

US-Arab Tradeline



National U.S.-Arab Chamber of Commerce

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Crown Prince of Bahrain: Winning Hearts and Minds

As Tradeline goes to press, The National US-Arab Chamber of Commerce (NUSACC) welcomes His Highness Shaikh Salman bin Hamad Al-Khalifa, the Crown Prince of Bahrain, to the United States. His visit comes at a time when momentum is building for a US-Bahrain Free Trade Agreement (FTA), a major milestone in commercial relations between these two key allies.

At the US-Arab Economic Forum in Detroit last fall, H.H. Shaikh Salman shared insights into ways to approach the new frontiers in US-Arab relations. NUSACC was a contributor to that event, and we are pleased to provide excerpts here from the Crown Prince's speech.

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“There is little doubt of the immense opportunities that exist in the ties between the Arab world and the United States. Both sides have an enormous amount to gain from expanded economic, commercial, and financial ties. And to date, we have only scratched the surface in terms of the potential benefits that we can jointly reap, particularly on the security front.

President Bush has made clear the United States' determination to integrate Arab countries more closely into a world system of free trade and, in particular, to develop closer economic links between the US and the Arab world. The President's address to the University of South Carolina on May 9 set out his vision of a US-Middle East Free Trade Area (MEFTA) to put this determination into practice.

As an example of this, the United States and Bahrain are shortly to begin negotiations toward a bilateral Free Trade Agreement which we hope to see signed

soon. The framework is therefore in place, the planning has been done, the foundation is laid.

In order to fully realize this potential, however, I believe we must address the obstacles that exist to closer US-Arab links and consider from a political perspective what each side can do to overcome these obstacles.

On the one side, there is little doubt of the need

for reform – economic and otherwise – in the Arab world. September the 11th was not only a human tragedy of immense proportions, it was also a clear wake up call to us in the Middle East regarding what we have done with our societies and whether we have been able to provide genuine opportunities to our people ... opportunities that can promise them hope for a better life, with better jobs than their parents and better prospects for their own children.

Moreover, Arab countries are generally perceived to suffer from overregulation, inefficient legal systems, complex and restrictive commercial and

investment laws, and a host of other factors that are seen as stifling investment and economic freedom. The underlying problem is that most in the Middle East are still struggling to determine the appropriate socio-economic political model within their own countries that will provide all stakeholders with sufficient vested interest in determining their own future, and that is what we need to address.

My country, Bahrain, has already taken significant steps in this direction, both politically and economically. On the political level, recent years have seen overwhelming popular approval in a referendum on Bahrain's national action charter and a revised constitution based on that charter. As a result, Bahrain has a



His Highness Shaikh Salman bin Hamad Al-Khalifa

Courtesy Bahrain Ministry of Information

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NUSACC President, David Hamod

Bahrain: The Little Engine That Can

"I'm not very big," said the Little Blue Engine. "I have never been over the mountain." Then she said, "I think I can. I think I can." Up, up, up. Faster and faster the little engine climbed, until at last they reached the top of the mountain. And the Little Blue Engine smiled and seemed to say "I thought I could. I thought I could ..."

The Little Engine That Could, the classic story by Watty Piper, has inspired millions since it was first published more than 60 years ago. It features a plucky Little Blue Engine that defies conventional wisdom and takes on a task eschewed by the bigger, shinier engines. Surpassing all expectations, the Little Blue Engine pulls a train many times its weight over the mountain and saves the day.

Bahrain, like the Little Blue Engine, has been defying conventional wisdom and surpassing expectations for years. One of the smallest countries in the world, Bahrain has an international presence that far exceeds its surface area.

In the Middle East, Bahrain has been a "locomotive" for positive change for decades.

Bahrain played a key role in ushering in the petroleum era with the discovery of oil there more than a century ago.

Bahrain has one of the most open economies in the world, offering bold incentives, including 100 percent ownership by foreign investors.

Bahrain, when it comes to "blue and green" issues, is second to none in the region in its commitment to fair labor practices and protecting the environment. (Aluminium Bahrain [ALBA], for example, was one of only a dozen projects around the world to receive the coveted "Millennium Business Award for Environmental Achievement" presented by the International Chamber of Commerce and the United Nations.

Bahrain, given its limited petroleum resources, was the first in the region to move toward an economy based on services (e.g.– banking,

hospitality & leisure, and information technology) rather than oil.

All this from a nation with 650,000 inhabitants – about the same population as Baltimore, Memphis, Austin, or Milwaukee.

This year, Bahrain is poised to place another feather in its cap. If all goes well, Bahrain will become the first nation in the Arabian Gulf to sign a Free Trade Agreement (FTA) with the United States. This is an historic opportunity that holds the potential to increase business between our two nations many times over.

With this in mind, The National US-Arab Chamber of Commerce, the Business Council for International Understanding, and the National Foreign Trade Council recently established a Secretariat for the US-Bahrain FTA Coalition. For more information on the advantages of the proposed FTA, log onto www.bahraingateway.org.

Bahrain's continuing success speaks volumes about that nation's vibrant and visionary leadership. H.M. King Hamad bin Isa Al Khalifa, born in 1950, has been a longtime proponent of scientific research and advanced technology. His strong commitment to forward-looking policies has made Bahrain one of the most sophisticated places in the Arab world.

The King's son, H.H. Shaikh Salman bin Hamad Al-Khalifa, is clearly following in his father's footsteps. A graduate of the American University in Washington and a champion of literacy & education, he is doing his part to ensure that the youth of Bahrain are well prepared for the 21st century.

Like the Little Engine That Could, Bahrain continues to push forward. The diminutive dynamo is maintaining a good head of steam as it makes its way, quietly yet confidently, to the top – its ultimate destination.

David Hamod
President

Small country, big ally: The US-Bahrain relationship

Rebecca Givner-Forbes

Bahrain is one of the smallest countries in the world. The Gulf nation consists of a series of islands off the coast of Saudi Arabia, inhabited by a mere 650,000 people. However, when it comes to Bahrain's value as a friend and ally to the United States, the tiny kingdom punches well above its weight.

Relations between the US and Bahrain effectively began at the turn of the 20th century thirty years before oil was discovered in the Arabian Gulf. The first link between the two countries came with the establishment of the American Mission Hospital in 1903, which still thrives today. (See related story on page 8)

The American doctors and nurses who first came to work in the mission hospital would pave the way for other professionals to come to Bahrain and forge the initial bonds between the two very distant countries. Among these were representatives from Standard Oil Company of California.

In the late 1920s, Standard Oil (today's Chevron-Texaco) gained exploration rights to Bahrain and, in so doing, opened a new era in US - Gulf relations. In Bahrain in 1932, the US company was the first to discover oil in the Arabian Peninsula. Standard Oil established the Bahrain Petroleum Company (BAPCO) in 1929, and in 1936 formed CALTEX, a company that controlled 40 percent of BAPCO. A long American-Bahraini partnership ensued, as Bahrain's petroleum resources were developed utilizing CALTEX's technology and technical expertise. The legacy of this partnership persists to this day in BAPCO, which still operates as the national oil company.

A decade later, during World War II, the US war effort would be sustained by Bahraini oil, which was responsible for more than 50 percent of US oil imports from the Gulf during the war years. The 1940's began a new phase in the US-Bahraini relationship, in which military cooperation added another dimension to the already robust commercial partnership.

In 1949, the US Navy began to utilize Bahrain's excellent ports in order to maintain security in the Gulf as the British presence there waned. Over the ensuing fifty years, military cooperation grew into an ever stronger and more valuable alliance, with Bahrain increasingly at the center of US naval operations in the Gulf. Eventually, a deal was struck between Manama and Washington to make Bahrain the official headquarters of the US Navy's Fifth Fleet. Today, 79 acres of downtown Manama serve as the command center for the Middle East Force.

This alliance has been crucial to the US military and to Gulf regional security. Admiral William Crowe, former chairman of the Joint Chiefs of Staff has said of the relationship, "Pound for pound, Bahrain has been about the best ally [the US has] had in recent



Courtesy Bahrain Ministry of Information

His Majesty King Hamad bin Isa Al Khalifa has spearheaded dynamic reforms

times." Before serving as chairman of the Joint Chiefs of Staff, Admiral Crowe was Commander of the Middle East Force.

In addition to hosting the naval headquarters, Bahrain has offered the assistance of its small but dependable military on a number of occasions. In 1987, when the USS Stark was bombed by an Iraqi jet, Bahraini helicopter pilots flew rescue missions to pull stranded US servicemen from the Gulf. The same year, Bahrain began assisting in a US peacekeeping operation to protect tankers bound to and from Kuwait. Bahrain also contributed to US efforts in the late 1980s that led to the halt of the Iran-Iraq War.

During the 1990-1991 Gulf War and the more recent war against Iraq, Bahrain provided indispensable assistance by hosting the naval command center and providing extensive basing for US aircraft. In the first Gulf War, Bahraini and American pilots flew numerous sorties together against Iraqi forces. During Operation Enduring Freedom, Bahrain was the only GCC country to commit forces to the effort.

In 2002, the US moved to formally recognize Bahrain's status as a regional security hub, designating it a major non-NATO ally, an honor awarded to just a handful of countries around the world.

The following year, Bahrain was chosen for another privileged position – that of a free trade partner with the United States. The Free Trade Agreement negotiations

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In the late 1920s, Standard Oil (today's ChevronTexaco) gained exploration rights to Bahrain and, in so doing, opened a new era in US – Gulf relations.

US-Arab Tradeline

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“Bahrain’s legal system is now more effective, transparent, and independent than ever before...”

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bicameral national assembly with real powers and last year witnessed both municipal and national elections in which women both voted and stood as candidates.

Bahrain’s legal system is now more effective, transparent, and independent than ever before, following the establishment of the Constitutional Court, the supreme council for the judiciary, and an independent Attorney General’s office. Civil society continues to develop apace, and the number of non-governmental organizations, labor unions, and professional bodies continues to grow.

However, it is not enough for me to sit here and tell you about what Bahrain alone is trying to do. The task of building the infrastructure for a fair and equitable civil society is one that the Arab world needs to address together. Here, too, it is clear that the challenge is being met and that around the region, action is being taken in a range of fields. From deregulation to education, from security to institutional reform, countries in the Middle East have taken significant steps on this road.

On the American side, the challenge is quite different. From an Arab perspective, the challenge for the United States is to change how it is perceived among the majority of the Arab population. The United States has long been a friend and has been closely involved in helping to develop this region for a significant portion of the last century.

In our world today, though, there are two lenses for which we assess the results of US policy: the first is the Palestinian-Israeli issue, and the second is Iraq. The Palestinian-Israeli issue is an old and sensitive one, and I do not wish to do an injustice to the intricate complexities of the situation by suggesting that a solution is just around the corner. But I would like to stress that the only sustainable outcome in the long run is a just one, a solution that is based on two viable states that can live in peace and economic prosperity.

Policies of fence-building, assassination, and terror are neither justifiable nor sustainable on either side and serve only to take us further from a genuine and lasting peace. We must recognize that the whole process of peace is in crisis and that ambivalence is not an option.

The second issue is Iraq. We all need Iraq to succeed, we all want a better future for Iraq, and we all feel the pain of what the Iraqis had to deal with under the Baathist regime. It is incumbent on all of us to do all that is necessary, both to rebuild the physical infrastructure of the country and to ensure the emergence of a genuinely representative constitutional and political system, that can lead Iraq to a stable and prosperous future that it so richly deserves.

The commitment that the United States has undertaken must be seen through a successful reconstruction of Iraq. We appreciate the commitment and the sacrifices made so far but believe that this is an issue of such importance that it cannot be left unfinished.

The Arab population is watching these two issues unfold on a daily basis through the Internet and on television.

Ordinary Arabs identify with the plight of both Palestinians and Iraqis and look to the United States to ensure a just outcome and an end to the suffering of fellow Arabs.

There can be no room for double standards in a comprehensive Middle East policy. It is a well recognized paradox that while ordinary Arabs identify closely with core American values such as democracy, freedom, justice and transparency, and indeed want to see faster steps towards implementing such values in their own societies, these same people routinely view American policies in the region with suspicion.

Therefore, there is little doubt that there exists a significant undercurrent of support and friendship for America and its values, but until the US can effectively change popular perceptions of its policies and motivations, the full potential of regional economic opportunities will continue to be out of reach.

Ladies and gentlemen, I hope I have not been too gloomy in outlining the challenges that we face. I genuinely believe that the Arab world is ready and willing to see strong and sustained development in its economic ties with the United States. And that if these ties are to reach their full potential, we must not shrink from addressing the political and social obstacles that lie in our path.

Equally, I am convinced that the will exists on both sides to work together to tackle such issues and that our commitment to addressing these challenges will enable us to take full advantage of the opportunities that undoubtedly exist on both sides. As governments, though, we can only work at the political level, and the real work of turning policies into achievements, and winning hearts and minds among politicians, business leaders, and ordinary people will largely fall on the private sector and non-governmental organizations.

In the United States, of course, Arab countries have the advantage of the sizeable and influential Arab-American community. Through the trials and tribulations of recent years, this community has consistently lived up to the finest American ideals, being among the leaders in innovation and high-tech industries and being patriotic Americans in the best sense of the word.

Ladies and gentlemen, may I therefore close by saying the United States and the Arab world share a range of common values and ideals. We both cherish individual rights, freedoms and opportunities. We both believe that the surest route to prosperity is through the empowering of the individual and removing barriers to business. We share the vision of a future in which security and stability will enable our children to work together peacefully to resolve our differences and in which everyone can benefit from the freedoms that we hold so dear.

Through all the difficulties we may encounter, I am convinced that these shared bonds will ensure that the economic links between us will continue to grow, and that through such times we can spread prosperity, development and friendship among the peoples of both sides.” ♦

“In our world today, there are two lenses for which we assess the results of US policy: the first is the Palestinian-Israeli issue, and the second is Iraq.”



**The Bahrain Chamber of Commerce
and Industry**

extends its best wishes

to

**The Crown Prince and Commander-In-Chief
of the Bahrain Defense Force**

**His Highness
Shaikh Salman Bin Hamad
Al Khalifa**

on the occasion of his visit to the
United States of America.

The Bahrain Chamber of Commerce and Industry wishes
His Highness success in further strengthening the mutual
cooperation and economic relations between the Kingdom
of Bahrain and the United States of America.

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Chamber of
Commerce



"I believe an FTA will broaden the base of the relationship in a way that the people, Bahrainis and Americans alike, will benefit from."
 – Ambassador Khalifa Al Khalifa

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began this January, ushering in a new era in US-Bahrain commercial relations. (See related story on page 7)

"I am very encouraged by the ongoing negotiations between Bahrain and the United States towards a Free Trade Agreement," Bahrain's Ambassador to the United States, Khalifa Al Khalifa, told US-Arab Tradeline. "The first round has just been concluded in Bahrain, and I believe an FTA will not only strengthen the already strong ties between our countries, but broaden the base of the relationship in a way that the people, Bahrainis and Americans alike, will benefit from."

The FTA is a way for the US to recognize and reward Bahrain for years of friendship and cooperation and for being a true regional pioneer. Bahrain positioned itself early on to become an international financial center and embraced an open market philosophy that quickly established it as an innovator in the GCC.

Throughout the past decade, Bahrain has maintained one of the most open economies in the world, according to the Heritage Foundation's Index of Economic Freedom. The announcement to seek an FTA with the United States was supported by key initiatives such as liberalizing the telecommunications industry, improving transparency in government procurement, and supporting labor rights.

Promising political developments have also won the praise of both Washington and private sector investors, beginning with significant advances in male and female suffrage in 2001.

As part of these changes, women were granted the right to stand for legislative office, and fundamental rights and freedoms are now protected by Constitutional guarantees. In 2002, Bahrain became a constitutional monarchy, and an elected body was added to the appointed council to form a full bicameral parliament. There are ongoing efforts to promote a more vibrant civil society with input from human rights groups, labor unions, and other representative bodies.

Given the importance of Bahrain's new role as a launching point for trade and economic collaboration with the rest of the GCC as well as the region as a whole, the relationship is set to become ever stronger and closer in the future.

On January 29 of this year, President George W. Bush affirmed this sentiment in a message sent to His Majesty King Hamad bin Isa Al Khalifa on the Muslim holiday Eid Al Adha. In his address, the President added his own words of thanks and praise to that of previous US political and military leaders, who have valued Bahrain's steadfast cooperation.

"On behalf of the American people, I offer renewed thanks on this special holiday for being a strong friend and dependable ally. Your wise counsel and the important contributions Bahrain has been making to our ongoing efforts to bring freedom, lasting peace and prosperity to the region are deeply appreciated," the President said. ♦

Algerian Ballet U.S.A. Tour

To benefit the survivors of the May 21, 2003 earthquake in Algeria

Performances will be held in Washington, DC, New York City, Houston and San Francisco

March 5-11, 2004

The Algerian National Ballet was born 34 years ago and is of international standing. It has given over 2,000 performances in more than 50 countries and has won many awards and prizes.

This first tour in the United States is organized by the Embassy of the People's Democratic Republic of Algeria under the patronage of the Minister of Communication and Culture.

The program will feature traditional dances and reflect various aspects of life in different regions of Algeria.

Performance venues:

Washington, DC, March 5

GW's Lisner Auditorium
 730 21st Street, NW
 Washington, DC 20006

Houston, March 9

The Hobby Center for the Performing Arts
 800 Bagby Street
 Houston, TX 77002

New York City, March 7

Tribeca Performance Center
 199 Chambers Street
 New York, NY 10007

San Francisco, March 11

Scottish Rite Center
 1547 Lakeside Drive
 San Francisco, CA 94612



Tickets are available through the Lisner Box Office, Ticket Master Outlets.
 Phone charge: 301-808-6900 or 202-432-SEAT
 And online at www.ticketmaster.com

US-Bahrain FTA negotiations launched

M. Scott Bortot

“An FTA with Bahrain will promote the President’s initiative to advance economic reforms and openness in the Middle East and the Persian Gulf, moving us closer to the creation of a Middle East Free Trade Area,” United States Trade Representative (USTR) Robert Zoellick said in a letter to Congress on August 4, 2003.

Less than six months later, negotiations for a US-Bahrain Free Trade Agreement were formally launched in Manama, Bahrain on January 26. Further negotiations, led on the US side by Cathy Novelli, Assistant US Trade Representative for Europe and the Mediterranean, will take place in both the United States and Bahrain in the months ahead, with high hopes that the agreement will be finalized by the end of 2004.

If the FTA comes to fruition, Bahrain will join a group of only six nations – Canada, Chile, Israel, Jordan, Mexico, and Singapore – that have negotiated the coveted agreement with the US. FTAs with the US are designed to increase economic development by promoting the rule of law, regulatory transparency, and other reforms that attract investment and help create more efficient economies.

“The FTA will bring numerous benefits for both sides in trade, economy and commercial sectors, and this would be reflected in the Kingdom’s economic growth in the future,” Dr. Essam Abdulla Fakhro, second vice president of the Bahrain Chamber of Commerce and Industry told the *Bahrain Tribune* on January 17. “The finalization of the FTA will ultimately help Bahrain to enter into the huge US market and other major markets.”

A series of reform measures initiated by His Majesty King Hamad bin Isa Al-Khalifa in 1999, the year he became head of state, have created an attractive business climate. The government permits 100 percent foreign ownership of certain types of businesses, there are no restrictions on capital repatriation and, in 2001, a commercial code was passed to further enhance the investment climate.

The signing of a US-Bahrain bilateral Trade and Investment Framework Agreement (TIFA) in June 2002 was another stepping stone. The TIFA agreement opened the way for a higher level of economic dialogue and closer cooperation. Shortly after the agreement was initiated, Bahrain joined the WTO Information Technology Agreement and has taken steps to implement the World Intellectual Property Organization Internet treaties.

Bahrain is also considered a regional financial and banking hub because of its highly developed commercial legislation. Islamic banking has been spearheaded by Bahraini financial institutions and continues to show



Courtesy Bahrain Ministry of Information

Economic growth has led to thriving cities in Bahrain.

strong growth. The country’s status in the region will be further reinforced with the completion of the Bahrain Financial Harbour in 2009. The \$1.3 billion facility, which is already attracting foreign investors, will provide regional capabilities for numerous businesses.

By partnering with the US on an FTA, Bahrain is expected to continue moving forward with its economic and trade reform.

“An FTA will also support Bahrain’s commitment to transparency, openness, and the rule of law, thereby enhancing respect for intellectual property, labor rights, and environmental protection,” Zoellick said in August.

In 2002, Bahraini goods exported to the US totaled \$395.1 million. Among these are aluminum, clothing accessories, electrical machinery, fertilizers, mineral fuels, organic chemicals, and plastics.

The FTA is also expected to benefit the United States in the region and at home.

“The successful conclusion of a high quality, comprehensive US-Bahrain FTA will create economic opportunities for America’s farmers, workers and businesses...” Zoellick noted on January 26.

US goods exported to Bahrain in 2002 totaled \$419.2 million and included primarily aircraft, machinery, vehicles, pharmaceutical products, toys, and sports equipment. US agricultural commodities that are exported such as meats, fruits and vegetables, cereals, and dairy products could benefit from an FTA as well.

The US Government hopes that the US-Bahrain FTA will help to create more regional partnerships, ultimately leading to a proposed MEFTA by 2010. The new economic relationship created with Bahrain is already prompting other countries in the Arabian Gulf to initiate TIFA and FTA negotiations of their own with the United States.

“Bahrain is an important strategic partner in the Middle East that continues to implement significant economic and political reforms – reforms that a Free Trade Agreement with the United States will support and accelerate,” Zoellick said. ♦

The US Government hopes that the US-Bahrain FTA will help to create more regional partnerships, ultimately leading to a proposed MEFTA by 2010.



Over a century of medical service in Bahrain

M. Scott Bortot

Samuel Zwemer, a missionary from the Arabian Mission of the Reformed Church in America, arrived in Bahrain in 1893. A compassionate man, he realized that Bahrain's estimated 50,000 inhabitants were in dire need of medical treatment. Although not a doctor, he tried to care for them as best he could.

Unfortunately, Zwemer's medical skills were limited and by the end of 1894 he wrote:

"If I tell you that I have been called to treat fractures, gun-shot wounds, acute mania, cystitis, pneumonia, and other diseases beyond all household remedies and layman diagnosis, I need not urge the absolute necessity of a medical missionary here... the responsibility and anxiety is too much for one not qualified."

A couple years later, Zwemer married Australian nurse and missionary Amy Wilkes, who advised her husband on treatment methods while she tended to the medical needs of women. By 1900, Zwemer and Wilkes' efforts were buttressed with the arrival of physicians from Michigan.

At first, operations were performed in the courtyard of the mission's house. But soon the volume and needs of patients proved too great for the limited facility – Bahrain needed a hospital, and efforts were made to find a benefactor. Then in January 1903, after a generous donation from the Alfred DeWitt Mason family in New York City, the Mason Memorial Hospital was inaugurated.

Over the years, additional medical buildings were constructed to accommodate demand, and by 1962, a new complex was opened by the late Amir of Bahrain, Shaikh Isa bin Salman Al-Khalifa. The new medical center was named the American Mission Hospital and was operated with the same pioneering spirit embodied by the first missionaries.

Life was not easy in the early days. Some staff members succumbed to disease and, at times, Bahrainis were suspicious of their activities.

"Their desire to promote the Christian message did meet with resistance," Dr. Paul L. Armerding, Chief Medical Officer/CEO of the American Mission Hospital, told *US-Arab Tradeline*. "But the good work they did relieving suffering and bringing new knowledge into the life of Bahrain gradually won the missionaries friends and a place of trust within the society."

Today, that same spirit of trust thrives at the American Mission Hospital. In 1988, the hospital's mission with the Reformed Church of America ended and it was restructured as a not-for-profit organization by ministerial decree. The American Mission Hospital Society-Bahrain is currently governed by a board of directors that is representative of the local community.



The American Mission Hospital is a well-respected institution.

Courtesy American Mission Hospital

One of the reasons for the hospital's success is the manner in which it interacts with the community.

"Since AMH opened in late 1902, it has remained apolitical both with respect to the internal politics of Bahrain and internationally," Armerding said. "It has focused on caring for people, both the employees of the institution and the community."

This sentiment is reflected in the hospital's mission statement: "American Mission Hospital maintains a century-long commitment to provide quality, affordable medical services to all who seek our care, to carefully manage the process by which quality care is delivered, and to embody the Biblical principles of grace, truth and love."

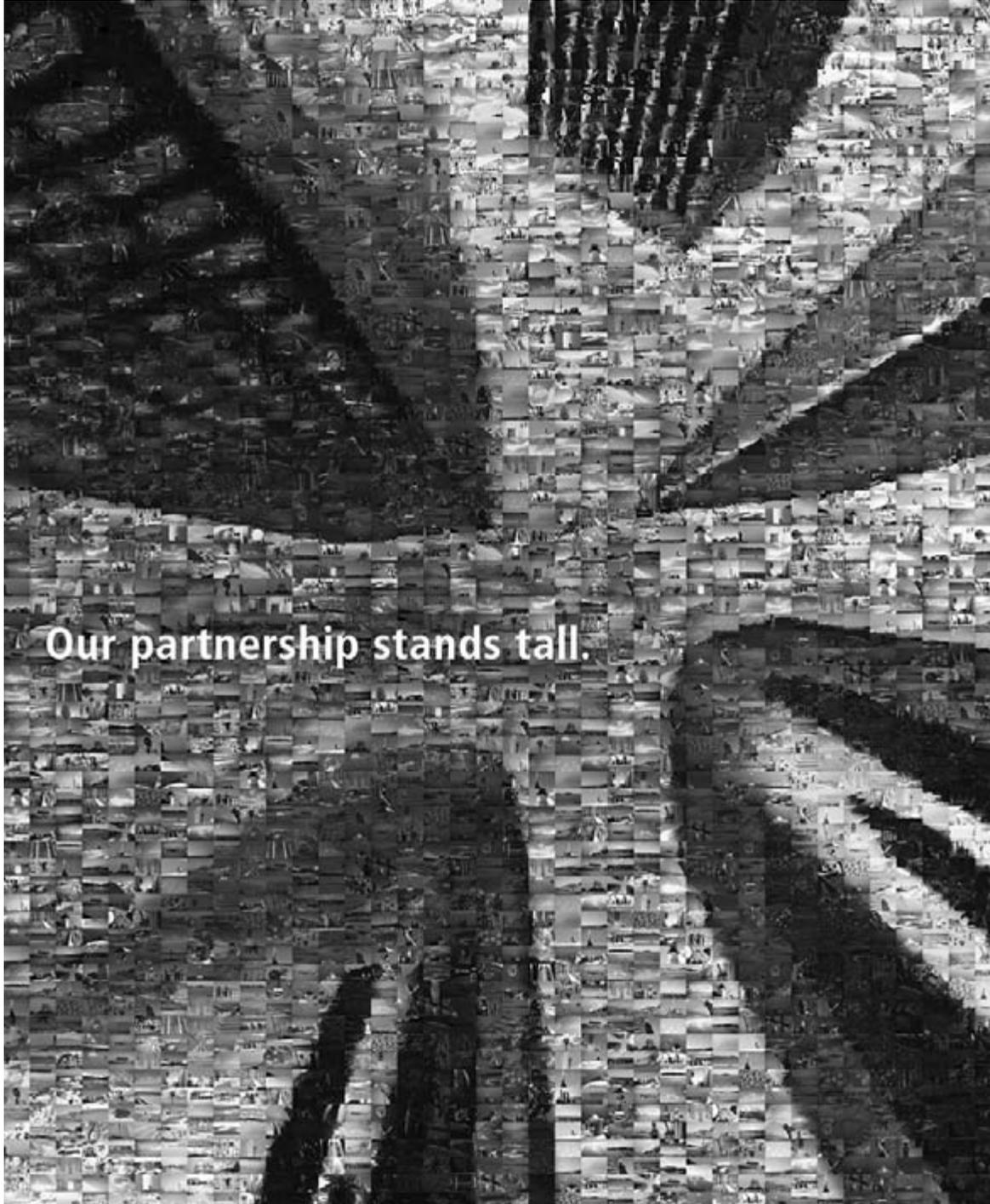
Despite the noble aims of the hospital, it still faces a variety of challenges. Foremost among these is posed by the Bahraini government's healthcare system. The Ministry of Health offers quality services that make it difficult for private medical care to prosper. Fortunately, the hospital has been able to surmount these challenges by mobilizing community support.

In 1997, a fundraising campaign was launched that garnered support from many sectors of Bahraini society. A highlight of this effort occurred when the then Crown Prince, now His Majesty King Hamad bin Isa Al-Khalifa, provided his private golf course for the American

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One of the reasons for the hospital's success is the manner in which it interacts with the community.

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Our partnership stands tall.

We've had a continuous presence in Bahrain since the 1930s. Making the Arabian Peninsula's first oil discovery in 1932. Launching Caltex in Bahrain in 1936. Then growing it as a leading brand through the Middle East and Asia. By sharing technology and the skills to use it, we're helping to build a workforce and develop a new generation of leaders. All of which adds up to a promising future.

ChevronTexaco is proud to welcome His Highness Crown Prince Salman bin Hamad Al-Khalifa to Washington, D.C. We wish him a successful visit.

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Almost 50 percent of the hospital's staff are Bahraini.

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Association of Bahrain, and the hospital, to use for a charity golf tournament that raised \$2.7 million.

The funds collected at this and other functions support hospital services that include general practice and surgery, internal medicine, pediatrics, dermatology, radiology and dentistry. In addition to these services, the hospital provides 24-hour urgent care.

Almost 50 percent of the hospital's staff are Bahraini. The hospital supports the education and training of young Bahrainis, which helps to provide quality jobs for the local population.

Although Bahrain's economic fortunes have vastly improved over the past century, there is still a need for the less fortunate to access quality medical care.

"Many more people can afford to pay for their care today than in 1903, but we still offer charitable assistance to deserving individuals [totaling \$195,000 in 2003] and are looking for ways to increase our resources for charity work," Armerding said. "We are reaching out to the most needy segments of our community – workers in labor camps and factories, and some of our local villages."

Beyond a doubt, pioneering missionary Samuel Zwemer would be proud of what the American Mission Hospital has done, and will continue to do, for the people of Bahrain. ♦



Courtesy American Mission Hospital

Excellent dental care is available at the hospital.

Bahrain brings Formula One racing to the Arab World

Rebecca Givner-Forbes

In April, more than 100,000 people from around the world are expected to descend on Bahrain for the inauguration of the Arab world's first Formula One racetrack. The \$150 million Bahrain International Circuit has been under construction around the clock in preparation for its grand opening on April 2, when Bahrain will host a round of the Federation International de l'Automobile (FIA) Formula One World Championship.

The Gulf Air Bahrain Grand Prix is named after its main sponsor, the Manama-based airline Gulf Air. The three-day event will take place against a weeklong backdrop of open-air concerts, fireworks, official receptions and gatherings, and a charity golf tournament. Ticket prices for the qualifying races on April 2-3 as well as the Grand Prix Championship race on April 4 range from \$100 - \$450. As of mid-January, over 30,000 tickets had already been sold.

The project has been creatively designed to reflect its desert setting. The circuit features structures topped by tent-shaped roofs and an "oasis" pit lane and paddock area. The track runs through a desert landscape of sand and boulders.

The effort to bring Formula One racing to Bahrain was spearheaded by His Highness the Crown Prince of

Bahrain, Shaikh Salman bin Hamad Al-Khalifa, himself a lifelong motor racing enthusiast. The Government of Bahrain underwrote the circuit, considering it a top national initiative that would contribute to new job creation and support tourist sector growth.

In addition to bringing in major tourist revenues, the Grand Prix is expected to be a magnet for media attention: some 300 million people worldwide are expected to watch the race on television. This is not the first time sports have been utilized to raise the profile of a GCC country – for years, the emirate of Dubai has successfully attracted press and prestige as an internationally-acclaimed haven for golfers. Similarly, Formula One events and other motor races will provide Bahrain with an entertaining and unique sports attraction to enhance the Kingdom as an international tourist destination and support wider efforts towards economic diversification.

As part of the agreement with the FIA, Bahrain will host a round from the Formula One World Championship every year. Year-round, the circuit will be opened to serve as the Arab world's center for all types of motor sports, including drag racing, motorcycling, as well as sports car, saloon car, and single-seater racing. The Bahrain International Circuit is unique in delivering both economic benefits as well as a new national pastime. ♦

What is an FTA worth? The Jordanian model

Bahrainis may be wondering exactly what a Free Trade Agreement with the United States might be worth. For a hint of what may be to come, they may wish to look to Jordan, whose FTA with the United States came into force in December, 2001.

In the case of the Hashemite Kingdom, the FTA significantly increased export sales, improved the quality of exports, and substantially contributed to economic diversification and job creation.

In 1996, before Jordan undertook the reforms that would put it on the path to a Free Trade Agreement, its total exports brought in \$16 million. In 2003, revenues from exports topped out at \$600 million – an increase of 3,750 percent. Estimates from Jordanian officials say that expanded trade with the United States through the FTA and the Qualified Industrial Zones has created more than 30,000 new jobs. Jordanian exports to countries other than the US shot up as well, a total of 97 percent from 1998 to 2002. This suggests that the FTA generally enhances competitiveness of exports on the world market by improving overall productivity and introducing best business practices and other reforms.

In addition, a sharp climb in foreign direct investment – in Jordan, a surge of nearly 400 percent since the mid-nineties – suggests that the FTA has a very positive impact on the investment climate.

Bahrain is about a tenth of the size of Jordan, and exports to the United States are already a rather substantial \$400 million. This suggests that the effects may not be as dramatic as in the Jordanian case, but a significant economic impact is anticipated.

Dr. Naser Al-Belooshi, Bahrain's economic representative to the United States, forecasts that the FTA would bring a number of benefits to his country. Among these he lists an expansion in the manufacturing sector, leading to both the rise of economies of scale in existing industries as well as the creation of new industries. He also expects an increase in foreign direct investment as Americans and others partner with Bahraini industries to help them tailor products to the needs and preferences



Courtesy John Martin

Bahraini workers could benefit from an FTA.

of US markets. Additionally, as Bahraini goods are exposed to more competition, efficiency would improve in both production and allocation of resources, leading to the rise and development of certain dynamic sectors.

US technical capacity building and technology transfers would also improve efficiency, and an increase in business enterprises would support new growth in the services sector. With expanded manufacturing and services sectors, new job creation would be very likely.

With only the first round of negotiations recently concluded, quantitative forecasts are not yet in sight. However, the potential for substantial growth exists, prompting optimistic predictions. The next few years in Bahrain, like the last few years in Jordan, should demonstrate to the region that free trade and an outward-looking economic strategy can truly bear fruit. – *Rebecca Givner-Forbes*. ♦

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Chamber hosts Moroccan Parliamentarians

In late January, NUSACC received a high-level delegation of seven Parliamentarians from Morocco. They came to NUSACC through the American Council of Young Political Leaders, which coordinated the visit with a grant from the U.S. Department of State.

The Parliamentarians' visit coincided with the Iowa caucuses and President Bush's State of the Union address. In the words of one delegate, "Political theater here is even better than what we have back home."

On January 21, NUSACC hosted the delegation at a meeting of the Washington Rotary Club. Rotary is the world's oldest service organizations, providing the Moroccan legislators with a glimpse into non-profit organizations and their role in civil society in the United States. NUSACC hosts included David Hamod, President, Mazhar Samman, Executive Vice President, and Nazha Benchaln, Executive Secretary, who hails from Morocco.

Two days later, NUSACC helped to host delegates at a roundtable discussion of the US-Morocco FTA Coalition, of which NUSACC is a member. The session, hosted by Time Warner and CMS Energy, Co-Chairs of the Coalition, provided a great opportunity to discuss



Courtesy of the Rotary Club of Washington, DC

Moroccan Parliamentarians meet with Rotarians and NUSACC executives.

the likely impact of a Free Trade Agreement (FTA) on U.S. and Moroccan companies.

Brad Minnick, Executive Director of the American Council of Young Political Leaders, expressed deep appreciation to NUSACC for its role in hosting the delegation. "Many thanks for meeting with our delegation of Moroccan parliamentarians," Minnick said. "Not only were the delegates pleased but, more broadly, [NUSACC's] efforts provided valuable insights for them into the role that the business community plays in the American law-making process." ♦

US-Bahrain Free Trade Agreement Coalition to hold luncheon

On Wednesday, February 11, the US-Bahrain Free Trade Agreement Coalition will hold a luncheon in Washington, DC, in honor of His Highness Shaikh Salman bin Hamad Al Khalifa. The private sector-led coalition is co-chaired by Lionel C. Johnson of Citigroup and Bill Rice of ALCOA, with Congressmen Jim Turner and Paul Ryan serving as the congressional caucus co-chairs. The National US-Arab Chamber of

Commerce (NUSACC), in partnership with the Business Council for International Understanding (BCIU) and the National Foreign Trade Council (NFTC), serves as the secretariat developing and administering the Coalition. ♦

For more information on the coalition, please telephone Chris Ross at (202) 289-5920.

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