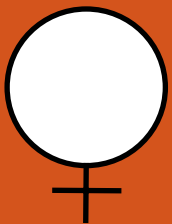
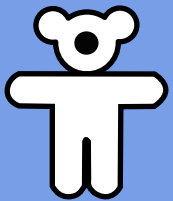


## Goal 8

Develop a global partnership  
for development



### Targets:

- 1- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction – both nationally and internationally).
- 2- Address the special needs of the least developed countries through tariff and quota-free access for least-developed countries' exports, debt reduction and more official developmental aid.
- 3- Address the special needs of landlocked countries and small islands developing states
- 4- Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
- 5- Develop and implement strategies for decent and productive work for youth
- 6- Provide access to affordable essential drugs in developing countries
- 7- Make available the benefits of new technologies, especially information and communications

The eighth goal of the millennium development goals has a special nature that differs from other goals. While these are specific goals achieved at the national level through national policies, the eighth goal pertains to international cooperation and collective responsibility at the global level, to find an environment that catalyzes the attainment of the millennium development goals. The eighth goal also comprises commitments of developed countries vis-à-vis developing countries, by helping them realize developmental goals, without overlooking the responsibility of national governments in adopting economic and institutional policies that correspond with requirements of partaking in the global economy and abiding by its rules.



This goal also includes a number of various targets, in addition to the largest number of indicators (15 indicators). Hence, addressing this goal will slightly differ from addressing other goals.

On the one hand, certain goals have a global nature decisively and cannot be adopted at the national level, but they might have some repercussions that might be discussed. On the other hand, specific targets pertain to countries that have special cases. Also, some targets and indicators apply to the national level.

In general, in the second phase of preparing the millennium development goals report, this goal will be handled from a national perspective, in its capacity as an analysis of the macro-economic and macro-social situation in Bahrain, which might constitute either a helping or obstructing environment to achieve the millennium development goals. In the current report, we will in general tackle the overall characteristics of the situation in Bahrain, and examining the various targets and indicators in relation to how applicable it is to the national level, akin to what was tackled upon addressing the other seven goals.

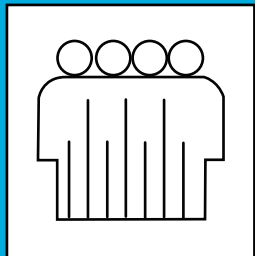
### **What was achieved at the level of the third goal: the targets with an international character?**

The first four targets include: international trade system, needs of developing countries, problems of landlocked countries and islands, and the debt crisis. As we have mentioned earlier, the responsibility in achieving these targets is an international and collective responsibility, though it has a special significance and repercussions in some concerned countries, with respect to the results and the responsibility in scouting solutions and treatments. How is Bahrain's relation with these targets determined?

#### **Developing a global trading and financial system**

Bahrain continued to progress rapidly in economic and trading and financial openness on the world, towards integrating in the global market, in what necessitates a key amendment of its laws, regulations, and institutions.

To meet these requirements, Bahrain integrated some amendments to its legislations. The law of boycott was cancelled, and the law of practicing law firm was amended, allowing offices and law firms and foreign lawyers to offer legal services. A law prohibiting human trafficking was issued, and the Labor law witnessed some amendments which are yet to be ratified by Parliament to permit the formation of unions in the governmental sector. A labor market and labor fund regulation was ratified to secure greater freedom for foreign and domestic laborers. Bahrain has also joined the international convention for fighting money laundry and terrorism and the law regulating these issues was amended.



The government also took measures and amended financial and bank legislations in order to promote further transparency in this sector.

The Kingdom of Bahrain is also a founder of the World Trade Organization. It liberated various economic sectors and encourages investment and created an adequate environment for this. It also developed open trade system and reformed the labor market, responding to the requirements of modernizing the economy towards diversity, so it does not only rely on oil, but rather depend on information economy and industries and services that add a value-added and employ domestic laborers and provide increasing job opportunities.

The signature of free trade agreements with the United States in 2006 was a significant step in this regard, as Bahrain is the first GCC country and the third Arab country to achieve so.

In conclusion, Bahrain seeks to integrate in the global economy, adopting the rules of this system and its mechanisms. It thus endeavors to cope with its requirements. The kingdom does not task itself currently with formulating this global trading and most just system, and it does not establish regional and international alliances to play this role jointly with other countries.

### **Access to markets**

In harmony with the above mentioned behavior, Bahrain adopts a dual track policy towards the market. It signed trading conventions, namely the free trade agreement with the United States. This agreement led to the increase of external trade between both countries to 252 million dinars in 2006, in return for 228 dinars in 2005. During the second half of 2006 and first half of 2007, the ratio increased to 329 dinars (11)..

There are also joint investment projects that benefit from advanced American technology and products. While the ratio of Bahrain's import of American items such as cars, computers among others, Bahrain's exports to the US of aluminum metallic and chemical products and raw material have increased.

Elsewhere, the joint gulf market means the flow of items and gulf laborers and the freedom of investment and national ownership and GCC companies. In fact, the Kingdom of Bahrain is on the forefront of implementing GCC resolutions in this regard. It amended the real estate ownership to allow the GCC companies and individuals own properties in Bahrain. It also allowed foreigners to own apartments.

The central apparatus information reveal that the kingdom's exports to the GCC are increasing, reaching 252 million dinars, while the imports reached 180 million dinars. The size of foreign trade with GCC reached 779 million dinars in 2005, a ratio of 27% of the overall kingdom's foreign trade which reached 2891 million dinars in 2005. As for the Arab states, the size of trade with them reached 822 million dinars, 28% of the overall foreign trade.

The Kingdom of Bahrain has allowed the exchange of the companies' shares in the GCC bourses, while at the same time; shares of some companies in the Bahraini are exchanged in Gulf bourses. In addition, Gulf citizens have the right to possess Bahraini company shares. To sum up, this has contributed to a significant increase in investment and circulation of non-Bahrainis in Bahrain Stock Exchange, which increase the percentage of shares exchanged by non-Bahrainis to 48.6% in 2007 compared to 43.8% in 2003.

The total exports of \$ 4587 million Bahraini dinars represent nearly 77% of the GDP which reached 5951.33 million dinars in 2006, while imports constitute 3953.7 million Bahraini dinars, representing 66.4% of GDP. The foreign trade figures showed that the main importers from Bahrain are Saudi Arabia, the GCC states in general and the United States, Singapore, India, Japan, Taiwan and South Korea, France, Australia, Germany and Italy respectively, while the most important exporters for the Kingdom of Bahrain are Saudi Arabia and are the Gulf Cooperation Council states in general Japan and the United States, Singapore, Germany, India and the United Kingdom, Italy, France, Brazil and Korea. It could be argued that Saudi Arabia and the United States, Japan, Singapore and Germany are the most important trading partners of the Kingdom of Bahrain (14).

In addition, the real estate sectors was liberated and open in front investments, so that the giant investment projects in the process of completion, mostly Gulf investments, which includes in addition to housing projects, service and investment hospitals, universities and private schools and other.

The government enacted the policy of diversifying income sources and the expansion of heavy and manufacturing industries by Gulf government-funded investments in a number of industries, such as aluminum and amputation and chemicals, as well as financial services, banking and tourism. Bahrain has made great strides to stabilize the economic stability and to maximize the role of the private sector and make use of the surplus to promote development and diversification of income sources and economic structures, as shown by developments in the components of GDP over the past years. Those developments came in light of the economic prosperity witnessed in all the Gulf Cooperation Council states. This economic recovery is supported by an oil income that provided high liquidity reinforcing treasury revenue and allowing ample room to spend on capital projects and infrastructure, thereby contributing to higher rates of capital flows, which reinforced expectations of continued Recovery of all economic sectors, especially real estate, which is still witnessing significant recovery.

The GDP growth rate reached 6.5% in 2006, in light of the progress witnessed by the by the kingdom in different vital sector. The International Monetary Fund expected the GDP growth ratio to become 6.6% and 6.2% in 2007 and 2008, speculating the kingdom's economy to become one of the speediest economies in the Middle East in the coming period. The GDP per capita recorded a high ratio if compared to other GCC, as Bahrain assumed the third rank at 19.8 thousand dollars, after both Qatar and UAE respectively.

The foregoing gives an idea about the nature of the macroeconomic framework which encircles the development process and the realization of the millennium development goals in Bahrain. It shows in brief that the kingdom achieves high growth levels for many reasons, including its advanced integration into the world's economy and the GCC economy in particular. It is also characterized by a diversified economy and an active role in the private sector and the global and gulf investments, in addition to a significant role assumed by the state in this trend. Hence, this sets a general framework for the development process and leaves its impacts on social, environmental, and institutional options.

### **The Least developed countries and the debts:**

The targets pertaining to the least developed countries, and the landlocked countries and debts, do not apply to Bahrain. Those meant here are the countries suffering from economic difficulties, which requires allocating extra support for them. This is not the case of Bahrain. Though Bahrain is an island with a small area, its resources, diversified economy, and its integration into the Gulf economy, renders it outside the context of the countries suffering from economic difficulties. As it is known, Bahrain is among the countries whose income is high and belongs to the countries whose development level is high according to Human Development index.

### **Spreading the benefits of modern technologies in collaboration with the private sector**

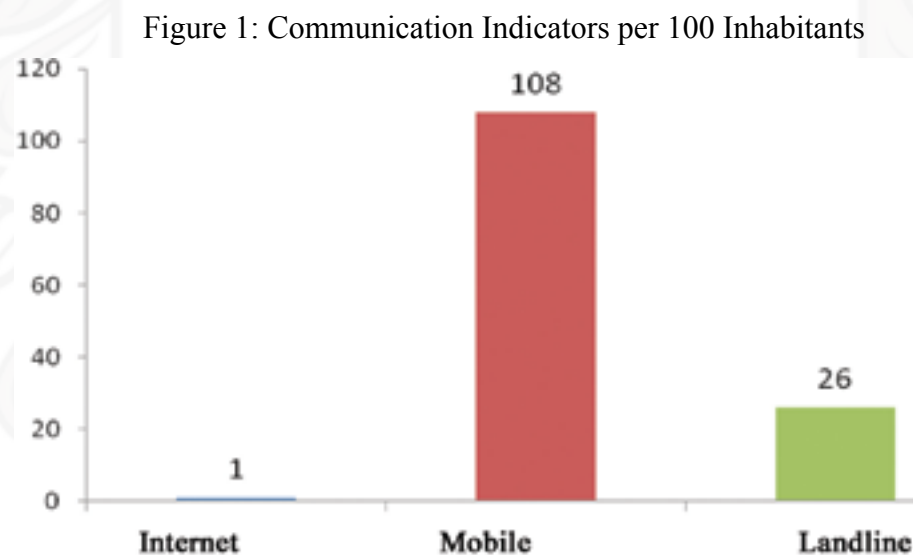
The economic and trade openness emanated the introduction of modern communication companies and the establishment of a number of universities and institutions, in addition to opening more investment and commercial banks. The indicators lie in the emergence of new generations of information technology and communication services which existed on a gross scale, by both the private and public sectors.

As the university sector became open to the private sector, many universities and training institutions opened, some of which are specialized in sciences and technologies. This contributed to transforming the technology from developed countries to Bahrain, and the students of these universities were introduced to this technology.

This policy emanated the establishment of a large number of modern banks and a considerable number of international banks in the kingdom. These banks employ advanced management manners and modern technologies in its various activities and branches. Hence, they partook in transferring the new technology in running the banks to the kingdom, and permitted Bahraini bankers to gain the necessary modern technology to administer financial and banking services.

The kingdom of Bahrain continued to deregulate its economy sectors, namely the telecommunication sector, as it established the Telecommunication Regulatory Authority which supervises this vital sector. Therefore, Batelco Company is no longer monopolizing the telecommunication sector, but Zein Company for mobile phones entered the market alongside tens of companies that offer internet services and others. In this regard, 134 companies were licensed until Jul 2007. This has contributed to reducing the cost of telecommunication and developing the kind of services and quality. It has also introduced new services in a way that went in line with the quick economic growth, attracting investments to Bahrain which has become further competent. A large proportion of Bahraini labors who are experts in information technology were hired.

If we move to the proposed communication indicators (number of landlines, mobiles, and internet) per hundred inhabitants, we notice that these ratios are high for both landlines and mobiles, while it is still low for the internet as it appears in this figure:



Source: Website of Telecommunication Regulatory Authority (statistics pertaining to internet are from 2004).

However, these indicators only reflect the consumption side of technology use, and do not imply the role of this use in enhancing knowledge or production, or the private and public administrations.

In fact, Bahrain has recorded a number of positive steps not only at the level of consumption. Introducing modern technology, especially information technology, contributed to increasing productivity and improving its quality in all sectors, particularly, banks, financial companies, real estates, transportation, and industry.

As for education, there is a “future schools” project, which aims at integrating information technology on a grand scale into the educational process in a number of elementary and high schools, in a prelude to generalize it on all schools across the kingdom.

Information technology has contributed to developing Bahraini media outlets, including local newspapers and satellite televisions among others. Generally speaking, generalizing the use of modern technology, especially information technology, entails an inclusive progress in economic, commercial, educational, and living domains, in addition to others.

