

Bahrain throws doors open to investors

The Age Company Ltd. - Melbourne, Australia - August 17, 2007 - The Gulf island kingdom of Bahrain, long overshadowed by its more glamorous neighbour Dubai, is throwing out a challenge to win a slice of the billions of dollars of investment money pouring into the region.

It claims to be the banking hub of the Middle East, although Australian banks are showing little interest at the moment, and is beefing up that image with the construction of a new \$1.5 billion portside centre called Financial Harbour - complete with marina, upmarket residences and commercial towers.

The country's capital Manama, which is undergoing a massive building boom, is being partitioned into different business sectors under a master plan, headed by the influential Economic Development Board (EEB) whose board includes seven government ministers and is chaired by the Crown Prince.

The area surrounding the airport will be the logistics hub, the port will be the industrial hub, and the central district, the business hub.

The EEB's senior officer for business development Mazen al-Hilli says the master plan will transform previous red tape into red carpet for foreign investors.

It's only been in the past few years that the thousands of ex-pats working in the tax-free kingdom have been able to buy property.

"We see our role as improving the quality of life, to invest in our people," Mr al-Hilli said.

"People look at us and think we're in a rough neighbourhood, but it has enormous growth potential."

Australia is playing a key role in several areas - we import hundreds of thousands of sheep each year, putting Australian lamb high on the menu of Bahrainis.

We import Camry cars - and now we are also importing our education system.

There are 12 Victorian high school teachers here as part of a three-year \$2 million contract helping to revamp the school system.

In return, 12 Bahraini teachers are going to Victoria to get a closer understanding of how the system works, along with 380 Bahraini students who are already at school in Australia.

Another Australian influence in Bahrain is the V8 Supercars, with the likes of Mark Skaife and Craig Lowndes quickly becoming household names alongside those of cricket stars Ricky Ponting and Shane Warne, who are popular with the thousands of Indian and Pakistani guest workers.

The V8s have been welcomed with open arms at the impressive \$US150 (\$A188.24) million Bahrain International Circuit (BIC), which sits out in the desert, about a 15 minute drive from Manama.

The Fords and Holdens are racing again in November, and the Austrade Office will cash in by staging an Australia Week with the focus on Australian food.

Austrade consultant Chris Jenkins said Australian beef and lamb, seafood and kangaroo steaks, will be highlighted at food stalls and will use the V8 race to match up Australian businesses in the Gulf with their Bahrain counterparts.

But Mr Jenkins believes Australian businesses could do far more in Bahrain.

"We have about 360 Australians in Bahrain with working permits, and with their families it takes it to around 1,000 living here," Mr Jenkins said.

"Australian banks haven't come yet and that's something we need to look at - Macquarie Bank would be an obvious one."

The Bahrain government considers the V8s and Formula 1 races to be major catalysts for lifting the kingdom's profile.