

NEWS RELEASE

Bahrain ranked highest for economic freedom in Arab world, Kuwait and Lebanon tied for second

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For Immediate Release

MARRAKECH, MOROCCO—Bahrain is the most economically free Arab nation, followed closely by Kuwait and Lebanon, according to the *Economic Freedom of the Arab World: 2009 Annual Report*.

The peer-reviewed report produced by the Fraser Institute, one of Canada's leading economic think tanks, along with the International Research Foundation of Oman and the Cairo office of the Friedrich Naumann Foundation for Liberty, was released November 14 at the annual meeting of the Economic Freedom of the Arab world in Marrakech. The meeting attracted delegates from nations throughout the Middle East.

This is the first year enough data was available to include Bahrain in the rankings, which had the best overall score of 7.9 out of 10. Kuwait and Lebanon, which finished first and second in 2008, tied for second with a score of 7.8 this year. Oman is fourth with a score of 7.7.

"The closeness of the scores of these top four suggests a virtual tie for the overall top spot since all four countries are within 0.2 points of each other," said Fred McMahon, Fraser Institute director of globalization studies.

Algeria, Syria, Mauritania, and Tunisia have the weakest levels of economic freedom. Although the top scorers all rank very close to each other, there are significant gaps among the bottom four with Algeria at 5.7 and Syria at 5.8, while Tunisia and Mauritania are tied at 6.4.

"Although the Gulf States have achieved the highest level of economic freedom in the Arab world, this is not necessarily due to their oil wealth," McMahon said.

"Wealth from oil production and export presents a great temptation for governments to overspend and crowd out private-sector economic activity but the Gulf States have worked to open their economies internally and externally to world trade and this is a credit to governance in the region."

Economic freedom is based on the cornerstones of personal choice, voluntary exchange, freedom to compete, and security of private property. Research shows that individuals living in countries with high levels of economic freedom enjoy higher levels of prosperity, greater individual freedoms, and longer life spans. The complete report can be found at www.freetheworld.com

The *Economic Freedom of the Arab World: 2009 Annual Report* compares and ranks Arab nations in five economic freedom areas: size of government; commercial and economic law and security of property rights; access to sound money; freedom to trade internationally, and the regulation of credit, labour, and business.

"The economic freedom index's 42 variables provide a comprehensive description of an economy that Nobel Laureate Douglass North called 'the best available description of efficient markets,'" McMahon said.

"Governments that pursue policies that encourage economic freedom should be applauded. In the long run, these policies will provide additional opportunities for people, improve their nation's economy, and create a better life for their people."

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The report measures at least some areas of economic freedom in 22 nations but due to data limitations, calculations of the overall level of economic freedom are only available for 15 jurisdictions: Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, UAE, and Yemen. The rankings are entirely based on third party data. The full data sets are available at www.freetheworld.com

The report, which has been published since 2005 in partnership with the International Research Foundation of Oman and recently the Friedrich Naumann Foundation for Liberty, is an outgrowth of the Fraser Institute's annual Economic Freedom of the World report, which ranks the economic freedom levels of 141 nations around the globe.

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