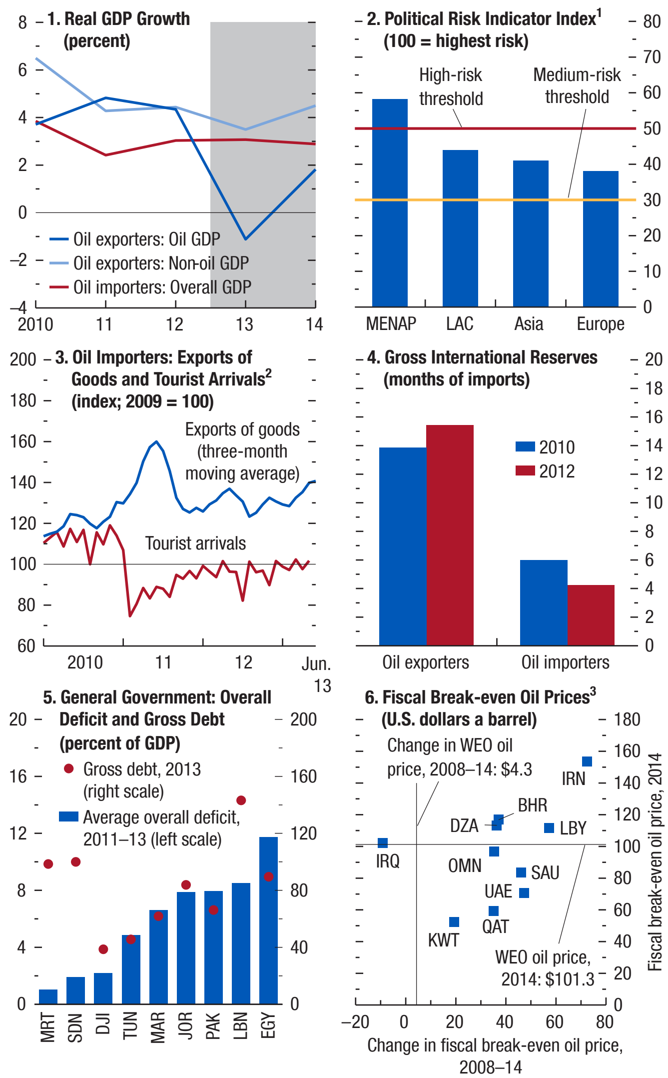
Figure 2.14. Middle East, North Africa, Afghanistan, and Pakistan: Growth Hinges on Improvements in Oil Production and Confidence

Growth in the region is decelerating on account of declining oil production among the oil-exporting countries and continued challenges from difficult political transitions in oil importers. Priorities are to improve the sociopolitical environment, strengthen macroeconomic stability, reduce fiscal and external imbalances, and implement reforms for sustainable and inclusive growth, further diversification, and job creation.



Sources: Haver Analytics; national authorities; PRS Group, Inc., *International Country Risk Guide* (ICRG); United Nations World Tourism Organization, World Tourism Barometer; and IMF staff estimates.

Note: Middle East, North Africa, Afghanistan, and Pakistan (MENAP) oil exporters: Algeria (DZA), Bahrain (BHR), Iran (IRN), Iraq (IRQ), Kuwait (KWT), Libya (LBY), Oman (OMN), Qatar (QAT), Saudi Arabia (SAU), United Arab Emirates (UAE), Yemen (YMN); oil importers: Afghanistan (AFG), Djibouti (DJI), Egypt (EGY), Jordan (JOR), Lebanon (LBN), Mauritania (MRT), Morocco (MAR), Pakistan (PAK), Sudan (SDN), Syria (SYR), Tunisia (TUN). Data projections from 2011 and onward exclude Syria.

[1]The index is calculated using ICRG political risk scores and socioeconomic indicators including unemployment, poverty, growth, and inequality. MENAP: DZA, EGY, JOR, LBN, MAR, PAK, TUN; LAC: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Peru, Uruguay, Venezuela; Asia: China, India, Indonesia, Malaysia, Philippines, Sri Lanka, Thailand, Vietnam; Europe: Albania, Belarus, Bulgaria, Croatia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Turkey, Ukraine.

[2]Exports of goods data for June exclude AFG, DJI, MRT, SDN, SYR. Tourist arrival data are through May 2013: seasonally adjusted; the aggregate: EGY, JOR, LBN, MAR, TUN.

[3]The fiscal break-even oil price is the oil price at which the government budget is balanced. For Yemen, the fiscal break-even price in 2013 is $214.8 a barrel.