Tamkeen Sector Profiles

ICT

Last Updated: **April 2023**

Bahrain's ICT sector is a core national focus, with the government promoting digitalization and innovation through its Digital Government Strategy. Some of the initiatives include Sijilat, National Taxation System and Sehati. Bahrain's ICT sector is poised for continued expansion due in part to the country's highly-connected population.

BHD 910
GVA, 2022

4.5%
YoY Growth in GVA, 2022

6.8%
Contribution to Real GDP, 2022

63.1%
Bahrainization
Ranked 2nd out of 21 Sectors

723
Total Workforce
Ranked 19th out of 21 Sectors

BHD 849
Average Wage of Bahrainis

BHD 1,007
Average Wage of Non-Bahrainis

Sector Opportunities & Trends

01. Skills development

Updated ICT skills remain a critical need for the sector. Tamkeen continues to support opportunities to upskill and reskill Bahraini nationals in the field through launching specialized programs, developing partnerships with the private sector and promoting research and innovation. Some of the relevant skills include Generative AI, Dev Ops, Software Engineering, Machine Learning and Cybersecurity.

02. Financial Technology (FinTech)

Bahrain is positioning itself as a hub for FinTech in the Middle East, with a regulatory sandbox for startups and a dedicated FinTech unit within the Central Bank of Bahrain. There are opportunities for companies in many areas such as digital payments and blockchain.

03. Cloud computing

There is growing demand for cloud computing services in Bahrain as more companies look to move their IT infrastructure to the cloud. There are opportunities for companies offering cloud storage, software-as-a-service (SaaS) and other cloud-based solutions.

04. Cybersecurity

As more businesses and individuals rely on digital technologies, there is a growing need for cybersecurity solutions to protect against cyber threats. Bahrain has established a National Cybersecurity Strategy and is working to develop a strong cybersecurity ecosystem, creating opportunities for companies offering relevant products and services.

05. Artificial Intelligence (AI)

AI is a rapidly growing field with numerous opportunities for businesses and individuals. In Bahrain, there are several areas where AI is likely to create new opportunities for the ICT sector to leverage the technology to drive innovation and growth. Some examples include AI platforms, data analytics and robotic process automation.

06. Gaming

The gaming industry is growing rapidly in the Middle East, and multiple untapped market opportunities are available for businesses and individuals in Bahrain. Such opportunities include gaming software development, localizing content and esports events and services.

07. NFTs

There are opportunities for businesses and individuals to leverage NFTs in a variety of ways, including digital art, game design and development as well as collectibles.

08. Web3

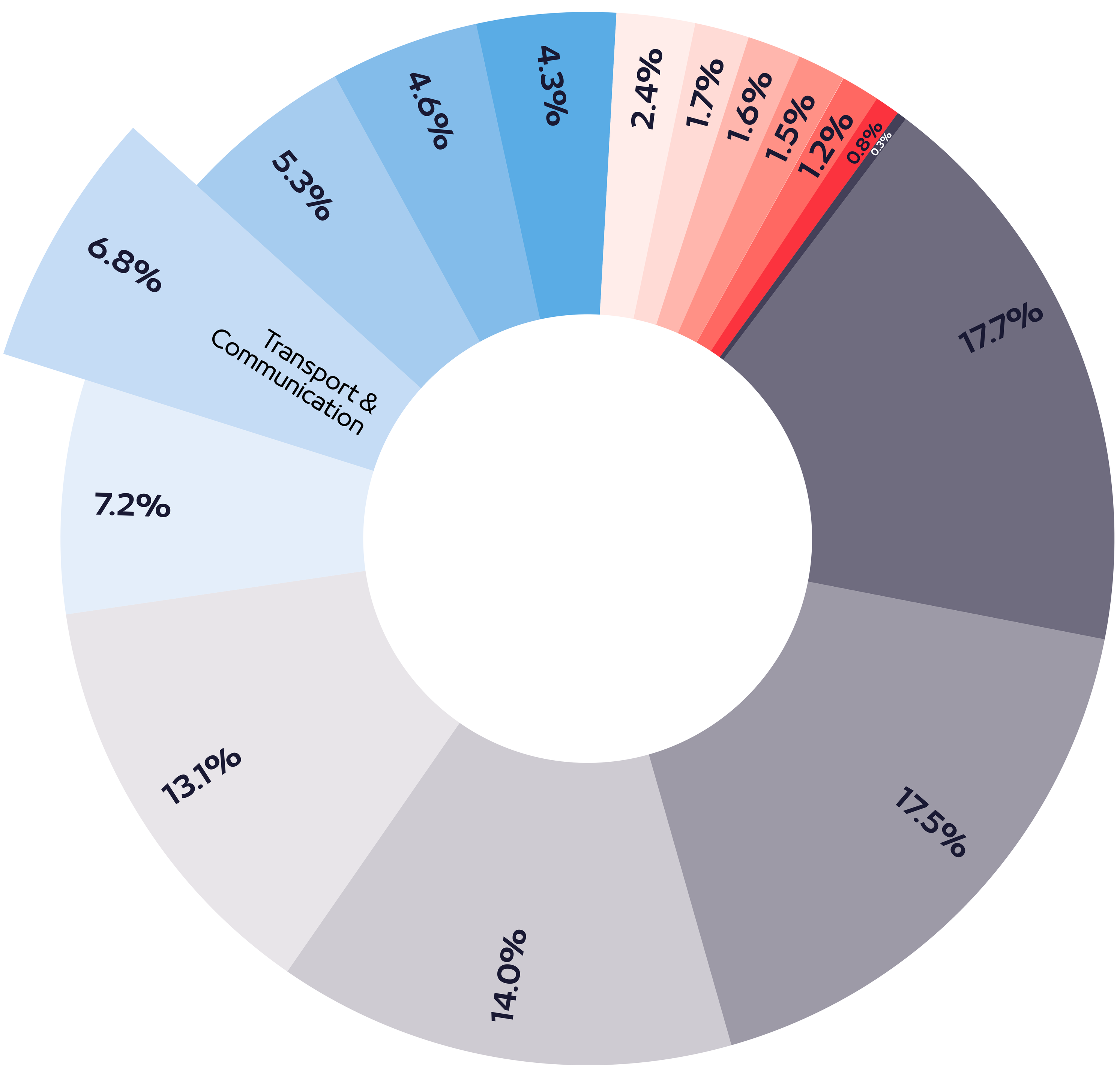
Web 3.0 has the potential to transform the way we interact with information and the Internet. With the familiarity and growth of blockchains, cryptocurrencies and NFTs in Bahrain, the country can already start tapping into opportunities to leverage Web 3.0 to drive economic growth and innovation.

ICT Sector Economic Indicators

iGA-National Accounts, Q4-2022

Transport and Communication Sector Contribution to Real GDP

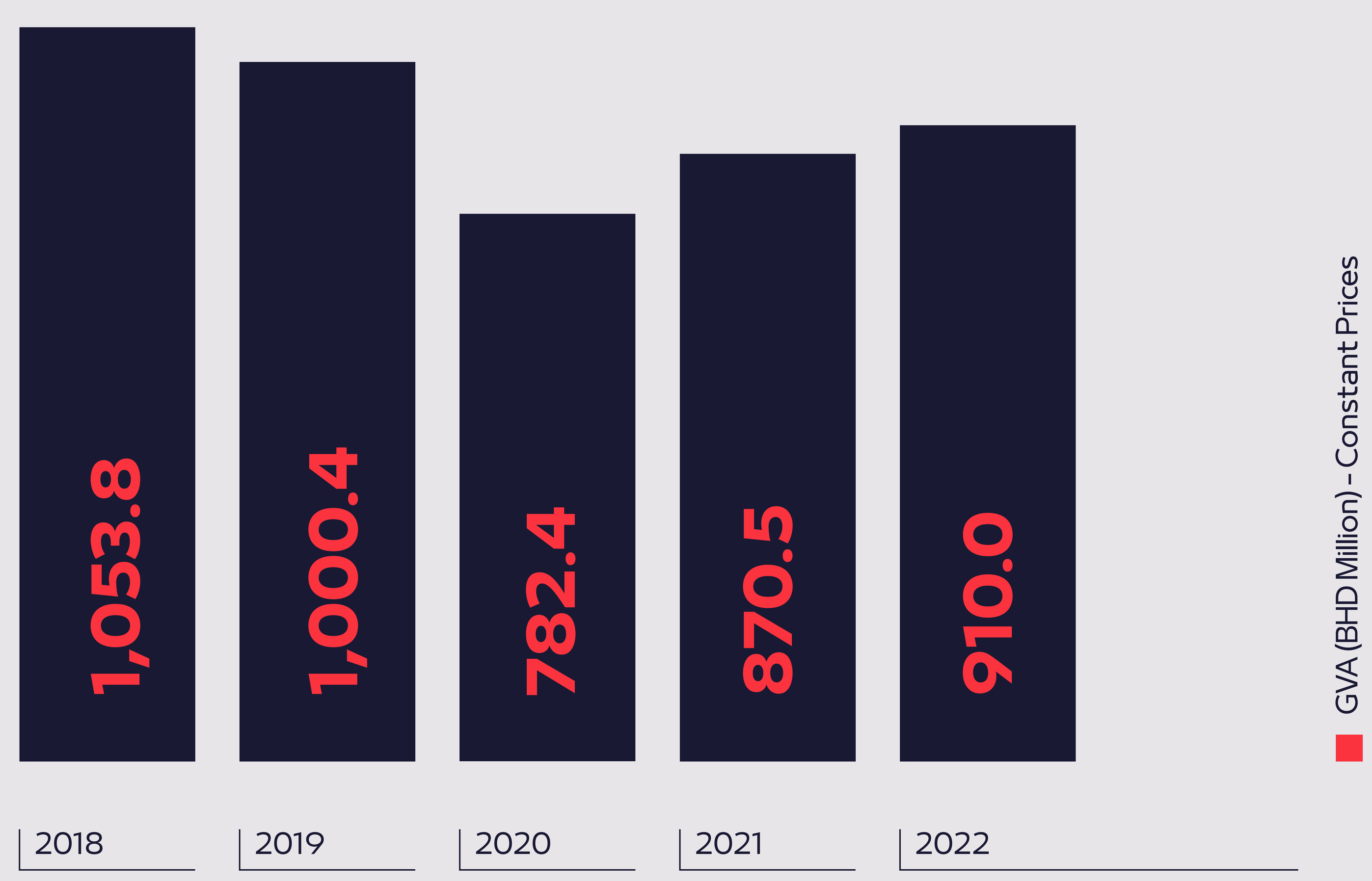
(%, Q4 2022)



Mining & Quarrying	17.7%		Trade	4.3%	
Financial Corporations	17.5%		Private Education Services	2.4%	
Manufacturing	14.0%		Hotels & Restaurants	1.7%	
Government Services	13.1%		Other Social & Personal Services	1.6%	
Construction	7.2%		Electricity & Water	1.5%	
Transport & Communication**	6.8%		Private Health Services	1.2%	
Real Estate & Business Activities	5.3%		Others***	0.8%	
Net tax on Products	4.6%		Agriculture & Fishing	0.3%	

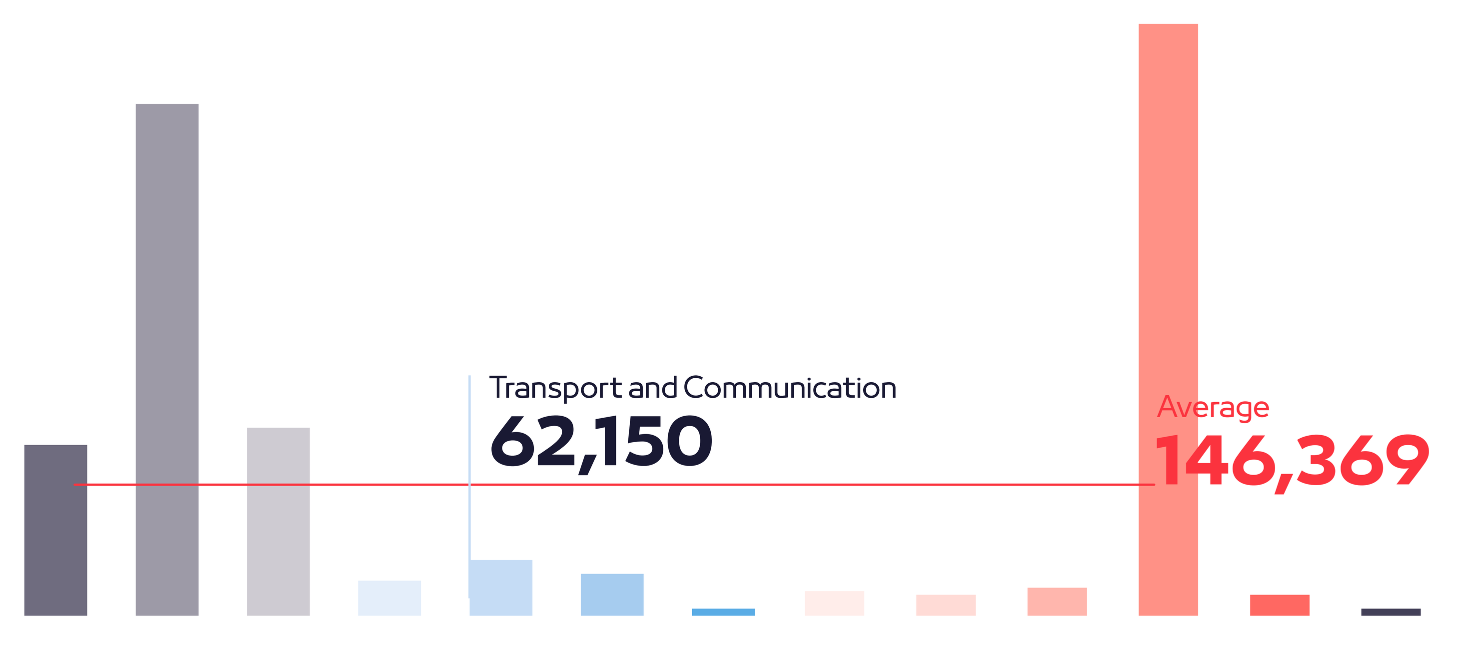
Transport and Communication Sector

GVA * (BHD, M)



GVA per company

(BHD, Q4 2022)



*Gross Value added (GVA) measures the value of goods and services produced in an area, industry or sector of an economy
**Data extracted from National Accounts are categorized according to ISIC 3 – hence Transport & Communication are combined as a sector
***Others includes (Private Non-Profit Institutions, Households with Employed Persons)

ICT Sector Enterprises

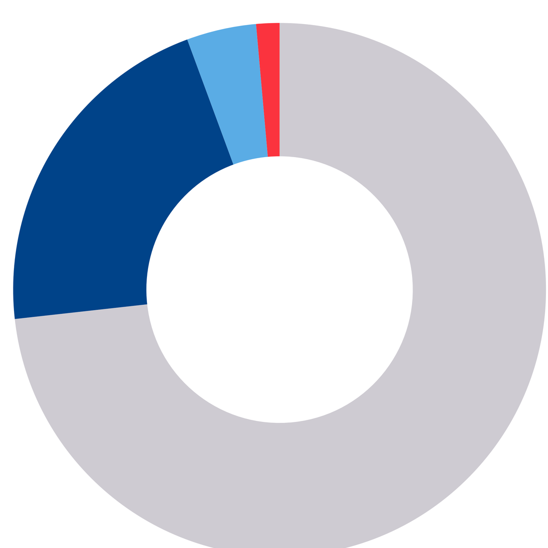
LMRA, 2022 - BLMI

71
Active CRs

0.1%
of total Active CRs in Bahrain

ICT Sector

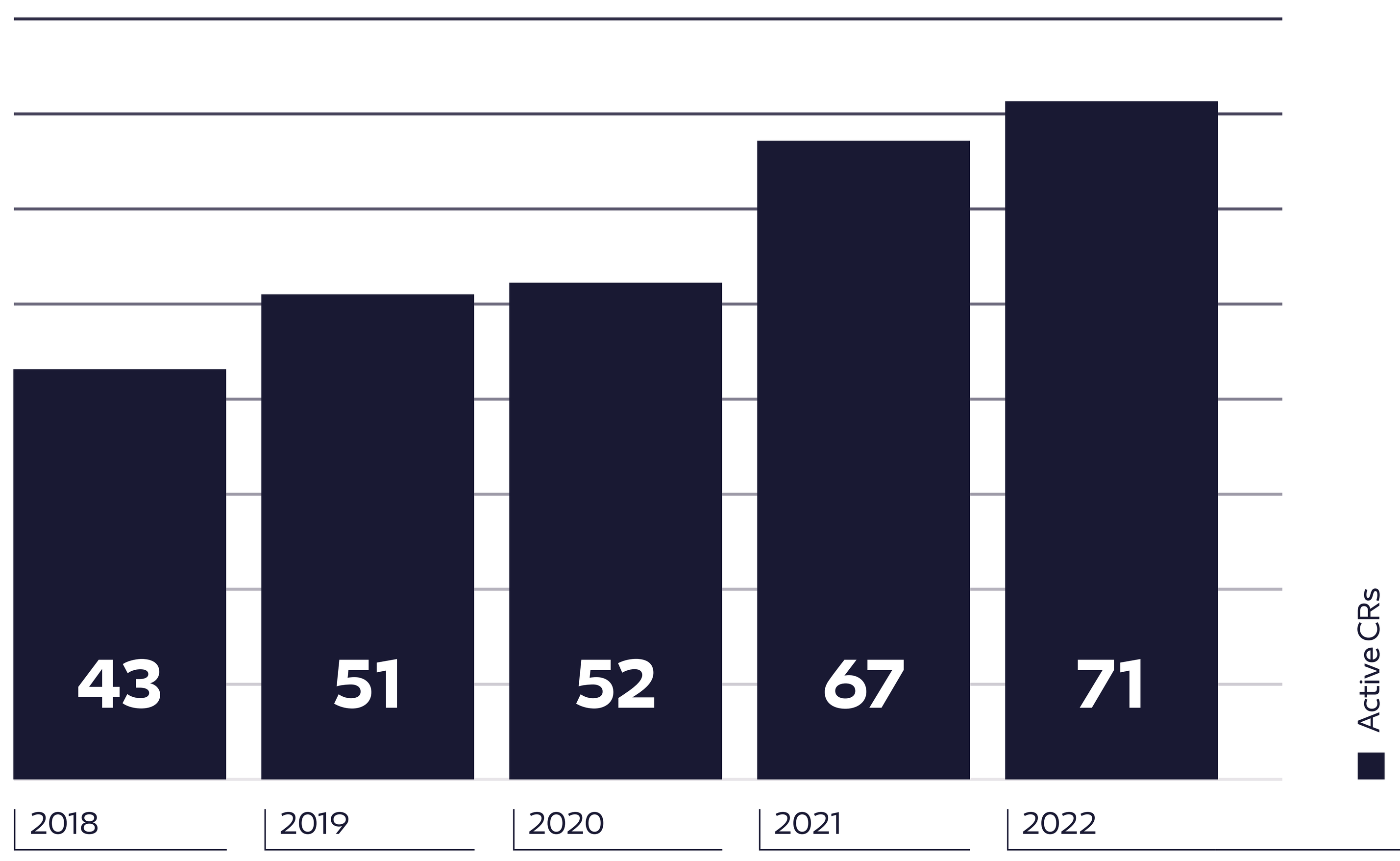
by Enterprise Size (%, Q4 2022)



Micro	52	(73%)
Small	15	(21%)
Medium	3	(4%)
Large	1	(1%)

ICT Sector

Active Commercial Registrations (2018 – 2022)



As per ISIC4 classification, the sector includes publishing activities, motion picture, video and television program production, sound recording and music publishing activities, programming and broadcasting activities, telecommunications, computer programming, consultancy and related activities, information service activities.

ICT Sector Employment

LMRA, Q4 2022– BLMI / iGA-National Accounts

723
Total Workforce

0.13%
(% of Total Labor Market)

456
Bahraini Employees

63.1%
(% of Total Bahraini Employees in the sector)

267
Non- Bahraini Employees

36.9%
(% of Total Non Bahraini Employees in the sector)

133
Female Employees

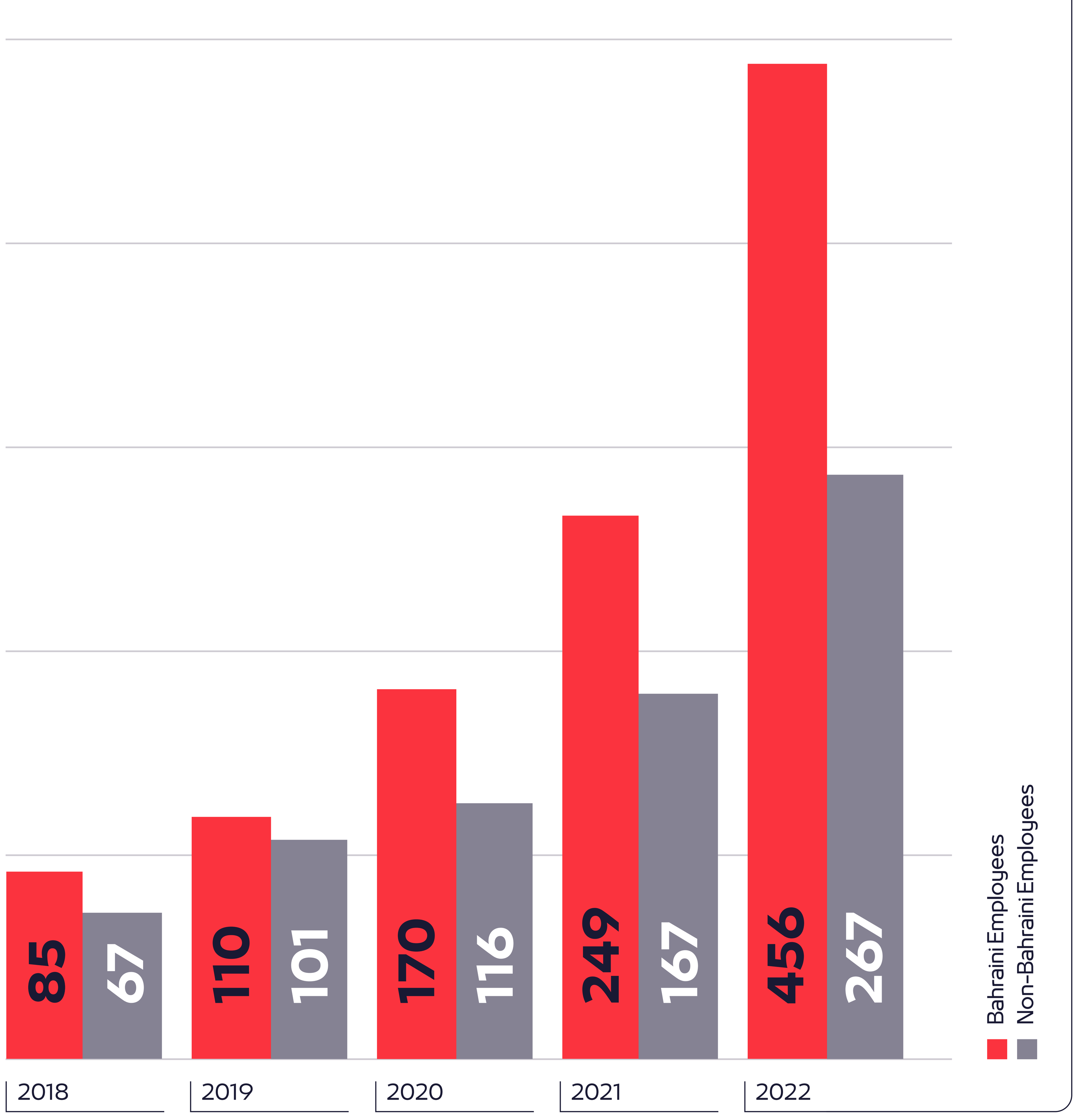
323
Male Employees

28
Female Employees

239
Male Employees

ICT Sector Employees

by Citizenship (2018 – 2022)



Transport and Communication Labor Productivity

by Sector (BHD per employee, Q4 2022)