



Workshop 5

**“Which role can Microfinance play
in the GCC countries?”**

*Saudia Arabia, Kuwait, Bahrain, Qatar, the United Emirates
and the Sultanate of Oman*

Dubai, November 6th 2005



Microfinance is a pioneering concept in the GCC countries

In 2006,

- 130 million microfinance clients in the world
- 1.4 million microfinance clients in Middle East and North Africa
- ~ 10, 000 clients in GCC countries (Saudi Arabia and Bahrain)
- ✓ **Microfinance is a pioneering concept in the GCC countries whereas its expansion is progressing worldwide, both in developing and developed countries**



There are 2 main reasons to think about it

1. The overall economic prosperity of GCC countries hides some contrasted situations both between and within the GCC countries. The most **vulnerable population groups - facing situations of poverty or quasi poverty – could use microfinance to develop income-generating activities;**
2. Whereas **job creation and empowerment** have proven to be two main socio-economic benefits of microfinance besides poverty reduction, microfinance could allow GCC countries to **reduce welfare assistance and promote economic entrepreneurship** especially among young people.



Some Figures

	Population	GDP per capita (PPP)	Unemployment rate
Bahrain	700,000	\$23,100	15%
Kuweit	2.4 million	\$20,300	2.2% (2004 est.)
Qatar	885,000	\$28,300	2.7%
Saudi Arabia	27 million	\$13,100	13% (only males)
Sultanate of Oman	3.1 million	\$13,500	15%
United Arab Emirates	2.6 million	\$45,200	2.4% (2001)
France	60.8 million	\$29,600	9.9%

CIA World Facts Estimations 2005



Questions for Discussion

- To what extent do GCC countries need a sustainable strategy for poverty reduction, job creation and economic empowerment?
- Who are the population groups outside the reach of the formal financial market in GCC countries? What are their financial needs?
- How can Microfinance Institutions in GCC countries contribute to job creation and promotion of economic entrepreneurship?
- Which role can the banks have in the development of microfinance ?
- How can GCC countries take advantage of microfinance international best practices?



Round table Agenda

“Which role can Microfinance play in the GCC countries?”

- **Microfinance in Bahrain: The Experience of the Children and Mother Welfare Society** (Ms Mounira Osman)
- **2006 Market Survey in Oman on Microenterprises and their Financial needs**
- **France Initiative : A Microfinance Program in France** (Franck Debec)
- **How to get GCC countries private sector involved in microfinance? Possible Scenarios** (Jamil AL Wahidi, Abdul Latif Jameel Company, Kingdom of Saudi Arabia)
- **Discussion & Questions**