahrainedb.com; for information about Bahrain visit www.bahrain.com.

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