

Bahrain

The pearl of the connected Gulf



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Bahrain has been a trade hub since its origins in ancient history. But today's digital economies can no longer rely on geographical primacy – connectedness is the new currency. Bahrain's Transportation and Telecommunications Minister H.E. Mr. Kamal Ahmed tells us how he plans to make the nation a regional hub through digitalization.

By Julia Yao



The strongest link in the chain

Building a strong digital infrastructure is necessary for economic growth. According to Huawei's 2016 Global Connectivity Index (GCI), which measured how 50 nations are progressing on the road to digital transformation, a one-point increase in national GCI rating correlates with a 2.1 increase in competitiveness, 2.2 percent rise in innovation, and 2.3 percent jump in productivity. Thanks to its increasing technological prowess, Bahrain has made clear gains in competitiveness, jumping from rank 43 in 2015 to 39 in 2016 in The World Economic Forum's *Global Competitiveness Report*.

Today's average Bahraini consumer is no stranger to the latest tech hardware, software, apps, and services. Mobile phone penetration is one of the highest in the world at 92.7 percent as of June 2016, up from 694,000 in 2010. Approximately 800,000 of the island nation's 1.4 million people are Facebook users, reflecting a connectedness to social media that also extends to apps like Snapchat, Instagram, and LinkedIn.

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Powering ahead with IoT

The archipelago is also a trail blazer when it comes to IoT, with machine-to-machine connectivity already having changed the way consumers manage their homes, health, cars, businesses, and entertainment. With transformation impacting every vertical, IoT touches the lives of local people in multiple ways, including finance, manufacturing, retail, hospitality, public safety, government, and transport.

VIVA, one of the nation’s three mobile operators, launched its Connected Life suite earlier this year, a center point of which is sensor-activated solutions

covering security and energy. Its car device, for example, creates a connected smart car within seconds of installation, unlocking functions like on-board entertainment with 4G LTE in-car Wi-Fi and app-based pairings for safety, security, directions, and vehicle diagnostics.

ICT-infused business

With its trading heritage and entrepreneurial spirit, Bahrain is home to many successful businesses, including Huawei’s regional headquarters for the Middle East. Part of that success is down to an ICT infrastructure and business friendly policies that allow enterprises to flourish. For example, Bahrain ranks first in the GCC and 18th globally for economic freedom, a climate which helped the nation grow its GDP by 32 percent from 2010 to 2014. According to Kamal, “ICT is the enabler for all economic sectors in Bahrain – financial, tourism, manufacturing – they need a strong backbone, and that backbone is ICT.”

Bahrain ranked 27th globally in the 2015 *ICT Development Index*, fifth for mobile broadband usage, eighth for Internet penetration, and third for government efficiency in providing ICT and online services, reflecting Bahrain’s highly active ICT sector

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and its role in driving business start-ups.

Powered by innovative technologies, many local entrepreneurs are focusing on digitally led business ventures – the Bahrain Award for Entrepreneurship (BAE), which has already seen an 8 percent increase in the number of applicants since it first launched in 2014.

Entrepreneurs will continue to reap the full benefits of the developing ICT sector in the region. One such company is BMMI, which is starting to digitalize its operations to allow full-scale e-commerce, including home delivery for its Alosra supermarket brand.

The decline in oil prices from June 2014 has put further pressure on businesses and government organizations to go digital, drive economies of scale, and seek new opportunities.

Small but ambitious

“We’ve achieved a lot in the past, but we want to make sure we do more to stay at the forefront in the future.” Kamal says, aware that static or slow growth in economic digitalization means falling behind other nations in real terms.

Bahrain’s fourth National Telecommunication Plan went nationwide in May. At the heart of this three-year initiative is the aim for “all homes, schools and businesses to be linked by high speed optical fiber,” states Kamal. “This will create a ubiquitous high-speed broadband network that will help Bahrain become a Smart Kingdom.” He recognizes the importance of partners in achieving this goal, “We’re happy to be working with Huawei, one of the leading ICT solution providers in the world.”

Huawei Bahrain has played a major role in inspiring the ICT revolution in the nation, successfully integrating innovative solutions like the region’s first ever triple-beam antenna technology, which boosted online user experience and dealt with the high traffic from the 2016 Formula One Grand Prix held at the Bahrain International Circuit.

Bahrain might be small in comparison to its Gulf neighbors, but it has big plans, with its economy shifting away from a reliance on petrochemicals. Kamal believes that, “With the right investment in people and ICT technology, we’re confident we can build a brighter future for the country and our people.” 