



Prospects for the Arab Economies in the Light of Current Political Transitions

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Distribution of Middle East GDP

GDP of Arab Countries, \$2,508 bn

<i>Saudi Arabia</i>	23.0%
<i>U.A.E.</i>	14.4%
<i>Egypt</i>	10.3%
<i>Iraq</i>	8.4%
<i>Algeria</i>	8.3%
<i>Kuwait</i>	7.0%
<i>Qatar</i>	7.0%
These 7	78%

“Arab Spring 6” **19.8%***

Egypt 10.3

* *Bahrain, Egypt, Libya, Syria, Tunisia and Yemen*

GDP of Middle East, \$3,811 bn*

<i>Turkey</i>	20.7%
<i>Saudi Arabia</i>	15.1%
<i>Iran</i>	13.5%
<i>U.A.E.</i>	9.5%
<i>Egypt</i>	6.8%
<i>Iraq</i>	5.5%
<i>Algeria</i>	5.5%
These 7	77%

“Arab Spring 6” **13.0%**

Egypt 6.8

* *Includes Turkey and Iran*

Distribution of Middle East Population

Population of Arab Countries, 340 mn

<i>Egypt</i>	23.3%
<i>Algeria</i>	11.1%
<i>Rep. Sudan</i>	10.7%
<i>Morocco</i>	9.4%
<i>Iraq</i>	9.4%
<i>Saudi Arabia</i>	8.2%
These 6	72%

“Arab Spring 6” 42.0%*

<i>Egypt</i>	23.3%
<i>Yemen</i>	6.9%
<i>Syria</i>	6.5%

* *Bahrain, Egypt, Libya, Syria, Tunisia and Yemen*

Population of Middle East, 491 mn*

<i>Egypt</i>	16.2%
<i>Iran</i>	15.6%
<i>Turkey</i>	15.1%
<i>Algeria</i>	7.7%
<i>Rep. Sudan</i>	7.4%
<i>Morocco</i>	6.5%
<i>Iraq</i>	6.5%
These 7	75%

“Arab Spring 6” 29.2%

<i>Egypt</i>	16.2%
<i>Yemen</i>	4.8%
<i>Syria</i>	4.5%

* *Includes Turkey and Iran*

Distribution of Middle East Bank Assets

Assets of Banks in Arab Countries, \$2,585 bn

U.A.E.	18.9%
Saudi Arabia	17.9%
Egypt	8.9%
Qatar	8.7%
Bahrain	8.5%
Kuwait	6.6%
Lebanon	5.9%
These 7	75.4%

“Arab Spring 6” 19.1%*

<i>Egypt</i>	<i>8.9%</i>
<i>Bahrain</i>	<i>8.5%</i>

* *Bahrain, Egypt, Libya, Syria, Tunisia and Yemen*

Assets of Banks in Middle East Countries, \$3,870 bn*

Turkey	17.1%
Iran	16.1%
U.A.E.	12.6%
Saudi Arabia	11.9%
Egypt	5.9%
Qatar	5.8%
Bahrain	5.7%
These 7	75.1%

“Arab Spring 5” 15.6%

<i>Egypt</i>	<i>5.9%</i>
<i>Bahrain</i>	<i>5.7%</i>

* *Includes Turkey and Iran*

Distribution of Middle East Oil Supply

Oil supplied by Arab Countries (2012 avg b/d) 27,881

<i>Saudi Arabia</i>	42.1%
<i>U.A.E.</i>	11.5%
<i>Iraq</i>	10.7%
<i>Kuwait</i>	10.0%
<i>Algeria</i>	6.7%
<i>Qatar</i>	5.7%
<i>Libya</i>	5.3%
These 7	75.4%

“Arab Spring 6” 9.6%*

<i>Libya</i>	5.3%
<i>Egypt</i>	2.6%

* *Bahrain, Egypt, Libya, Syria, Tunisia and Yemen*

World Oil Supply (2012 avg b/d) 89,348

<i>Saudi Arabia</i>	13.1%
<i>Iran</i>	4.0%
<i>U.A.E.</i>	3.6%
<i>Iraq</i>	3.3%
<i>Kuwait</i>	3.1%
<i>Algeria</i>	2.1%
<i>Qatar</i>	1.8%
<i>Libya</i>	1.7%
These 8	32.7%

“Arab Spring 6” 3.1%

<i>Libya</i>	1.7%
<i>Egypt</i>	0.8%



Re-enforcement of “Two Middle Easts”

- Continued growth and economic development in most of GCC, but...
- No economic resurgence in Egypt over medium term.
- No economic revival in Iraq over medium/long term due to political conflict.
- Long-term uncertainty in Libya, Syria and Yemen.
- Morocco increasingly seeing opportunities for growth in sub-Saharan Africa rather than Middle East.



Broad Regional Challenges

- **Uncertainty of political succession.**
- **Challenge of youth population “bulge” and need to create meaningful employment.**
- **Lost opportunity in Egypt to integrate Islamic parties in mainstream political process.**
- **Possible re-entry of Iran into International community.**



The Role of the Financial Sector

- Need for strong private sector banks to support economic growth...
- Also need to expand non-bank financial services to support economic growth.
- Financial inclusion -> social inclusion: banks as tools to increase “social inclusion.”

“Two Middle Easts” particularly visible in Middle East banking & financial sector