

Rasheed Mohammed Al Maraj: Bahrain country showcase

Speech by His Excellency Rasheed Mohammed Al Maraj, Governor of the Central Bank of Bahrain, at the Bahrain country showcase, Dubai, 14 May 2007.

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Your Excellencies, Ladies and Gentlemen: Good Morning.

Assalam Alaikum Wa-Rahmatullahi Wa Barakatuh

It gives me great pleasure to welcome you all here today, and to open this Bahrain Country Showcase event.

Bahrain, of course, has a long history as a financial centre, including a global profile as a centre for Islamic finance. But Bahrain has much more to offer than simply its experience and credibility – however important these factors are, of course.

Many developments have also quietly been taking place in recent years, and I am pleased that we have an opportunity such as this one to publicize just some of the features that continue to make Bahrain a thriving financial centre.

For whilst regional competition has undoubtedly grown significantly – and by the way this is something that I welcome, as benefiting the region as a whole – it is also true to say that Bahrain has continued to thrive as an international financial centre. This is something that perhaps doesn't attract the publicity that it ought to, but is perhaps understandable – news organizations look for what's new, more than for what's stayed the same.

Before I hand over to my colleague from Bahrain Financial Services Development, part of Bahrain's Economic Development Board, to highlight the key features of Bahrain's financial services sector, let me just say a few words about current regulatory developments.

Bahrain has progressed quite dramatically in recent years, in terms of regulation. The Bahrain Monetary Agency – long-established as the country's central bank and highly respected banking regulator – became a single regulator in 2002, when it was also given responsibility for supervising the insurance sector and capital markets. Last year saw the culmination of this process, with the introduction of new legislation and the creation of the Central Bank of Bahrain as the successor organization to the BMA.

Parallel to this process of institutional reform has been an unprecedented period of development and consolidation in terms of our regulations. Starting in 2004, we introduced a system of comprehensive Rulebooks, containing all our regulations in easily accessible format, to improve communication and transparency. And we introduced new regulatory frameworks for insurance and investment business firms, in 2005 and 2006 respectively.

Now, we are working on updating our capital markets rules. The first element of this is our new rules on collective investment undertakings, which will underpin Bahrain's position as the region's leading funds centre, by introducing – for the first time – regulations specifically geared for expert funds and other alternative asset classes, such as hedge funds.

Collectively, these initiatives have aimed to ensure that Bahrain maintains its leading role as a financial centre, in terms of responding to evolving market demands. I am pleased to say that these efforts were positively acknowledged by the IMF last year, in their Financial Sector Assessment review of Bahrain. But we are not complacent, and we will be continuing to develop our regulations in light of market needs and evolving standards.

On this note, let me now turn to my colleague from the EDB, Shaikh Mohammed bin Khalifa Al-Khalifa, who will present in more detail Bahrain's financial sector.