MIDDLE EAST and NORTH AFRICA

GLOBAL ECONOMIC PROSPECTS | June 2014 | Chapter 2

Activity in oil-importing countries remains weak, but is exhibiting signs of an uptick. Oil-exporting countries have seen their oil output recover too, albeit not to pre-2011 levels. Political transitions continue to unfold with a number of elections being held in 2014, delaying measures to address persistent structural challenges. Meanwhile, fiscal and external balances remain weak. Overall, growth in developing economies is expected to pick up to 1.9 percent in 2014 and strengthen to about 3.5 percent by 2016.

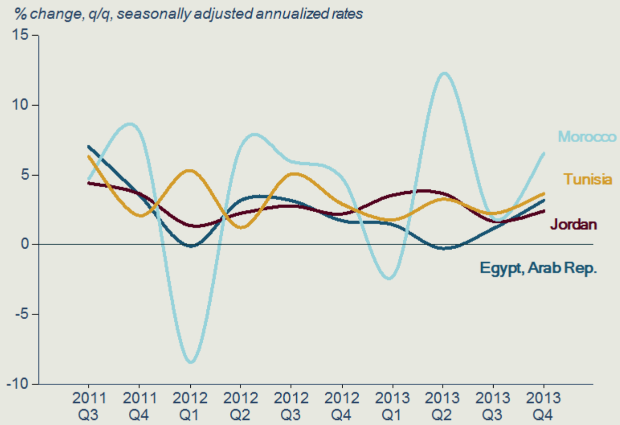
Recent developments

Following a stagnation in 2013, the developing countries of the Middle East and North Africa[1] region are experiencing a recovery. Developing economies of the region experienced a 0.1 percent contraction in 2013, on the back of domestic and regional turmoil and weak external demand, but are off to a more promising start in 2014. Recovery in oil production as well as manufacturing and exports is contributing to the pick-up in growth. This modest upturn, however, remains fragile and well below the region's potential as structural reforms needed to spur growth, reduce unemployment and alleviate poverty remain unaddressed. While some countries have made strides in their political transitions, notably Tunisia, others remain mired. Security challenges in several countries are a key source of instability. Fiscal and external accounts remain weak and are benefiting from the exceptional official support from the high-income Gulf Co-operation Council (GCC) countries.

In oil-importing developing countries, economic activity is stabilizing, but the recovery remains fragile. Strong growth in the first half of 2013 was offset by a sharp drop in the second half such that growth in oil-importers rose, on average, by just 0.2 percentage points to 2.7 percent in 2013. After plunging in second and third quarter of 2013 in the wake of renewed bouts of political instability, real GDP growth rebounded to 4 percent (q/q, seasonally adjusted annualized rate or saar), on average, in 2013Q4, up from 1.7 percent in 2013Q3 (figure 2.17). High-frequency indicators suggest a continued, though fragile, recovery in the oil-importing countries of the region. A strong rebound in industrial production in Egypt from a low base (figure 2.18)—driven by growth in manufacturing, oil-extraction, and a stimulus package—had pushed up the average for these countries to 38 percent (q/q, saar) in 2014Q1. However, already in February and March industrial production growth leveled off again. Sentiment in Egypt remains downbeat, with the Purchasing Managers' Index (PMI) dipping back below 50 for the first five months of 2014, after two months above the contraction/expansion threshold at the end of 2013, signaling a slower pace of growth going forward and reflecting still severe supply-side and security constraints.

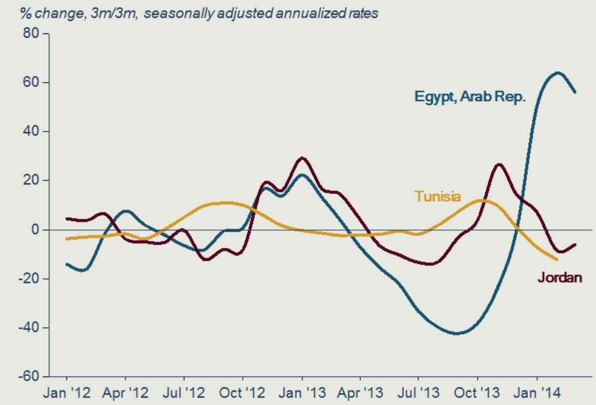
1. This chapter covers low- and middle-income countries of the Middle East and North Africa region while high-income Gulf Cooperation Council (GCC) countries are excluded. The developing countries are further divided into two groups; oil importers and oil exporters.
Developing oil importers are: Djibouti, Arab Republic of Egypt, Jordan, Lebanon, Morocco, Tunisia, and West Bank and Gaza.
Developing oil exporters are: Algeria, the Islamic Republic of Iran, Iraq, Libya, the Syrian Arab Republic, and the Republic of Yemen.

Figure 2.17 **GDP growth for oil-importing countries is picking up in 2013Q4**



Source: Haver, World Bank.

Figure 2.18 **Industrial production is volatile but exhibiting signs of recovery**



Source: Haver, World Bank.

While no comparable data is available for Tunisia, Jordan and Morocco, trade data indicates strengthening non-agricultural activity, in part buoyed by the recovery in the Euro Area. In Tunisia, the successful adoption of a new constitution, reduced security tensions and pre-election reforms seem to have bolstered confidence. In Lebanon, however, activity, exports and sentiment remain depressed, reflecting spillovers from the conflict in Syria and unsettled domestic political conditions. There are now more than 1 million refugees living in Lebanon or more than 20 percent of the population. The Lebanese PMI for May pointed to a contraction in business activity for the 11th consecutive month, with security issues weighing heavily on tourism arrivals and in turn impacting domestic wholesale and hospitality industries. Merchandise exports, which fell 37 percent during 2013, contracted further by 13 percent annualized pace during the 2014Q1.

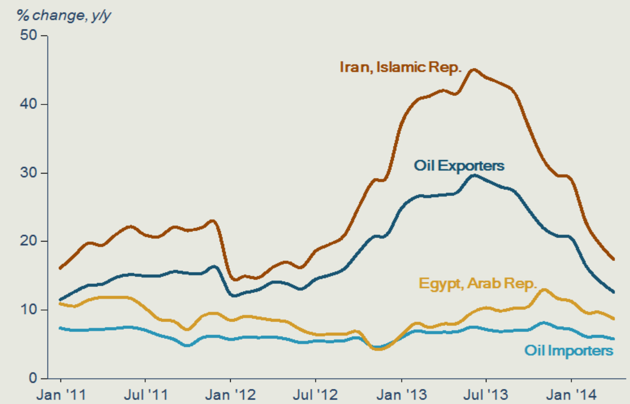
In oil-exporting developing countries, output is recovering as well. Growth has been highly volatile among developing oil exporters, and GDP contracted by 1.8 percent in 2013, reflecting production setbacks in Libya and Iraq, sanctions in Iran, and civil war in Syria. However, oil output now appears to be recovering, averaging 7.7 million barrels per day (mb/d) in 2014Q1, due to rebounding production in Iraq—the region's largest producer—though still below the 2013 average output and the pre-Arab Spring average (figure 2.19). In Iraq, crude production surged to an average of 3.3 mb/d in Q1 2014, of which 80 percent were exported as long-standing bottlenecks were removed in the southern oil-producing region as well as at the oil export terminals in the Gulf. February's output was the country's highest level of production since 1979. Iran's output also grew in 2014Q1 to an average of 2.7 mb/d following the so-called "Joint Plan of Action" between the permanent five UN Security Council members plus Germany and Iran signed in November 2013. The Joint Plan of Action is designed to be temporary and the two sides have set a July deadline to reach a comprehensive permanent agreement. Output in Libya has been cut to a fifth since November 2013 amid persistent unrest and protest by separatist militias seeking a greater share of the country's oil wealth. Negotiations between national authorities and regional militias have been intensifying in order to resume the oil output and exports, but with limited success so far.

Ongoing political transitions and planned elections in 2014-16 may delay the implementation of needed structural reforms. A new constitution was approved in Tunisia and amendments to the 2012 constitution were approved in Egypt. While the Tunisian transition has been praised for its inclusiveness, the Egyptian transition is proceeding according to the political roadmap presented in the wake of the overthrow of the Morsi government, but at the expense of a more inclusive democratic process. Interim governments will govern in both countries until elections are held in the latter half of 2014. A new government was also appointed in Lebanon after nearly a year of political vacuum, but its duration is uncertain as the parliament is supposed to elect a new president in May 2014. Regularly scheduled elections were held in Iraq and Algeria as well in 2014. Political transition remains at an early stage in Yemen with election expected in late 2015 or early 2016. Libya's transition is highly volatile

Figure 2.19 Oil production in the developing oil-exporting countries has begun to pick up

Source: Bloomberg, Energy Intelligence Group, World Bank.

Figure 2.20 Inflation is subsiding in developing countries of the region



Source: Haver, World Bank.

and uncertain with elections for a new transitional parliament scheduled for June 2013. In this election environment, structural reforms needed to address slowing growth and growing unemployment and poverty will likely be postponed.

Fiscal balances remain weak, with much of the financing provided by official transfers from Gulf Cooperation Council (GCC) countries. Fiscal deficits have grown across the board in the wake of the Arab Spring and have now exceeded 7 percent of regional GDP for two years in a row. Revenues have been falling as growth has slowed, while expenditures on public sector wages and general subsidies—two dominant categories in government expenditure—have increased rapidly partly to limit further social discontent. Facing fiscal pressures and in order to sustain priority spending, oil-importers have cut investment spending, borrowed from domestic banks and benefited from $22 billion in exceptional official financing from the GCC countries. Egypt has announced two fiscal stimulus packages amounting to 3.4 percent of GDP financed by $17 billion in GCC aid in order to support slowing growth. In Jordan, GCC grants in the amount of $5 billion are financing a capital investment program starting in 2014. IMF programs in Jordan, Tunisia and Morocco continue to provide buffers against possible external shocks. Oil-exporters have seen deficits emerge and widen in almost all cases as production declined or was disrupted. The fiscal deterioration was most acute in Libya and Yemen where deficits have grown to 8 percent of GDP in 2013 as insurgencies have sharply curtailed oil output and revenues.

Subsidies in the region remain large, growing and inefficient. Attempts are underway in Egypt, Iran, Jordan, Morocco and Tunisia to reform food and fuel subsidies, which amount to 5 percent of GDP in Tunisia, more than 9 percent in Egypt and Yemen and 11 percent in Libya. Historically subsidies have been motivated as a tool of social protection but there is growing evidence that they are disproportionally benefiting the well-off segments of the population, while adding to both fiscal and current account pressures (among countries that import food and fuel). Accordingly, reforming subsidies is crucial to better serve the needy and improve macroeconomic fundamentals and long term fiscal sustainability in the region (see discussion in the special topic of chapter 1). Weak growth and concerns about raising prices pose challenges to the reform process. For example, although Egypt will double natural gas prices in 2014 for consumers connected to the gas distribution network, electrical generation facilities and bakeries will be exempt from the hike, eliminating the bulk of natural gas users from the reform. As a result fiscal savings will be negligible. In Iran, the authorities have increased rationed gasoline prices by 75 percent and non-rationed gasoline prices by 45 percent. The hikes in gasoline prices were announced in April after inflation had fallen below 20 percent (y/y) in March for the first time in 18 months (figure 2.20). Despite these reforms, more needs to be done. Energy prices in region remain among the lowest in the world, and far below international prices.

Private capital inflows to the developing countries of the region declined in the first five months of 2014 by $2.1 billion (a

Table 2.10 **Net capital flows to Middle East and North Africa ($ billions)**

	2008	2009	2010	2011	2012	2013e	2014f	2015f	2016f
Capital Inflows	27.2	46.3	40.6	8.5	29.8	26.7	22.6	25.3	28.8
Foreign direct investment	27.6	23.3	18.6	10.8	14.6	13.4	12.3	15.3	17.8
Portfolio investment	-5.2	2.3	11.0	-10.6	-1.9	-0.4	0.3	1.6	1.8
Equity	0.4	1.2	2.0	-0.6	-1.3	0.1	0.1	0.5	1.1
Debt instruments	-5.6	1.1	9.0	-10.0	-0.6	-0.5	0.2	1.1	0.7
*Other investment**	4.8	20.7	10.9	8.3	17.1	13.7	10.0	8.4	9.2
o/w									
Bank lending	-1.7	-2.2	-1.8	-0.8	0.1	-0.5	-0.2	0.5	1.4
Short-term debt flows	-1.9	3.0	4.5	-2.6	4.0	4.3	2.3	1.4	1.1
Official inflows	-1.7	2.5	1.3	1.2	4.8	9.1	6.1	5.1	4.4
World Bank	-0.3	0.9	0.8	0.9	0.8	0.8	..	..	..
IMF	-0.1	-0.1	0	-0.1	0.5	0	..	..	..
Other official	-1.4	1.6	0.5	0.3	3.5	8.3	..	..	..
Memo items (as a percentage of GDP)									
Current account balance	4.6	-0.9	1.6	2.7	-0.7	-3.4	-3.3	-3.6	-3.7
Capital inflows	2.8	4.8	3.7	0.7	2.3	2.2	1.7	1.8	1.8
Capital outflows	1.1	0.6	1.3	0.2	0.2	0.4	..	..	..

Source: World Bank.
* including short-term and long-term private loans, official loans, other equity and debt instruments, and financial derivatives and employee stock options.
Note: e = estimate, f = forecast.

decline of 38 percent) from last year, as bond flows almost halved. This reflects the fact that access to international capital markets is still limited due to lingering political and economic uncertainty. Only three developing countries in the region raised funds in international debt markets during the first five month of the year: Egypt raised $776 million through a syndicated loan for trade financing purposes and Morocco, Lebanon, and Egypt raised $2.6 billion combined through four new bond issues. With limited access to external finances, Egypt is planning to issue a near-record 205 billion Egyptian pounds ($29 billion) in domestic debt in the second quarter and raise government tax on capital gains in an effort to finance its growing budget deficit.

Strong official inflows have helped compensate for weak private flows. Net capital flows to the developing countries of the region dropped in 2013 and are estimated at $26.7 billion (1.8 percent of GDP), down from $29.8 billion (2.1 percent of GDP) in 2012 (table 2.10) and remain well below the average for all developing countries (5.6 percent of GDP in 2013). However, strong official inflows in the form of aid from the Gulf countries have helped the region buffer the drop-off in private flows. The decline in private flows is a result of a drop in net FDI flows, primarily into Egypt and Tunisia, because of political turmoil. Overall, net FDI levels remain well below pre-Arab Spring inflows and are projected to recover to those levels only late in the forecast period.

Compounding the tight financial environment, foreign currency earnings from remittances to the developing countries of the region declined in 2013 by 2 percent to about $46 billion. While growth in remittances is expected to pick up to 5-6 percent annually over the forecast period, it will remain well below the 12 percent annual average recorded during 2010-12 period. Some 85 percent of remittance inflows go to the oil-importing countries of the region, with Egypt being the largest recipient ($17.5 billion in 2013, compared with $19.2bn in 2012). Accordingly much of the expansion during 2010-12 and the subsequent decline has been accounted for by Egypt. The drop in 2013 was due in large part to more stringent enforcement of labor regulations and an end to an amnesty period in Saudi Arabia, which hosts a third of all Egyptian migrants. This resulted in a departure of some 300,000 migrants back to Egypt in the second half of 2013. Remittances to Lebanon, Jordan and Morocco, other large recipients in the region, recovered in 2013, after flat or negative growth in 2012.

Table 2.11 **Middle East and North Africa forecast summary**
(annual percent change unless indicated otherwise)

	00-09[a]	2010	2011	2012	2013e	2014f	2015f	2016f
GDP at market prices, geographic region[b, c]	4.2	4.5	2.5	2.7	1.9	2.9	3.8	3.8
GDP at market prices, developing countries[c]	4.1	4.7	-0.8	0.6	-0.1	1.9	3.6	3.5
	(Sub-region totals-- countries with full NIA + BOP data)[d]							
GDP at market prices, developing countries[c]	4.4	4.6	1.8	-1.8	0.1	2.1	2.6	3.1
GDP per capita (units in US$)	2.8	3.0	0.2	-3.3	-1.4	0.6	1.2	1.7
PPP GDP[e]	4.4	4.5	1.7	-1.3	0.4	2.2	2.7	3.1
Private consumption	4.1	3.5	2.1	1.2	0.8	2.2	3.3	3.5
Public consumption	4.3	1.4	3.1	3.3	2.9	3.7	3.8	3.8
Fixed investment	6.7	4.4	-1.8	-0.9	1.5	0.7	2.1	3.3
Exports, GNFS[f]	4.1	7.0	-4.1	-6.6	-1.1	3.7	4.2	4.5
Imports, GNFS[f]	7.4	4.0	1.1	3.5	2.7	3.2	4.8	5.0
Net exports, contribution to growth	-0.7	0.8	-1.6	-3.0	-1.2	-0.1	-0.4	-0.5
Current account bal/GDP (%)	5.2	1.6	2.7	-0.7	-3.4	-3.3	-3.6	-3.7
GDP deflator (median, LCU)	6.0	8.4	6.4	5.8	4.8	3.7	3.9	4.0
Fiscal balance/GDP (%)	-0.5	-1.9	-1.7	-7.4	-7.3	-6.6	-6.1	-6.2
Memo items: GDP								
Developing countries, ex. Syria	4.1	4.8	-0.6	1.7	0.8	2.2	3.8	3.6
High Income Oil Exporters[g]	4.4	4.3	6.3	5.0	3.9	4.1	4.0	4.1
Developing Oil Exporters	3.9	5.2	-2.6	-0.5	-1.8	1.3	3.7	3.5
Developing Oil Importers	4.5	3.8	2.6	2.5	2.7	2.7	3.4	3.6
Egypt	4.4	3.5	2.0	2.2	2.3	2.6	3.1	3.2
Fiscal Year Basis	4.3	5.1	1.8	2.2	2.1	2.4	2.9	3.2
Iran	4.6	5.9	2.7	-5.6	-1.7	1.5	2.0	2.3
Algeria	3.6	3.6	2.6	3.3	2.7	3.3	3.5	3.6

Source: World Bank.
a. Growth rates over intervals are compound weighted averages; average growth contributions, ratios and deflators are calculated as simple averages of the annual weighted averages for the region.
b. Geographic region includes the following high-income countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates.
c. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.
d. Sub-region aggregate excludes Djibouti, Iraq, Libya, and West Bank and Gaza, for which data limitations prevent the forecasting of GDP components or Balance of Payments details.
e. GDP measured at PPP exchange rates.
f. Exports and imports of goods and non-factor services (GNFS).
g. High Income Oil Exporting Countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

Outlook

Growth in the Middle East and North Africa region is expected to strengthen gradually but to remain weak during the forecast period. Nominal oil prices (World Bank average) underpinning the forecasts are expected to average $103/bbl during 2014 (down slightly from $104/bbl in 2013) and decline to $99/bbl and $98/bbl in 2015 and 2016 respectively. Egypt, Morocco, Tunisia, Jordan, and to lesser extent Lebanon, appear to be entering the period of stable recovery from a period of volatility and uncertainty. Other countries in the region, such as Libya, Yemen and Syria are not. Consequently, growth in the developing countries of the region is projected to pick up gradually to 1.9 percent in 2014 to around 3.5 percent in 2016, helped by a rebound in oil production among oil exporters and a modest recovery among oil importing economies (table 2.11).

In the baseline scenario, only a gradual improvement in the political uncertainty that has plagued the region for the past three years is expected. As a result, although growth will pick up, the recovery is not expected to be sufficiently forceful to make deep inroads into spare capacity and unemployment. According to World Bank estimates, the region needs to create 28 million jobs in the next 7 years—or about 4 million per year—just to keep the unemployment rate from rising. Historically, the region created 3.5 million jobs at an average growth rate of 5 percent. Of course, if political tensions ease (or deteriorate) more quickly than anticipated outcomes could be substantially better (or worse).

Among oil exporters, growth is expected to firm to about 3.5 percent by the end of the forecast period as oil prices are expected to remain relatively high, and as mitigation or resolution of infrastructure problems and security setbacks improves oil output. In turn, this will underpin a gradual improvement in fiscal outturn support domestic demand. Importantly, the baseline outlook for Iran assumes a partial easing of the sanctions in line with steps taken to date.

Among oil importers, aggregate growth is expected to remain weak and below potential at 2.7 percent in 2014 as performance will not improve dramatically in the forecast period unless there is a credible restoration of political stability and return of confidence. In addition, without tackling the long -overdue structural problems, growth cannot return to full potential. Aggregate growth for the sub-region is expected to slowly pick up to about 3.6 percent in 2016, closer to—but still well below—potential growth. Consumption will be underpinned by large public outlays on wages and subsidies, while public investment will likely be constrained in the forecast period by large fiscal deficits.

Risks

The region's outlook is subject to significant downside risks that are mostly internal to the region. A further escalation of violence in Syria and spillovers to other countries (mainly Lebanon, Jordan and Iraq) could adversely affect growth. Over 2.1 million Syrian refugees are hosted in the region, with refugees in Lebanon and Jordan amounting to 21 and 8 percent of populations there. Economic, social, and fiscal pressures are high for these countries and could be exacerbated further should the civil war in Syria intensify.

Countries in political transition have benefited from large official transfers from the Gulf economies. While these are expected to continue, the associated debt will become increasingly burdensome; also, the larger the assistance, the larger the rollover and refinancing risk for recipients. Already, public debt levels have increased in oil-importing countries from 74 to 87 percent of the sub-regional GDP in the 2011-2013 period. They may be approaching unsustainable levels as debt servicing costs account for an ever larger share of the expenditures, especially in the domestic debt markets.

Setbacks in political transitions and/or further escalation of violence in Egypt, Iraq, Libya, Tunisia and Yemen would further undermine confidence and delay the structural reforms or reduce oil output. On the upside, restoration of political stability and policy certainty that leads to sustained attention to structural reforms could substantially boost confidence and return growth to the long-run potential.

External risks are more balanced. European growth could disappoint the already modest recovery projected, but it could also do better, supporting exports, tourism, remittances and capital flows in North Africa. In addition, risks from a tightening of global financial conditions could lead to a rise in risk premiums for developing countries and lead to lower FDI.

A severe escalation of tensions in the Ukraine could pose acute risks for the region, particularly oil and food importers. In addition to sharp impacts on global confidence which could dent the global recovery, a disruption in grain and energy supplies—Russia and Ukraine account for 16 percent of global wheat exports, while Russia is the largest global oil producer—and sharp price hikes could severely weaken already stretched current and fiscal account deficits in the region. Importantly, the baseline outlook assumes no physical disruptions to the commodities markets as a result of tensions in Ukraine.

On the flip side, a sharper-than-projected decline in commodity prices could lead to a significant deterioration in external and fiscal accounts of the oil-exporting countries although benefiting more vulnerable importers in the region. This scenario could happen, for example, if Iran and Libya return some 2 million barrels per day of idled capacity to the market at a time of a surging Iraqi and non-OPEC production (unconventional North American production). Economic impacts of a sharp decline in oil prices would be significant. For example, as presented in June 2013 edition of the GEP, under a scenario where oil prices decline to $80/barrel in real terms in one year, GDP growth would be reduced by 1.4 percentage point (pp) in the developing oil exporters of the region. Current account balances would deteriorate by 3.5 pp of GDP and fiscal balances would weaken by 2.1 pp of GDP on average in the first year of the decline. While this would benefit the developing oil-importers of the region, the impact would not be as economically significant. Their growth would improve by 0.5 pp on average while current and fiscal accounts would improve by 0.5 and 0.2 pp of GDP on average respectively.

Table 2.12 Middle East and North Africa country forecasts

	00-09[a]	2010	2011	2012	2013e	2014f	2015f	2016f
Algeria								
GDP at market prices (% annual growth)[b]	3.6	3.6	2.6	3.3	2.7	3.3	3.5	3.6
Current account bal/GDP (%)	22.4	7.5	9.7	6.4	1.4	0.7	-1.7	-3.4
Djibouti								
GDP at market prices (% annual growth)[b]	3.5	3.5	4.5	4.8	5.0	6.0	6.5	6.5
Current account bal/GDP (%)	..	-5.4	-14.1	-12.3	-13.1	-15.2	-13.0	-12.8
Egypt, Arab Rep.								
GDP at market prices (% annual growth)[b]	4.4	3.5	2.0	2.2	2.3	2.6	3.1	3.2
Fiscal Year Basis	4.3	5.1	1.8	2.2	2.1	2.4	2.9	3.2
Current account bal/GDP (%)	1.1	-2.0	-2.6	-3.4	-1.9	-0.9	-1.5	-2.0
Iran, Islamic Rep.								-
GDP at market prices (% annual growth)[b]	4.6	5.9	2.7	-5.6	-1.7	1.5	2.0	2.3
Current account bal/GDP (%)	6.3	6.5	10.3	4.7	0.3	0.2	0.1	0.0
Iraq								
GDP at market prices (% annual growth)[b]	-1.0	5.9	10.2	10.3	4.2	5.9	6.7	8.2
Current account bal/GDP (%)	..	3.0	12.0	6.7	0.0	1.0	1.2	1.4
Jordan								
GDP at market prices (% annual growth)[b]	6.1	2.3	2.6	2.7	2.8	3.1	3.5	4.0
Current account bal/GDP (%)	-4.4	-7.1	-12.0	-18.4	-15.8	-13.7	-12.4	-11.3
Lebanon								
GDP at market prices (% annual growth)[b]	4.4	7.0	3.0	1.4	0.9	1.5	2.5	3.0
Current account bal/GDP (%)	-16.6	-20.3	-12.1	-3.9	-6.3	-6.8	-7.0	-7.2
Libya								
GDP at market prices (% annual growth)[b]	3.8	5.0	-62.1	104.5	-9.4	-9.7	28.8	9.0
Current account bal/GDP (%)	..	22.5	9.2	29.1	-5.5	-28.0	-19.4	-18.0
Morocco								
GDP at market prices (% annual growth)[b]	4.6	3.6	5.0	2.7	4.4	3.0	4.4	4.5
Current account bal/GDP (%)	-0.1	-4.3	-8.1	-9.9	-8.7	-7.9	-6.8	-5.8
Syrian Arab Republic								
GDP at market prices (% annual growth)[b,c]	4.6	3.2	-3.4	-21.8	-22.5	-8.6	-6.2	1.7
Current account bal/GDP (%)	2.8	-0.6	-16.0	-18.7	-22.0	-16.8	-12.5	-8.6
Tunisia								
GDP at market prices (% annual growth)[b]	4.2	3.0	-2.0	3.6	2.6	2.7	3.5	4.0
Current account bal/GDP (%)	-2.7	-4.7	-7.3	-8.1	-8.4	-7.5	-7.1	-6.3
Yemen, Rep.								
GDP at market prices (% annual growth)[b]	3.5	7.7	-12.6	2.4	4.0	5.9	4.2	3.8
Current account bal/GDP (%)	1.1	-3.7	-4.2	-0.9	-3.0	-3.4	-3.7	-4.2
West Bank and Gaza								
GDP at market prices (% annual growth)[b]	2.4	9.2	12.2	5.9	1.5	2.5	2.7	2.9
Current account bal/GDP (%)	..	-24.3	-32.0	-36.4	-29.5	-30.4	-29.6	-29.4

	00-09[a]	2010	2011	2012	2013e	2014f	2015f	2016f
Recently transitioned to high-income economies [d]								
Oman								
GDP at market prices (% annual growth)[b]	4.3	5.6	0.3	5.8	4.8	4.5	4.0	4.0
Current account bal/GDP (%)	9.1	9.6	9.1	8.0	7.6	4.0	1.2	0.9
Saudi Arabia								
GDP at market prices (% annual growth)[b]	4.6	7.4	8.6	5.1	4.0	4.1	4.2	4.3
Current account bal/GDP (%)	15.3	11.9	23.6	22.0	17.3	15.8	13.5	10.7

Source: World Bank.
World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.
a. GDP growth rates over intervals are compound average; current account balance shares are simple averages over the period.
b. GDP measured in constant 2010 U.S. dollars.
c. The estimates for GDP decline in Syria in 2012 and 2013 are subject to significant uncertainty.
d. The recently high-income countries are based on World Bank's country reclassification from 2004 to 2014.