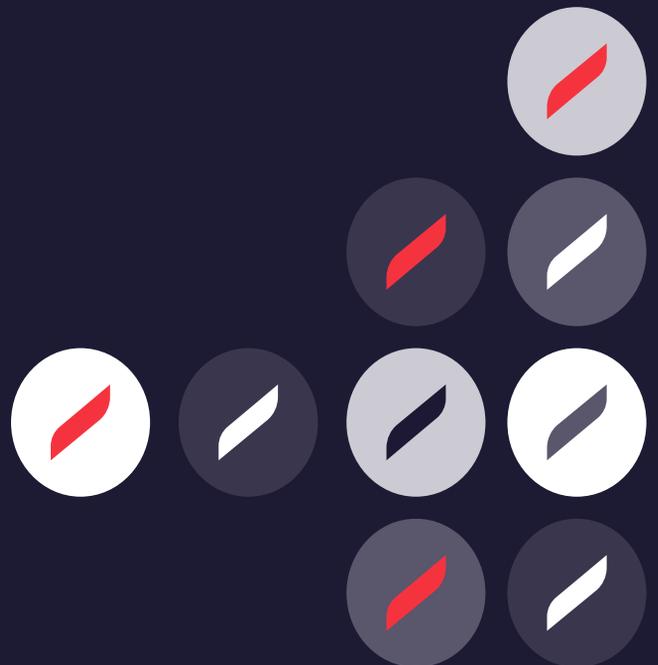


# TAMKEEN ANNUAL PLAN 2022





## Executive Summary

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In 2021, Tamkeen continued its efforts to support the labor market with the aim to ensure business continuity, despite the challenges faced due to COVID-19 pandemic. Tamkeen's total commitments to support the economy were over BHD 122 million in 2021.

In addition, Tamkeen has proudly supported the establishment and development of over 8,000 businesses, employment of over 7,000 Bahrainis through the National Employment Program, and training of 11,000 Bahrainis through its training support.

While the Kingdom's economy continues to emerge from the disruptions caused by COVID-19, many businesses are becoming more aware of the requirement to be more dynamic and have adopted digital technologies to ensure business continuity.

In 2022, Tamkeen aims to proactively prioritize productivity and economic impact, while ensuring its responsibilities under the Economic Recovery Plan and its new Strategy are met.

To this effect, four priority areas have been identified to support Bahraini businesses and individuals seize new opportunities: including: contributing to economic growth underpinned by productivity, supporting companies become stronger, facilitating the creation of quality jobs and progression, and facilitating greater investment.

This report showcases Tamkeen's plans to support the private sector and labor market in 2022. It provides an overview of Tamkeen's 2021-2025 Strategy, highlights the current economic situation and labor market conditions, give an overview of Tamkeen's support in 2021, and describe Tamkeen's priorities and plan in 2022.



# Our Mandate

## Mandate

Pursuant to Article 3 Law No (57) of 2006 with respect to the Establishment of the Labor Fund (Tamkeen), Tamkeen endeavors to meet the following objectives:

1. Contribute to the development and strengthening of the national economy.
2. Contribute to the development of the private sector to make it the engine of economic growth in the Kingdom.
3. Increase the efficiency and productivity of Bahraini labor and their ability to compete in the labor market.
4. Create an environment conducive to making Bahraini labor the preferred choice for employers.
5. Create an environment conducive to increasing Bahraini women's inclusion in the labor market.
6. Create new and suitable job opportunities for Bahraini labor.

## Vision

Empowering Bahrainis to prosper and contribute to the national economy.

## Mission

Empowering Bahrainis according to market requirements and building enterprise capabilities to contribute to expanding the national economy.



# Strategy Overview

In 2021, Tamkeen's Fifth Strategy Cycle (2021-2025) was initiated. This cycle is focused on four main areas to align with the needs of economic and market realities post COVID-19.

## Our Focus Areas

- 1 **Incentivizing positive change by explicitly linking Tamkeen's support to economic outcomes.**
- 2 **Prioritizing productivity both by enabling high-potential sectors and encouraging business model changes at companies.**
- 3 **Proactively supporting well thought-out, economically viable projects.**
- 4 **Embracing additional tools and modalities for accelerating the development of human capital for market needs and emerging opportunities.**

## Our Approach

### **More and better jobs through technology**

Technology integration is changing the operating model of enterprises and therefore their employment needs. Tamkeen will pursue several priorities in order to help create a more economically active and productive labor force including increasing work flexibility, encouraging technology adoption by businesses to upgrade and diversify jobs, and permit increased participation through self-employment.

### **Economic change through innovative businesses**

Startups, especially, tech-enabled ones, have been an important driver of economic change as they offer a massive opportunity for new ventures to address real economic issues in creative, and potentially more sustainable, ways. Tamkeen's strategy will focus on increasing the number of startups, increase startup quality and provide better access to financing solutions.

### **Growing enterprises through greater dynamism**

Tamkeen aims to boost the productivity in the private sector by enhancing the sectors' ability to find innovative solutions, improving access to finance, providing a holistic financial and advisory support and mobilizing capital. In addition, Tamkeen will support Bahraini employment and labor productivity through strategic workforce transformation through matching skillset to market needs.



# Economic Context

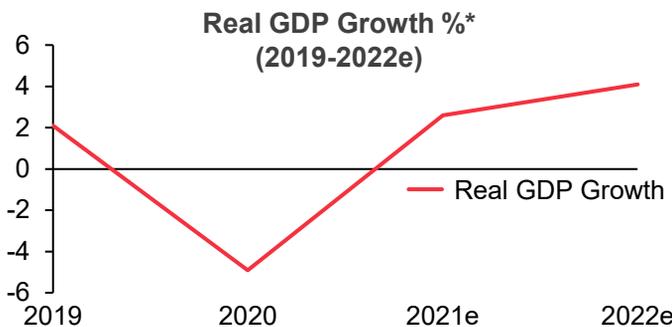
## State of the Economy

### Private Sector

The Covid-19 pandemic caused severe disruptions around the globe and Bahrain was no exception. Bahrain's economy took a large hit in 2020, in which real Gross Domestic Product (GDP) growth percentage decreased by 4.9% compared to 2.1% in 2019. In efforts to combat the impact of the pandemic to sustain the economy, the government introduced a wide range of fiscal and monetary measures, amounting to 30% of the GDP. The government showed a proactive approach in dealing with the outbreak, as they relied heavily on low-cost measures

Today, Bahrain's economy is continuing to emerge from the Covid-19 disruptions. There has been a slow yet steady recovery in the economy. Real GDP growth is forecasted to be 2.6% in 2021 and to increase to 4.1% in 2022. Bahrain will continue to witness steady economic recovery due to positive structural drivers.

The sectors that were most affected are the sectors with high contact activities where there is a significance decrease in the annual growth rate of the following sectors: Hotels and Restaurants (42%), Transportation & Communications (31%) and Trade (10%).



### Labour Market

In 2020 due to disruptions of the pandemic, the private sector showed a decline of 7% in the total number of employment. Total employment in the private sector amounted to 564,707 in 2020, in comparison to 605,824 in 2019 while the total employment of non-Bahrainis declined by 8% due to permit suspensions during the partial lockdown.

Thus, such measures may have forced businesses to rely more on recruiting Bahrainis. Businesses are also becoming less reliant on low-cost manual labor as they start to invest more into technology and business model innovation.

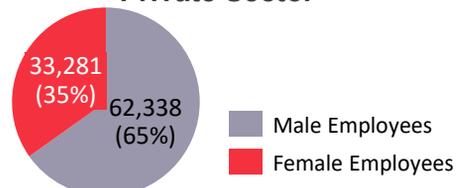
In 2021, Bahraini private sector employment was the only segment in the labor market that indicated an annual increase of 1% due to the fiscal and monetary package offered by the government.

In 2021, the total number of new contributors registered for the first time in the private sector reached 35,692. The number of new Bahraini employees joining the private sector was 4,663 while the remaining 31,029 were non-Bahrainis.

### Labor Market Indicators (Q3 – 2021)

BHD 763	BHD 266	35,692
Bahrainis yearly AVG Wage in private sector	Non-Bahraini yearly AVG Wage in the private sector	New Contributors in the Private Sector

### Bahraini Employment per Gender in the Private Sector





# Economic Context

## The Road to Resilience

**Covid-19 has delivered many lessons to businesses. Including, without limitation, the following:**

- The pandemic emphasized the importance of digitization and business mobility. Businesses became more aware that they require to be more dynamic and were forced to rely on digital technologies to ensure business continuity.
- Businesses become more interested in technology to embed more flexibility in their business models and become less reliant on low-skilled workers. By doing so, they are being less labor intensive, more dynamic, and more innovative which it will increase business productivity and output.
- There are opportunities for businesses with high contact activities to take advantage of e-commerce, thus, ensuring their business mobility and continued operations should any future disruptions arise.

**Tamkeen’s strategic direction can aim at increasing Bahraini employment in the private sector and labor productivity through:**

- Support enterprises through their digital transformation and enhance their business models to become more productive.
- Wage subsidy programs with a more inclusive reach.
- Support business growth through focusing on productivity, innovation, and internationalization.

**Another key element to achieving sector growth and productivity is by activating female entrepreneurship and increasing female participation:**

- This can be achieved by improving access to risk capital for women entrepreneurs, as well as improve access to entrepreneurship skills programs.



# Programs Overview

## Private Sector Development Support

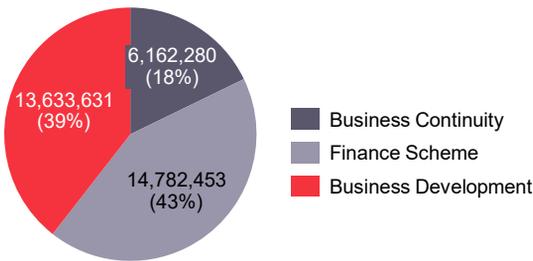
In 2021, businesses worldwide and in Bahrain continued to be impacted by the COVID-19 pandemic. In its efforts to ensure business continuity, Tamkeen supported 8,224 businesses through its flagship programs. The committed support amounted to BHD 34,635,834, of which more than BHD 6 million (18%) was paid to support to the Business Continuity Program initiated in 2020.

The majority of Tamkeen’s flagship program commitments in 2021 (57%) were contributed towards grants and matching grants provided to enterprises while 43% were contributed to support loan interests and guarantees under the Finance Scheme.\*

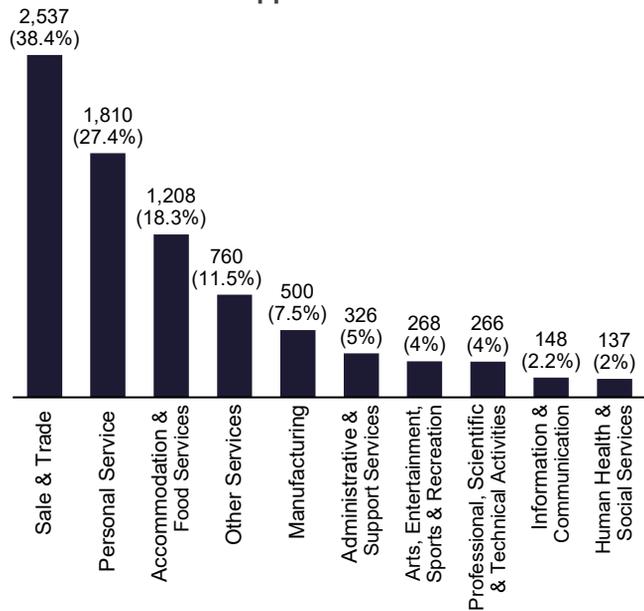
## Flagship Programs 2021 Performance Measures



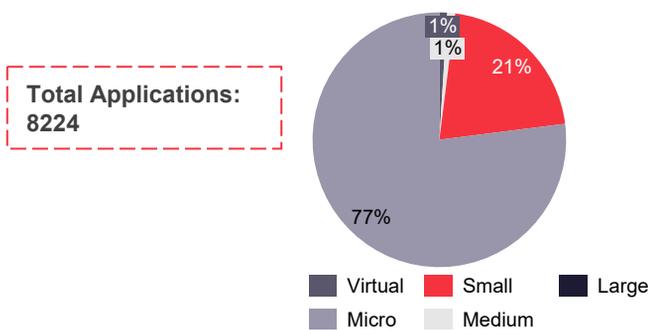
Break-Down of Commitments by Program



Top 10 Economic Sectors with Approved Applications



Applications Approved by MoICT Enterprise Size



\* Most of the spending on the Finance Scheme was from 2020 expenses as the program was suspended in 2021, except for Riyadat scheme which supports female entrepreneurs

\*\* New enterprises are enterprises under 2 years of operations



# Programs Overview

## Private Sector Development Support

In 2021, majority of applications approved were from micro and small businesses (99%), with micro businesses making up 77% of total applications reflecting the composition of the Commercial Registrations (CRs).

Majority of approved applications for all types of private sector development support fell under the Sale and Trade Sector (38%), Personal Service Sector (27%) and Accommodation and Food Services Sector (18%). The support is consistent with trends over the years.

Tamkeen contributed towards establishing 3,703 new enterprises (41% of total of new CRs in 2020), which made up for 45% of total approved applications. Also, 53% of approved applications were either female owned or had mixed ownership.

## Key Changes in Programs in 2022

- Ensure programs are objective-based, impact-driven and are based on a more proactive approach
- Offer holistic support through grants, greater options and opportunities for financing, and advisory support
- Offer customized support according to enterprise size and life-cycle
- Prioritize productivity, growth, digitization, innovation, and internationalization
- Application assessment to be based on growth objectives and focused on impact

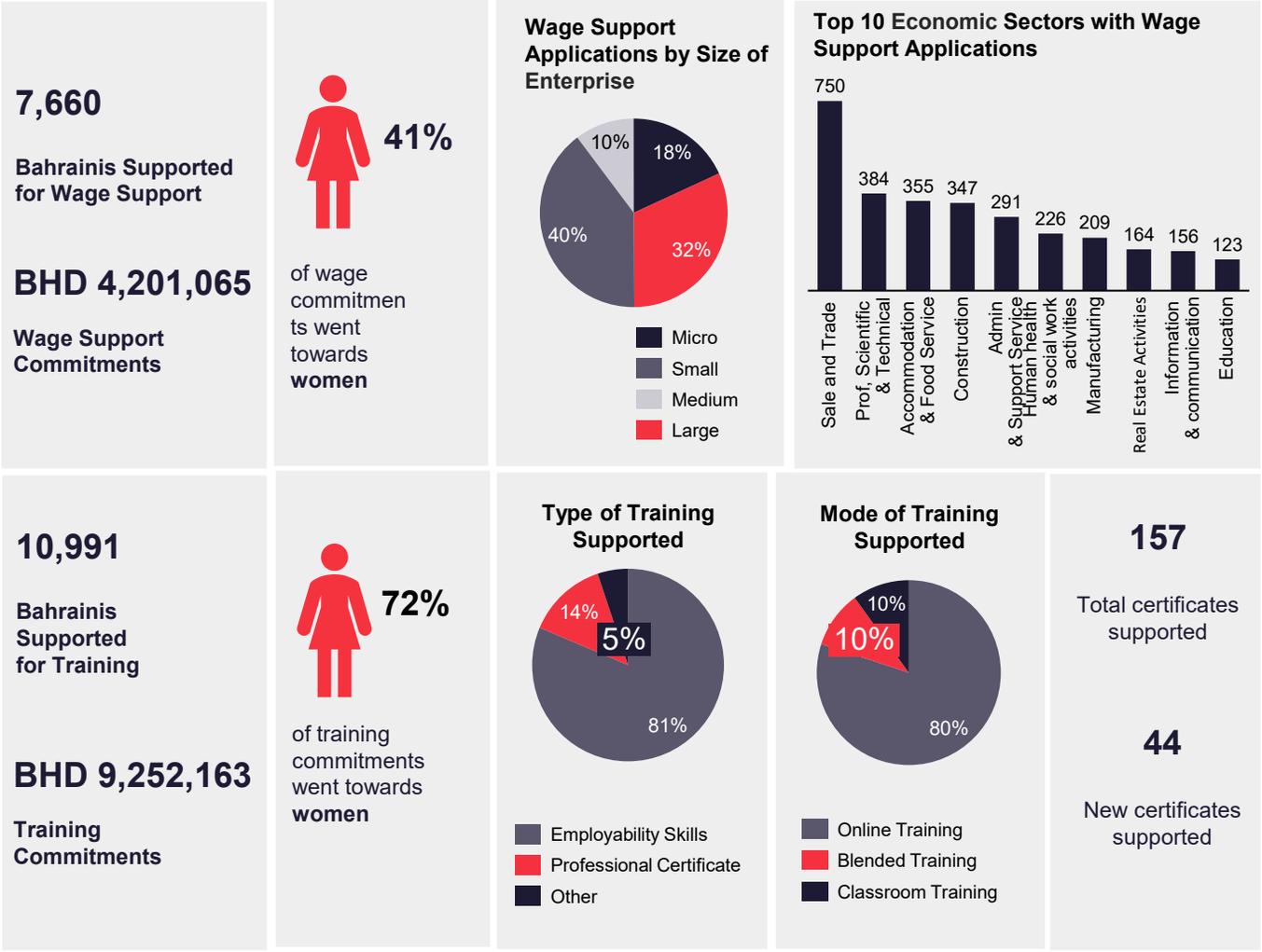


# Programs Overview

## Labor Market Development Support

Tamkeen's labor market support in 2021 has been administered through our two main flagship programs: the National Employment Program (NEP) and Individual Development Platform. Tamkeen supported 7,660 Bahrainis through NEP in 2021, with a total wage support commitment of BHD 45.9 million over a three-year employment contract period. The commitments allocated for the program in 2021 was BHD 4,201,065. Through the Individual Development Platform, Tamkeen supported the training of 10,991 Bahrainis with total commitments of BHD 9,252,163.

## Flagship Programs 2021 Performance Measures





# Programs Overview

## Labor Market Development Support

Through the National Employment Program (NEP), Tamkeen offered standardized employment support, for all types of jobs. Half of the jobs supported in 2021 were at Small and Medium-sized Enterprises (SMEs), with 40% of jobs supported at small businesses and 10% supported at medium sized businesses.

Overall, almost 22% of employers fell under the Sale and Trade Sector. This is followed by the Professional, Scientific and Technical Sector and then Accommodations and Food Services Sector. More than 40% of wage support commitments were for women.

Tamkeen provided broad-based upskilling trainings through the Individual Development Platform. In 2021, 72% of total training commitments was related to women training support commitments.

Out of 8,940 employability skills enrollments, 83% were women. Whereas out of 1,486 professional certificates enrollment, 56% were women.

Most trainings (80%) were conducted online, with a total of 8,792 online trainings. In 2021, Tamkeen has supported a total number of 157 certificates, including 44 new certificates.

### Key Changes in Programs in 2022

- Link training to employment and career development
- Provide virtual training solutions that serve individuals and entrepreneurs
- Focus on supporting a larger segment of job seekers and creating incentives for quality job
- Provide new incentives for quality jobs
- Focus on achieving higher and more inclusive reach as well as addressing employment gaps (e.g., First-time and mid-career employment)

## Highlights from Tamkeen’s Commitments to the Private Sector in 2021 (BHD)

<b>55,235,753</b>	<b>34,635,834</b>	<b>6,219,750</b>	<b>4,753,786</b>	<b>21,600,000</b>
Commitments towards employment & Training of Bahrainis	Commitments towards the private sector development	Commitments towards Business Continuity Program	Commitments towards ecosystem building programs	Commitments towards paying the private sector’s share of unemployment insurance

**BHD 122,445,123**

Tamkeen’s Approximate Commitments towards the Private Sector in 2021



## 2022 Priorities

In 2022, Tamkeen aims to proactively prioritize productivity and economic impact. Accordingly, four priority areas have been identified to support Bahraini businesses and individuals seize new opportunities.

A productive economy is dynamic, welcoming to new disruptive business ideas, however, it also pushes existing companies to compete by pursuing new market opportunities and better cost management while continuously thinking ahead and innovating to succeed in the market.

### **Contributing to Economic Growth Underpinned by Productivity**

Tamkeen will contribute more to helping businesses become more productive and dynamic through amending their business models, incorporating technology, and identifying growth opportunities in and outside of Bahrain.

New programs such as Go Digital, Business Growth, National Employment, and Mid-Career Employment will play an important role in achieving this priority.

### **Supporting Companies Become Stronger**

Supporting existing enterprises become stronger will allow such enterprises to grow, create more jobs, and contribute to the economy. To achieve this, support must become more objective- and outcome-focused.

New programs focus on a number of areas to support enterprises become more resilient including productivity, innovation,

### **Facilitating the Creation of Quality Jobs and Progression**

Tamkeen in line with the economic recovery plan will support 20,000 employment , and 10,000 training opportunities for Bahrainis.

Programs will support increased employment of Bahrainis in the private sector, while training programs will be more focused on technical, business, and managerial skills to support Bahrainis in their career progression. Employment and training programs will be open to all sectors and enterprises of all sizes.

### **Facilitating Greater Investment**

Tamkeen will pursue opportunities to support the private sector mobilize funding and financing from Banks and other sources to grow. This will be done through increasing the bandwidth for SME financing with partner banks.

The inclusion of financing support under almost all new programs will play an important role in achieving this priority so will the improved assessment model which will take the size of enterprise investment into account.



**Tamkeen's Strategic Purpose**



**With a Focus on**

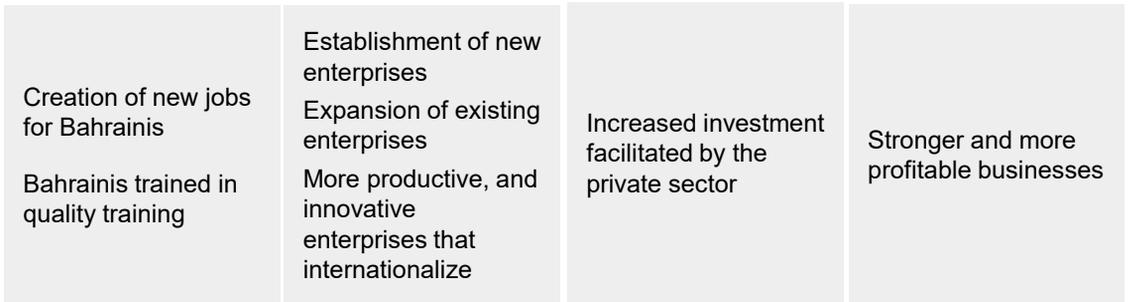


← **Support to increase productivity and achieve greater economic impact** →

**By**

- Channeling more capital into higher-potential sectors in line with national plans
- Supporting the mobilization of greater funding and financing from Banks and other sources
- Supporting enterprises innovate, grow, transform
  - Business model change
  - Technology and digitization adoption
  - Opportunities to access new markets and internationalize
- Supporting greater labor market flexibility
- Increasing the competitiveness of Bahraini talent locally and Internationally
  - Diverse training schemes
  - Career progress opportunities
  - Global placement and exposure opportunities

**Resulting in**

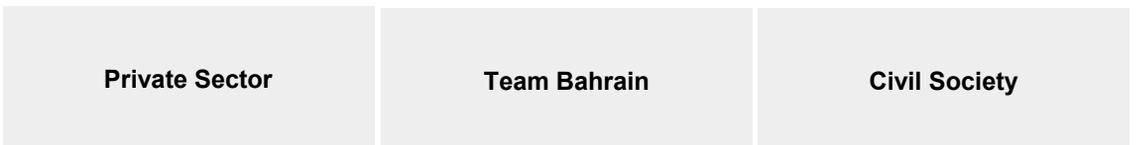


**Supported By**



————— **Collaboration with partners and stakeholders** —————

**Key Stakeholders**





# 2022 Plan

**Rebranding  
Tamkeen's Identity**

**First Wave of  
New Programs  
Launch**

**Periodic Department  
Performance  
Reviews Initiated**

**Full Deployment  
of New Portal**

January  
2022

December  
2022



**Partial Deployment  
of the New Portal**

**Proactive Account  
Management  
Tested**

**Second Wave of  
New Programs  
Launch**



# Key Program Changes in 2022

## Previous Programs

## New Programs



**Provided generic support**



Based on clear economic and strategic objectives, focused on performance indicators aimed at raising economic impact and considers a proactive approach where Tamkeen actively pursues opportunities



**Provided standardized support for enterprises**



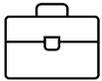
Holistic support in the form of funding (grants and financing, technical and advisory support) and provides new incentives for high potential sectors and FDIs with clear success definitions tied to economic and strategic objectives.



**Provided road-based upskilling training**



Focused on the employment of Bahrainis (individuals and entrepreneurs) and their career progression with more online training.



**Provided generic employment support**



Provides new incentives for quality jobs and focuses on achieving a higher, more inclusive reach.



**Provided uniform enterprise development programs**



Provides greater options and opportunities for financing with various support according to the size of the enterprise and its lifecycle needs with a focus on productivity, innovation and internationalization



**Relied on end-of-contract input-based inspection and monitoring**



Utilizes output & customer success-driven monitoring, smart inspection and applies shared responsibility and accountability.



**Conducted assessment based on eligibility**



Conducts assessment based on growth objectives that is aligned with key performance indicator and focused on impact.



# Tamkeen's New Programs

## Human Capital Programs

### Employment Support Programs

#### 1 National Employment Program

The National Employment Program is designed to encourage new Bahraini talents to kick off a career path in the private sector through financial support.

#### 2 Mid-Career and Executive Leadership

Mid-Career and Executive leadership incentivizes business to employ a large pool of Bahraini talent in mid and executive management roles in high-value jobs.

### Training Programs

#### 3 Train and Place

Train and Place is designed to provide targeted training solutions that equip Bahrainis with the skills required to fill vacancies to better match the private sector's human capital needs with the available talents.

#### 4 Train and Grow

Train and Grow supports Bahraini talents elevate their career growth potential by developing their technical, financial and management skills through training.

#### 5 Train Me

Train me program will equip Bahrainis with essential skills and knowledge in today's evolving economy to become competitive both locally and internationally.

### Employment Support Programs

#### 6 Global-Ready Talent

Global-Ready Talent helps in upskilling Bahraini talents through international exposure and work experience to accelerate Bahraini's career development through connections with multinational corporations.

#### 7 Global-Ready Entrepreneur

Global-Ready Entrepreneur empowers Bahraini entrepreneurs to participate in reputable overseas structured entrepreneurial programs and development opportunities to gain global exposure and build international networks.



# Tamkeen's New Programs

## Enterprise Support Programs

### New Enterprises

#### 8 Start Your Business

The program encourages budding entrepreneurs and innovators to contribute to the development of the Kingdom's economy by support for set-up and facilitating access to funding solutions.

#### 9 Tech Disruptors

The program aims to foster a vibrant and innovation-driven ecosystem through providing financial support to commercialize disruptive technologies.

#### 10 Young Entrepreneur

The program enables young Bahrainis with high potential to explore creative concepts and turn them into sustainable businesses through offering advisory support.

### Existing Enterprises

#### 11 Turnaround Your Business

The program empowers enterprises to transform business models and respond to organizational and financial challenges.

#### 12 Business Growth

Business growth empowers enterprises to diversify and grow both locally and globally.

### Specialized Programs

#### 13 Go Digital

The program support digital transformation through offering financial support to integrate digital technology into business operations to boost productivity, adaptability and resilience.

#### 14 Innovation

The program aims to empower Bahrainis to become innovation-driven by stimulating the growth of innovative digital startup by offering support in research and development.

#### 15 FDI

The program supports foreign investors to invest in Bahrain's high-potential sectors to create high-quality jobs and employ locals.

#### 16 Riyadat

The program is intended to support Bahraini female entrepreneurs grow their business by providing the tools to succeed and expand outside the Kingdom.